



İstanbul, 16/01/2020

General Letter: 1609

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 31/12/2019. If no extraordinary developments occur, the next calculation is planned to be made on the last business day of March 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 31/12/2019)

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 31/12/2019)

a. BIAS Futures and Options Market

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

Key Summary Statistics

DFCCP, CCP's prefunded own resources	57,264,000 TL
DFCM, Prefunded default fund from all members	40,403,493 TL
DF', Total prefunded default fund contributions	96,461,419 TL
Average DFi^{-} ,	603,037 TL
N, number of clearing members	67
KCCP, hypothetical capital requirement	0 TL
K*CM, aggregate capital requirement for all members	62,716 TL
Beta in allocation formula	0.3991
C-factor, RW used to calculate each CM capital requirement	0.219%
Allocation scale for C-factor	By DFI

b. Takasbank Securities Lending Market

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

Key Summary Statistics

DFCCP, CCP's prefunded own resources	1,789,000 TL
DFCM, Prefunded default fund from all members	8,057,576 TL
DF', Total prefunded default fund contributions	9,536,669 TL
Average DFi^{-} ,	154,953 TL
N, number of clearing members	52
KCCP, hypothetical capital requirement	0
K*CM, aggregate capital requirement for all members	12,396 TL
Beta in allocation formula	0.4749
C-factor, RW used to calculate each CM capital requirement	0.230%
Allocation scale for C-factor	By DFI

c. BIAS Money Market

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

Key Summary Statistics

DFCCP, CCP's prefunded own resources	805,000 TL
DFCM, Prefunded default fund from all members	12,279,799 TL
DF', Total prefunded default fund contributions	12,317,312 TL
Average DFi ,	383,743 TL
N, number of clearing members	32
KCCP, hypothetical capital requirement	0
K*CM, aggregate capital requirement for all members	18,420 TL
Beta in allocation formula	0.834
C-factor, RW used to calculate each CM capital requirement	0.283%
Allocation scale for C-factor	By DFI

d. BIAS Debt Securities Market (Repo Market Transactions)

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

Key Summary Statistics

DFCCP, CCP's prefunded own resources	68,001,000 TL
DFCM, Prefunded default fund from all members	1,588,453,088 TL
DF', Total prefunded default fund contributions	1,619,078,721 TL
Average DFi ,	18,687,683 TL
N, number of clearing members	85
KCCP, hypothetical capital requirement	0
K*CM, aggregate capital requirement for all members	2,481,724 TL
Beta in allocation formula	0.6585
C-factor, RW used to calculate each CM capital requirement	0.262%
Allocation scale for C-factor	By DFI

e. BIAS SWAP Market

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

Key Summary Statistics

DFCCP, CCP's prefunded own resources	38,564,000 TL
DFCM, Prefunded default fund from all members	1,316,422,407 TL
DF', Total prefunded default fund contributions	1,277,549,795 TL
Average DFi ,	38,718,306 TL
N, number of clearing members	34
KCCP, hypothetical capital requirement	0
K*CM, aggregate capital requirement for all members	1,982,377 TL
Beta in allocation formula	0.8444
C-factor, RW used to calculate each CM capital requirement	0.286%
Allocation scale for C-factor	By DFI

f. Over-the-counter transactions subject to central clearing

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

Key Summary Statistics

DFCCP, CCP's prefunded own resources	15,500,000 TL
DFCM, Prefunded default fund from all members	36,952,934 TL
DF', Total prefunded default fund contributions	47,525,876 TL
Average DFi ,	2,463,529 TL
N, number of clearing members	15
KCCP, hypothetical capital requirement	0
K*CM, aggregate capital requirement for all members	51,241 TL
Beta in allocation formula	0.7637
C-factor, RW used to calculate each CM capital requirement	0.261%
Allocation scale for C-factor	By DFI