



İstanbul, 21/07/2020

General Letter: 1640

CENTRAL COUNTERPARTY DEPARTMENT

Subject: The values that the banks will use in calculating the capital adequacy ratio for the risks related to the qualified transactions with the Central Counterparties

Concerned: Banks

Dear CEO,

As is known, Takasbank has been granted as “*Central Counterparty*” by the Capital Markets Board pursuant to Article 78 of the Capital Markets Law No.6362.

On the other hand, in Annex 4 of the Regulation on the Measurement and Assessment of the Capital Adequacy of Banks, published in the Official Gazette on October 23, 2015 and to enter into force on 31 March 2016, the Banking Regulation and Supervision Agency determined data required to calculate the capital requirement for the risks arising from CCPs, related reporting processes and the criteria for the transactions against CCPs that must be fulfilled in order to be accepted as “Qualified”.

In Turkey, Takasbank, along with its CCP rules and operations, has been declared by Capital Market Board on 23/03/2016 as “Qualified CCP” complying with CCP related legislation and Principles for Financial Market Infrastructures issued by CPMI-IOSCO. In the letter dated 28/03/2016 and addressed to our bank, it was stated that Takasbank was a “Qualified CCP” in the framework of Basel 3 of the BIS (Bank for International Settlements. In letter, CMD was in the opinion that exposure of banks in Turkey against Takasbank to be regarded as 'qualified transaction' within the framework of Annex 4 of the Banking Regulation and Supervision Agency regulation on capital requirement and this opinion was already notified to the BRSA in the letter dated 25/03/2016 and numbered 3558.

To this end, as attached in Annex to this letter, banks located in Turkey could calculate their “qualified transactions” at Borsa İstanbul Istanbul Futures and Options Market, Takasbank Securities Lending Market, Borsa İstanbul Money Market, Borsa İstanbul Debt Securities Market, Borsa İstanbul SWAP Market and Over-the-counter transactions subject to central clearing within the framework of the Regulation on Measurement and Assessment of Banks' Capital Adequacy. Furthermore, the Annex attached is in compliant with BIS Basel 3 regulations and may also be used in solo or consolidated capital requirements calculations by banks headquartered at abroad if

the supervisory authorities of the countries where they are established directly accept the “Qualified CCP” announcement of the other third country supervisory authorities.

The calculations are based on market data as of 30/06/2020. If no extraordinary developments occur, the next calculation is planned to be made on the last business day of September, 2020.

We ask for your kind information.

Respectfully,

TAKASBANK
ISTANBUL CLEARING AND CUSTODY BANK INC

Serkan AŐKAR
EXECUTIVE VICE
PRESIDENT

Gökhan ELİBOL
DEPUTY CEO
BOARD MEMBER

Annex: Hypothetical Capital Requirement and Related C-factor for BIAS Futures and Options Market, Takasbank Securities Lending Market, BIAS Money Market, BIAS Debt Securities Market, BIAS SWAP Market and Over-the-counter transactions subject to central clearing (as of 30/06/2020)

Annex: Hypothetical Capital Requirement and Related C-factor for BIAS Futures and Options Market, Takasbank Securities Lending Market, BIAS Money Market, BIAS Debt Securities Market, BIAS SWAP Market and Over-the-counter transactions subject to central clearing (as of 30/06/2020)

Reporting currency (ISO code)	TRY
Unit (1, 1000, 1000000)	1

Key Summary Statistics	BIAS Futures and Options Market	Takasbank Securities Lending Market	BIAS Money Market	BIAS Debt Securities Market (Repo Market Transactions)	BIAS SWAP Market	Over-the-counter transactions subject to central clearing
DFCCP, CCP's prefunded own resources	29,392,000 TL	1,789,000 TL	805,000 TL	71,989,000 TL	38,564,000 TL	1,607,000 TL
DFCM, Prefunded default fund from all members	67,081,896 TL	6,085,698 TL	13,077,493 TL	1,333,352,143 TL	1,411,016,450 TL	41,222,169 TL
DF', Total prefunded default fund contributions	94,441,111 TL	7,640,632 TL	13,065,150 TL	1,373,968,152 TL	1,368,950,939 TL	38,706,952 TL
Average DFi^- ,	1,016,392 TL	117,033 TL	408,672 TL	15,686,496 TL	40,314,756 TL	2,061,108 TL
N, number of clearing members	66	52	32	85	35	20
KCCP, hypothetical capital requirement	0	0	0	0	0	0
K*CM, aggregate capital requirement for all members	104,079 TL	9,363 TL	19,616 TL	2,083,167 TL	2,128,619 TL	59,360 TL
Beta in allocation formula	0.4271	1.000	0.9844	0.4993	0.8649	0.3516
C-factor, RW used to calculate each CM capital requirement	0.223%	0.314%	0.308%	0.236%	0.289%	0.200%