

İstanbul, 23/01/2024



General Letter: 1951

MONEY MARKET TEAM

Subject: About Changes in Collateral Valuation Haircuts in Takasbank Money Market (TMM)

Related Parties: Brokerage Houses
Banks
Financial Institutions
Insurance, Life and Pension Companies
Asset Management Companies
Mortgage Finance Institutions

Dear CEO,

Takasbank reviews periodically the valuation haircuts of assets accepted as collateral and revises them if deemed necessary. Within this context, the valuation haircuts of collateral in TMM is revised. In addition, Article 27 titled "Limits and transaction limits" has been amended within the scope of legislative uniformity.

The comparison table of valuation haircuts is annexed and the relevant changes will be put into practice on 24/01/2024. As of the same date, Takasbank Money Market (TMM) Procedure including the updates will be accessible on Takasbank web site (www.takasbank.com.tr/en).

Respectfully submitted for your information and further action.

Sincerely yours,

TAKASBANK
İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

Zehra Zeynep ÖÇAL
Director

Gökhan ELİBOL
Executive Vice President

Annex:

1- TMM Procedure Change Comparison Table (1 page)

TMM Procedure Change Comparison Table	
ARTICLE CONTENT- OLD	ARTICLE CONTENT- NEW
<p>ARTICLE 27 - Depositing, withdrawing and replacing collateral</p> <p>...</p> <p>(8): Collateral operations related to the stocks, investment fund participation certificates, asset backed securities, bank bonds/bills and Borsa Istanbul shares create a transfer record on the accounts held at the MKK. In order to be able to deposit the collaterals related to these assets, the related member must have a portfolio account (4 account class) and investor account (1 account class) at MKK.</p>	<p>ARTICLE 27 - Depositing, withdrawing and replacing collateral</p> <p>...</p> <p>(8) Collateral operations related to the stocks, investment fund participation certificates, asset backed securities, bank bonds/bills and Borsa Istanbul shares create a transfer record on the accounts held at the MKK. In order to be able to deposit the collaterals related to these assets, the related member must have a portfolio account (4 account class) and investor account (1 account class) at MKK.</p> <p><u>(9) For fixed income securities to be accepted as collateral, the principal and coupons representing the entire security must be deposited together. Segregated fixed income securities are not accepted as collateral. It is the responsibility of the member to maintain the collateral level by taking into account the operational processes in redemption and coupon payments.</u></p>

TMM Procedure Change Comparison Table

ARTICLE CONTENT- OLD						ARTICLE CONTENT- NEW																																																																											
Collateral groups, valuation haircuts and upper limit ratios						Collateral groups, valuation haircuts and upper limit ratios																																																																											
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<table><tr><th>Collateral Group</th><th>Collateral Type</th><th>Time to Maturity/ Index</th><th>Valuation Haircut</th><th>Group Based Upper Limit Ratio (%)</th><th>Asset Based Upper Limit Ratio (%)</th></tr><tr><td>1</td><td>Gold</td><td></td><td>0,87</td><td>25,00</td><td>100,00</td></tr><tr><td>2</td><td>Borsa Istanbul shares</td><td></td><td>1,00</td><td>100,00</td><td>100,00</td></tr><tr><td rowspan="3">3</td><td rowspan="3">Government Domestic Debt Instrument (TRY, USD and EUR denominated)</td><td>0-1 year</td><td>0,96</td><td rowspan="3">100,00</td><td rowspan="3">100,00</td></tr><tr><td>1-5 year</td><td>0,84</td></tr><tr><td>5 year and more</td><td>0,78</td></tr><tr><td></td><td></td><td>0-5 year</td><td>0,89</td><td></td><td></td></tr></table>						Collateral Group	Collateral Type	Time to Maturity/ Index	Valuation Haircut	Group Based Upper Limit Ratio (%)	Asset Based Upper Limit Ratio (%)	1	Gold		0,87	25,00	100,00	2	Borsa Istanbul shares		1,00	100,00	100,00	3	Government Domestic Debt Instrument (TRY, USD and EUR denominated)	0-1 year	0,96	100,00	100,00	1-5 year	0,84	5 year and more	0,78			0-5 year	0,89			<table><tr><th>Collateral Group</th><th>Collateral Type</th><th>Time to Maturity/ Index</th><th>Valuation Haircut</th><th>Group Based Upper Limit Ratio (%)</th><th>Asset Based Upper Limit Ratio (%)</th></tr><tr><td>1</td><td>Gold</td><td></td><td>0,87</td><td>25,00</td><td>100,00</td></tr><tr><td>2</td><td>Borsa Istanbul shares</td><td></td><td>1,00</td><td>100,00</td><td>100,00</td></tr><tr><td rowspan="3">3</td><td rowspan="3">Government Domestic Debt Instrument (TRY, USD and EUR denominated)</td><td>0-1 year</td><td>0,9694</td><td rowspan="3">100,00</td><td rowspan="3">100,00</td></tr><tr><td>1-5 year</td><td>0,8480</td></tr><tr><td>5 year and more</td><td>0,78</td></tr><tr><td rowspan="2"></td><td rowspan="2"></td><td>0-5 year</td><td>0,89</td><td rowspan="2"></td><td rowspan="2"></td></tr><tr><td>5-10 year</td><td>0,89</td></tr></table>						Collateral Group	Collateral Type	Time to Maturity/ Index	Valuation Haircut	Group Based Upper Limit Ratio (%)	Asset Based Upper Limit Ratio (%)	1	Gold		0,87	25,00	100,00	2	Borsa Istanbul shares		1,00	100,00	100,00	3	Government Domestic Debt Instrument (TRY, USD and EUR denominated)	0-1 year	0,9694	100,00	100,00	1-5 year	0,8480	5 year and more	0,78			0-5 year	0,89			5-10 year	0,89
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4	Eurobond - USD denominated	5-10 year	0,89	100,00	100,00
		10-30 year	0,88		
		30 year and more	0,86		
4	Eurobond - EUR denominated	0-5 year	0,89	100,00	100,00
		5-10 year	0,85		
		10-30 year	0,72		
		30 year and more	0,72		
		0-1 year	0,95		
5	Lease Certificate	1-5 year	0,82		
		5 year and more	0,82		
6	Share	BIST-30	0,83	90,00	50,00
		BIST-100	0,79		
7	Cash-EUR		0,89	100,00	100,00
7	Cash- USD		0,90	100,00	100,00
7	Cash-TRY		1,00	100,00	100,00

4	Eurobond - USD denominated	10-30 year	0,88	100,00	100,00
		30 year and more	0,86		
4	Eurobond - EUR denominated	0-5 year	0,89	100,00	100,00
		5-10 year	0,85		
		10-30 year	0,7271		
		30 year and more	0,7271		
		0-1 year	0,9592		
5	Lease Certificate	1-5 year	0,8278		
		5 year and more	0,8276		
6	Share	BIST-30	0,8380	90,00	50,00
		BIST-100	0,79		
7	Cash-EUR		0,89	100,00	100,00
7	Cash- USD		0,90	100,00	100,00
7	Cash-TRY		1,00	100,00	100,00
8	Bank Bond / Bill		0,73	50,00	40,00

8	Bank Bond / Bill		0,73	50,00	40,00
9	Letter of Guarantee		1,00	100,00	100,00
10	Asset-Backed Security	0-1 year	0,95	50,00	40,00
		1-5 year	0,82		
		5 year and more	0,82		
11	Investment Fund Participation Certificate		0,89	50,00	20,00

9	Letter of Guarantee		1,00	100,00	100,00
10	Asset-Backed Security	0-1 year	0,9592	50,00	40,00
		1-5 year	0,8278		
		5 year and more	0,8276		
11	Investment Fund Participation Certificate		0,89	50,00	20,00

TMM Procedure Change Comparison Table	
ARTICLE CONTENT- OLD	ARTICLE CONTENT- NEW
<p>ARTICLE 32 - Rights arising from the collaterals</p> <p>...</p> <p>(7) The redemption operations of the TRY denominated Treasury Bills and Government Bonds, lease certificates, asset backed securities, and bank bonds and bills held in the collateral accounts on the redemption date shall be conducted in the collateral accounts and the redemption proceeds shall be transferred to the Members' collateral accounts. The redemption payments of foreign currency denominated Treasury Bills and Government Bonds shall be transferred to Member Foreign Currency Current Account.</p> <p>(8) The coupon payments of the Eurobonds, lease certificates, asset backed securities, bank bonds and bills and the TRY denominated Treasury Bills and Government Bonds held in the collateral accounts of the members shall also be transferred to the Members' collateral accounts. The coupon payments of foreign currency denominated Treasury Bills and Government Bonds shall be transferred to Member Foreign Currency Current Account.</p>	<p>ARTICLE 32 - Rights arising from the collaterals</p> <p>...</p> <p>(7) The redemption operations of the TRY denominated Treasury Bills and Government Bonds, lease certificates, asset backed securities, and bank bonds and bills held in the collateral accounts on the redemption date shall be conducted in the collateral accounts and the redemption proceeds shall be transferred to the Members' collateral accounts. The redemption payments of foreign currency denominated Treasury Bills and Government Bonds shall be transferred to Member Foreign Currency Current Account. <u>It is the member's responsibility to maintain the collateral level by taking into account the operational processes in redemption payments.</u></p> <p>(8) The coupon payments of the Eurobonds, lease certificates, asset backed securities, bank bonds and bills and the TRY denominated Treasury Bills and Government Bonds held in the collateral accounts of the members shall also be transferred to the Members' collateral accounts. The coupon payments of foreign currency denominated Treasury Bills and Government Bonds shall be transferred to Member Foreign Currency Current Account. <u>It is the member's responsibility to maintain the collateral level by taking into account the operational processes in coupon payments.</u></p>