

From the Banking Regulation and Supervision Agency:

Resolution of the Board of the Banking Regulation and Supervision Agency

Resolution Number: 9312

Date: 08.12.2020

As a result of the examination of the letter dated 07.12.2020 and numbered 24049440-010.99- E.18152 at the meeting of the Board dated 08.12.2020;

- A.** As a result of the re-evaluation of Board Resolutions and instructions taken in the past, which brought temporary regulations on banks' obligations, in order to support the real sector, bank customers and banks in a period when uncertainties and risks in global markets are high due to the pandemic, in the current period it would be appropriate to extend those regulations with the same purposes, thus within this framework **until 30.06.2021**,
- In accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks, in calculation of amount subject to credit risk, to calculate the amount of the non-monetary and monetary assets, excluding the items in foreign currencies in accordance with Turkey Accounting Standards and the amount of related specific provisions, it is possible to use simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date
 - If the net valuation differences of the securities owned by banks in the "Securities with Fair Value Differences Reflected in Other Comprehensive Income" portfolio are negative, these differences may not be taken into account in the amount of equity to be calculated in accordance with the Regulation On Own Funds Of Banks and used for the capital adequacy ratio,
 - The depreciation provisions of the securities owned by banks in their portfolios as of 23/3/2020 may not be taken into account in the calculation of the foreign currency net general position within the scope of the Regulation On Calculation And Application Of Foreign Exchange Net General Position / Own Funds Standard Ratio By Banks On Consolidated and Non-Consolidated Bases
 - As stated in the Board Decision dated 17.03.2020 and numbered 8948, the 90-day delay period foreseen for the non-performing loan classification within the scope of Articles 4 and 5 of Regulation on Procedures and Principles for Classification of Loans and the Provisions to be Set Aside, for these loans it shall be applied as 180 days and continuing to allocate provisions for loans that are still classified in the Second Group despite the delay, according to the banks' own risk models in the calculation of expected credit losses within the scope of TFRS 9,
 - As stated in the Board Decision dated 19.03.2020 and numbered 8950, the 90-day delay period specified in the sub-paragraph (a) of the first paragraph of Article 6 of the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies and the sixth paragraph of the same article, will be applied as 180 days and 240 days for the financial leasing companies and for companies that allocate credit losses scope of TFRS 9, and the companies will continue to make

provisions according to their own risk models for the receivables that are not transferred to the "Receivables to be Liquidated" account

- As stated in the Board Decision dated 27.03.2020 and numbered 8970, within the scope of Article 4 of the Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions to be Set Aside, the 30 days delay period for the classification of the loans in the Second Group shall be applied as 90 days for the loans followed in the First Group and provisions for loans that continue to be classified in the First Group despite the 30-day delay, shall be continued to allocate according to the banks' own risk models in the calculation of expected credit losses within the scope of TFRS 9,
- As stated in the Board Decision dated 27.03.2020 and numbered 8971, in accordance with the sixth paragraph of Article 12 / A of the Regulation on Credit Transactions of Banks and the fifth paragraph of Article 11 / A of the Regulation On Principles For Establishment and Operations Of Financial Leasing, Factoring And Financing Companies, in case the principal and interest payments of the and vehicle loans are postponed until 30.06.2021 upon the request of the customers, maturity limits determined by the third and sixth paragraphs of Article 12/A of the Regulation on Banks' Credit Transactions and the second and fifth paragraphs of Article 12/A of the Regulation On Principles For Establishment and Operations Of Financial Leasing, Factoring And Financing Companies not to be taken into account
- As stated in the Board Decision dated 30.03.2020 and numbered 8975, banks can define periods by not demanding their receivables including the minimum amount from card holders during the period during which they postpone their card debts
- As stated in the Board Decision dated 09.07.2020 and numbered 9093, it is left to the discretion of the card issuing institutions to stop the credit cards function of use of cash or to purchase goods and services, for which the minimum payment amount has not been paid, in accordance with the sixth paragraph of the Article 22 of the Regulation on Bank Cards and Credit Cards,
- As stated in the Board Decision dated 09.06.2020 and numbered 9054, the obligation to dispose of commodities and real estates within 3 years from the date of acquisition won't be applied, regulated in the second paragraph of Article 16 of the Regulation On Procedures and Principles for Classification of Loans and the Provisions to be Set Aside (Provisions Regulation)
- As stated in the Board Decision dated 08.11.2019 and numbered 8653,
 - Within the scope of the repurchase right practice, the loans whose collateral is obtained by the bank in return for loan debt or paid in kind is exempted from the provisions of the fourth paragraph of Article 6 of the Regulation On Procedures and Principles for Classification of Loans and the Provisions to be Set Aside,
 - The monitoring period specified as "one year" in the clause (b) of the fifth paragraph of Article 7 of the Regulation On Procedures and Principles for Classification of Loans and the Provisions to be Set Aside, for the restructured non-performing loans to be classified as a restructured receivable under the Second Group is specified as "six months",
- As stated in the Board Decision dated 17.03.2020 and numbered 8948, the rule of Provisions Regulation, the fifth sub-clause of the first paragraph of Article 4, which classifies as performing loans following the application of forbearance measures but

principal and/or interest payments are past due more than 30 days within the one-year probation period or being subject to forbearance measures within the one year probation period, wont be applied.

B. Expiring as of 31.12.2020,

- As stated in the Board Decision dated 26.03.2020 and numbered 8967, exemption until 31.12.2020 for deposit and participation banks to meet the Liquidity Coverage Ratio (LCR), and for development and investment banks to meet the Liquidity Adequacy Ratio (LAR) for their liquidity levels,
- As stated in the Board Decision dated 02.04.2020 and numbered 8976,
 - To grant an additional 60 days for various reporting and reporting periods for banks, independent audit institutions, rating institutions, asset management companies, financial leasing, factoring and financing companies in various regulations, effective until 31.12.2020, and allowing time until 31.12.2020 for the most up-to-date financial statements and other documents audited by independent audit institutions, which are required by the legislation from the customers who have a loan 100 million TL or more
 - In addition, keeping records regarding the deficiencies of the documents required to be obtained within the scope of the clause (1) of the Article 11/A of the Regulation on Credit Transactions of Banks and the completion of the missing information and documents within 6 months following the loan allocation and to completing the missing information and documents from existing credit customers by the end of 2020 in accordance with clause (2) of the Article 11/A,
- Regarding the standard ratio of interest rate risk arising from banking accounts specified in the Board Decision dated 16.04.2020 and numbered 8998, banks are exempted until 31.12.2020, from the first and second paragraph of the Article 5 of the Regulation on Measurement and Evaluation of Interest Rate Risk in the Banking Book by Standard Shock Method,
- As stated in the Board Decision dated 29.05.2020 and numbered 9041, until 31.12.2020, in accordance with subparagraph (ç) of the fourth paragraph of Article 20 of the Communiqué on Credit Risk Mitigation Techniques, fair value calculation for financial collaterals which must be done at least every 6 months left to the discretion of banks, and that the fair values of 31.12.2019 can be considered valid in the valuation of financial collaterals,

The implementation of Board Resolutions regarding the issues above **will be terminated as of 31.12.2020** in order to monitor the indicators regarding the financial structure of the banking sector more transparently and to manage possible risks more efficiently.

C. It has been decided to announce this decision to the Financial Institution and Banks' Associations and to publish it on the Agency's website.