



İstanbul, 14/04/2020

General Letter: 1625

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,

Our Bank 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. This declaration was announced to the public on the same day. 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.

In this context, Annex 1 is attached to this letter in order that 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 Annex 4 of the Regulation on Measurement and Assessment of Banks' Capital Adequacy. Annex attached is also in compliant with BIS Basel 3 regulations and may 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 31/03/2020. If no extraordinary developments occur, the next calculation is planned to be made on the last business day of June 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 1:** 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 31/03/2020)

**Annex 1: 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 31/03/2020)**

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	57,264,000 TL	1,789,000 TL	805,000 TL	68,001,000 TL	38,546,000 TL	15,500,000 TL
DFCM, Prefunded default fund from all members	55,226,412 TL	10,409,175 TL	12,357,830 TL	1,462,296,676 TL	1,360,096,781 TL	35,607,459 TL
DF', Total prefunded default fund contributions	110,841,862 TL	11,797,822 TL	12,390,466 TL	1,495,890,695 TL	1,318,655,088 TL	47,359,306 TL
Average $DFi^-$	824,275 TL	200,176 TL	386,182 TL	17,203,490 TL	40,002,846.49 TL	1,874,077 TL
N, number of clearing members	67	52	32	85	34	19
KCCP, hypothetical capital requirement	0	0	0	3,740 TL	0	0
K*CM, aggregate capital requirement for all members	85,725 TL	16,014 TL	18,537 TL	2,284,624 TL	2,048,146 TL	50,975 TL
Beta in allocation formula	0.4230	1.000	0.9993	0.6096	0.4386	0.4810
C-factor, RW used to calculate each CM capital requirement	0.223%	0.314%	0.310%	0.254%	0.221%	0.220%