



BANKING  
REGULATION AND  
SUPERVISION AGENCY

## PRESS RELEASE

10/08/2020

According to Banking Law No. 5411 Articles 93 and 43/2, Board of the Banking Regulation and Supervision Agency resolutions dated and numbered 18.04.2020- 9000, 30.04.2020- 9003 and 29.05.2020-9042 had required that Assets ratio must be calculated by banks and monthly average of the ratio shall not fall below 100% for the deposit banks and 80% for the participation banks as of the end of each month. In addition, it is deemed appropriate that the requests from banks for these Board resolutions taken under pandemic conditions should be considered within the framework of the normalization steps and Board's resolutions regarding the Asset Ratio (AR) calculation; as of 01.08.2020, it has been decided;

1- The AR, which was determined as 100% for deposit banks and 80% for participation banks in the Board Decision No. 9000, should be regulated as 95% and 75% respectively, and within this scope;

- monthly average of the AR ratio shall not fall below 95% for the deposit banks and 75% for the participation banks as of the end of each month,
- the excess amount to be taken as basis in accordance with Article 148/1(a) for deposit banks with AR value below 95% and for participation banks with AR value below 75% which is in failure in compliance with stated AR, shall be calculated as the amount of change in nominator that will bring the ratio respectively to %95 or %75 by the end of the relevant month,

2- The average rate of Central Bank of the Republic of Turkey (CBRT) foreign exchange buying which realized in the previous month of the calendar announced by BRSA shall be taken into account to convert all FX items included in the nominator and denominator of AR to TL for the current month at the ratio calculation date,

3- Funds granted to Real Estate Investment Funds and Venture Capital Investment Funds shall be included in the "Securities" item in the nominator of AR,

4- Coefficient of 1.75 applied to the part of the total of FX Deposits that exceed FX Loans mentioned in Board Resolution numbered 9042 shall not be applied to funds provided from foreign individuals and entities, including KKTC (Republic of Northern Cyprus) residents,

5- AR formula is revised as follows:

$$\text{Assets Ratio (AR)} = \frac{\text{Loans} + (\text{Securities} \times 0.75^*) + (\text{CBRT Swaps} \times 0.5)}{\text{TRY Deposit} + (\text{FX Deposit} \times 1.75^{**})}$$

(\* ) monthly average of the AR ratio must be 95% for the deposit banks and 75% for the participation banks as of the end of each month,

(\*\* ) coefficient of 1 shall be applied to FX Deposit up to the amount of FX Loans

6- This decision should be submitted to the Banks Associations and published on the Agency's website.

Respectfully announced to the public.