

Company Profile

Organization Name:	Istanbul Clearing, Settlement and Custody Bank Inc., Takasbank
Country/ Region:	Turkey
Name of CEO:	Mahmut Kayacık
Capital (US\$):	USD 159 Million as of 31.12.2017
Number of Officers and Employees:	281 employees as of 31.12.2017
Ownership and Governance (Main Shareholders)	<p>Takasbank has 42 shareholders as of 31.12.2017.</p> <p>The share of each shareholder, except for Borsa İstanbul A.Ş., may not, directly or indirectly exceed 5 percent of the Bank's capital.</p> <p>The Borsa İstanbul holds 63.83 % of the shares. 17.04% is shared among 11 banks and the remaining 19.13% belongs to 30 brokerage houses.</p>
Brief History	<p>Clearing and settlement of securities traded on the Istanbul Stock Exchange (ISE) were first executed by a department formed within the ISE in 1988. In January 1992, the settlement and custody task were transferred to the company, İMKB Takas ve Saklama A. Ş (ISE Settlement and Custody, Inc), which was founded as a partnership between the ISE and its members. This company was converted into a sector-specific bank named Takasbank -İMKB Takas ve Saklama Bankası A.Ş (ISE Settlement and Custody Bank, Inc) on January 2, 1996 and has been operating as a non-deposit taking investment bank since that time. On 11 April 2013, subsequent to the name change of ISE as "Borsa İstanbul Inc.", ISE Settlement and</p>

	<p>Custody Bank, Inc changed its name to “Istanbul Clearing, Settlement and Custody Bank Inc.” and continued its operations.</p> <p>With the completion of the dematerialization process of equities in Turkey, in 2005, Takasbank handed over its CSD function for equities to the newly established institution, the Central Registry Agency (CRA). Takasbank has % 65 shares of CRA.</p> <p>Takasbank is authorized by the Turkish Capital Market Authority, the Capital Markets Board (CMB) to provide clearing and settlement services for Borsa Istanbul markets (spot and precious metals). In addition, Takasbank provides cash clearing and collateral management services to Turkish Electricity Market participants.</p> <p>Takasbank is also providing CCP services for Borsa Istanbul Futures and Options Markets as of 3 March 2014, Takasbank Securities Lending Market as of 2 September 2013, in the Money Market on 14.10.2016 and in the Equities Market on 19.06.2017 and finally at Borsa İstanbul Debt Securities Market on 02.07.2018.</p> <p>In addition, Takasbank, as the National Numbering Agency of Turkey, allocates ISIN, CFI and all related codes to the securities issued in Turkey. Moreover, as of 11 November 2013, Takasbank is endorsed by ROC (Regulatory Oversight Committee) as the preoperating unit for allocation of Legal Entity Identifier (LEI) codes. Takasbank has successfully completed the Accreditation process carried by GLEIF on 01/02/2018 and became an accredited Local Operating Unit.</p> <p>As of July 2014, Takasbank is authorized by the CMB as the portfolio custody institution for the</p>
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	<p>portfolio assets of collective investment schemes. Takasbank is a sector-specific bank established under the Turkish Banking Law and incorporated as a non-deposit taking investment bank dedicated to securities services in Turkey. Takasbank, with its banking capacity, apart from its unique securities services mentioned above, provides money market facility and banking services including cash credits, securities lending and cross-border settlement and custody services via SWIFT and correspondent accounts to its members to achieve settlement finality.</p>
Types and number of Participants	<ul style="list-style-type: none"> *39 Banks *66 Brokerage Houses *1,100 Electricity Market Participants *48 Factoring Companies *438 Investment Funds *46 Mercantile Exchanges and Licensed Warehouses *423 Private Pension Funds *50 Portfolio Management Companies *76 Precious Metals Brokerage Houses *158 Others
Regulatory Environment	<p>Capital Market Board (for clearing and settlement functions)</p> <p>Banking Regulation and Supervision Agency (for banking services)</p> <p>Central Bank of Turkey</p>
Exchanges	Borsa Istanbul
Other CSDs or clearing organization in your country	<p>Central Registry Agency (CRA)- CSD for equities and private sector debt instruments</p> <p>Central Bank (CBTR)- CSD for government bonds & bills.</p>

Services Provided	<ul style="list-style-type: none"> • Central clearing and settlement services for Borsa Istanbul (BIAS) equities, debt securities, foreign securities, derivatives and precious metals markets. • Central counterparty for Borsa Istanbul Futures and Options Market, Takasbank Securities Lending Market, Money Market, Equities Market and Debt Securities Market. • Settlement bank for Turkish Electricity Market, • Operator of the Takasbank Money Market (TMM) for TRY transactions, • Operator of the Turkish Electronic Fund Trading Platform, • Custodian for Pension Funds, • Portfolio custody services for the portfolios of the collective investment schemes incorporated in Turkey, • Global and local custody services, • National numbering agency for securities issued in Turkey (ISIN, CFI), • Local operating unit for LEI allocation for local and international legal entities.
Eligible Securities	All kinds of securities traded on Borsa Istanbul.
Corporate Action services Provided? Yes/No (If yes, what kinds of services provided?)	N/A
Value of Securities in Custody (US\$):	As of 31.12.2017, the value of investment funds is USD 10,265 million, the value of pension funds is USD 16,686 million, the value of market investment funds is 14 million and the value of investment trusts is USD 102 million under the

	custody of Takasbank.
Amount of Cash Settled per annum (US\$):	USD 41,963 million (average,2017)
Percentage of Securities Immobilized/ Dematerialized:	N/A
Market Capitalization/ Trading volume per annum (US\$):	N/A
Total Revenue/ Expense and Net income Per annum (US\$):	Net Profit USD 73,271 thousand as of 31.12.2017
Memorandum of Understanding/ Business Agreement (Date)	<p>Memorandum of Understanding (MoU) Agreement with:</p> <p>National Depository Center of the Republic of Azerbaijan (2007),</p> <p>Central Securities Depository of Iran (2008),</p> <p>Muscat Depository and Securities Registration Company (2009),</p> <p>Abu Dhabi Securities Exchange (2010),</p> <p>Korea Securities Depository (2010),</p> <p>Switzerland SIX Exchange Securities Group (SIX xclear and SIX SIS) (2012),</p> <p>Misr for Clearing, Depository and Registry-MCDR (2012),</p> <p>Korean Securities Depository regarding Fund Platforms (2012),</p> <p>Japan Securities Depository Center Inc., (2013),</p> <p>Tunisian Depository & Clearing Institution (2013).</p>
Cross-Broader Transaction (Counterpart)	N/A
Withholding Tax Treatment of Cross-Border Trading	N/A

Transactions (Details)	
DVP Implementation (Yes/No)	YES
Settlement Period	Equities: T+2 Bonds and Bills: T+0 Derivatives: T+1
Contact Information	<p>Contact Person:</p> <p>Mr. Muhterem Celik, Manager</p> <p>Tel: +90 212 315 21 87</p> <p>Ms. Selin Ucar, Senior Specialist</p> <p>Tel: +90 212 315 20 71</p> <p>E-mail: uie@takasbank.com.tr</p> <p>Fax:+90 212 315 21 14</p> <p>Website: www.takasbank.com.tr</p>
Remarks	<p>Statistics</p> <p>In 2017, after multilateral netting process, in Borsa Istanbul Equity Market settlement transactions, cash settlement of TRY 21.3 billion (5.47% of the total trading volume) and equities settlement with a market value of TL 76.61 billion (19.68% of the total trading volume) was achieved.</p> <p>At Borsa Istanbul Debt Securities Market, after multilateral netting process, cash settlement of TRY 192.89 billion (15.91% of the total trading volume) and securities settlement with a market value of USD 702.56 billion (57.98% of the total trading volume) was achieved.</p> <p>Ongoing and Completed Projects:</p> <p>Takasbank is carried into effect 'Gold Transfer System' which enables fast and reliable system</p>

	<p>that facilitates interbank transfer of gold under bank accounts. Gold transfer system is expected to attract tons of under the pillow gold into the National economy.</p> <p>The projects under development is natural gas settlement services (01.09.2018) which Takasbank will provide settlement and collateral management to the day-ahead market and Takasbank will be the central settlement bank at Natural gas balancing market.</p> <p>Cheque Settlement project is also went alive which commercial banks are participants and clearing and collateralization is done by Takasbank.</p> <p>Blockchain practices for various Takasbank sevices are keeping going.</p>
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