



BANKING
REGULATION AND
SUPERVISION AGENCY

PRESS RELEASE

25/09/2020

As it was stated on the press release dated 12/04/2020, the total notional amount of banks' currency swaps, forwards, options and other similar derivative transactions with non-residents, excluding the transactions with their non-resident financial subsidiaries and affiliates which are subject to consolidation,

- Where banks receive TRY at the maturity date (total amount of wrong-way derivatives transactions), have been limited not to exceed 1% of the bank's most recently calculated regulatory capital, and
- Where banks pay TRY and receive FX in exchange at the maturity date (total amount of right-way derivatives transactions), have been limited not to exceed
 - 1% of the bank's most recently calculated regulatory capital for the transactions with the remaining maturity of seven days or less,
 - 2% of the bank's most recently calculated regulatory capital for the transactions with the remaining maturity of thirty days or less, and
 - 10% of the bank's most recently calculated regulatory capital for the transactions with the remaining maturity of one year or less.

These ratios, should have been calculated daily on solo and consolidated basis, options should have been taken into account with their delta equivalence in the calculation and derivative transactions whose effective date is after the transaction date should have been considered based on their effective date in the calculation and in this regard, unless current excess is eliminated, no further transactions of these types should have been executed within the maturity ranges with limit violations.

Upon BRSA Board decision no 9169 dated 25/09/2020, the above-mentioned ratios, should be applied as

- **10%** for the aforementioned transactions where banks receive TRY at the maturity date (**wrong-way transactions**), and
- **2%** where banks pay TRY and receive FX in exchange for the aforementioned transactions (**right-way transactions**) with the remaining maturity of seven days or less,

- **5%** where banks pay TRY and receive FX in exchange for the aforementioned transactions (**right-way transactions**) with the remaining maturity of thirty days or less,
- **20%** where banks pay TRY and receive FX in exchange for the aforementioned transactions (**right-way transactions**) with the remaining maturity of one year or less.

Respectfully announced to the public.