

Istanbul, 11/04/2016

**General Letter:1277**  
**Central Counterparty Department**

**Subject:** Values to be used during calculation of capital liability for risks concerning qualified transactions conducted by Banks with Central Counterparties

**Related** Brokerage Firms (For due action)

**Parties:** Banks (For information)

Dear General Manager,

As known, our Bank, having obtained 'Central Clearing Institution' status pursuant to Provisional Article 8 of the Capital Market Law no. 6362, has also been authorized to render central counterparty services in Takasbank Security Lending Market (SLM) and Borsa Istanbul Derivatives Market (DM) pursuant to Article 78 of the Law no. 6362. Our bank has been undertaking performance of liabilities associated with matching orders in the markets in the capacity of central counterparty (CCP) since September 2, 2013 in SLM and since March 3, 2014 in DM.

On the other hand, Annex 4 of the Communiqué on Measurement and Assessment of Banks' Capital Adequacy enacted on 31.03.2016 by Banking Regulation and Supervision Agency sets forth the calculation of capital requirement for banks' exposures to central counterparties and data to be used during calculation, the notification procedures for these, as well as the criteria required for consideration of transactions conducted with central counterparties as qualified.

Legislation and rules enacted concerning CCP services in Turkey, as well as conformity of CCP services provided by Takasbank with CPMI-IOSCO Principles for Financial Market Infrastructures (PFMI), were evaluated by the Capital Markets Board (Board) and the decision making body of the board decided in its meeting dated 23.03.2016 that Takasbank satisfied the requirements for 'Qualifying CCP' and evaluation of the Board was announced to the public. Opinion of Capital Markets Board on the fact that transactions, conducted by Turkish banks in markets where Takasbank provides CCP services, could be considered to be 'qualified transaction' pursuant to Banking Regulation and Supervision Agency legislation (Annex 4) as Takasbank was considered to be a 'Qualifying CCP' pursuant to Basel 3 regulations of BIS (Bank for International Settlements), was separately submitted to the Banking Regulation and Supervision Agency in writing.

In this regard, data issued pursuant to Annex 4 of the Regulation on Measurement and Assessment of Banks' Capital Adequacy, concerning risk exposures of banks due to qualified transactions conducted by, Banks established in Turkey, in Takasbank Security Lending Market and Borsa Istanbul Derivatives Market, are provided in tables in Annex 1 and Annex 2. Attached data are also compatible with BIS Basel 3 regulations and, if necessary, they can be used by banks established abroad for solo or consolidated capital requirement calculations if 'Qualifying CCP' announcements of foreign supervision authorities are directly accepted by the supervision authorities of countries where such banks are established.

Calculations have been made in consideration of the market data dated 31.03.2016, and it is planned to perform the following calculation by the last business day of June unless an extraordinary development arises.

Kindly submitted for your information.

Respectfully,

**TAKASBANK  
ISTANBUL CLEARING, SETTLEMENT AND CUSTODY BANK  
INC.**

**M.Ayhan ALTINTAŞ  
Director**

**Cengiz ÖZÜBEK  
Deputy General Manager**

ANNEX 1: Parameters on banks exposures to CCPs for Borsa Istanbul Derivatives Market

ANNEX 2: Parameters on banks exposures to CCPs for Takasbank Security Lending Market

## ANNEX 1:

Reporting currency (ISO code)	TRY
Unit (1, 1000, 1000000)	1
Key Summary Statistics	
$DF_{CCP}$ , CCP's prefunded own resources	59,381,000
$DF_{CM}$ , Prefunded default fund from all members	170,972,516
$DF'$ , Total prefunded default fund contributions	225,604,280
N, number of clearing members	72
$K_{CCP}$ , hypothetical capital requirement	0
Average $D_{fi}$	2,374,618
$K^*_{CM}$ , aggregate capital requirement for all members	265,957
Beta in allocation formula	0.2657
Allocation scale for C-factor	By $D_{Fi}$
C-factor, RW used to calculate each CM capital requirement	0.198%

\* The calculations are based on data reported as at 31/03/2016. Next disclosure is planned to be made using data reported as at 30/06/2016.

ANNEX 2:

Securities Lending Market	
Reporting currency (ISO code)	TRY
Unit (1, 1000, 1000000)	1
Key Summary Statistics	
DFCCP, CCP's prefunded own resources	1,679,000
DFCM, Prefunded default fund from all members	1,219,000
DF', Total prefunded default fund contributions	2,854,464
N, number of clearing members	56
KCCP, hypothetical capital requirement	0
Average Dfi	21,768
K*CM, aggregate capital requirement for all members	1,881
Beta in allocation formula	0.3479
Allocation scale for C-factor	By DFi
C-factor, RW used to calculate each CM capital requirement	0.210%

\* The calculations are based on data reported as at 31/03/2016. Next disclosure is planned to be made using data reported as at 30/06/2016.