

Press Release on Reserve Requirement Ratios

20 August 2020, No: 2020-50

TL and FX reserve requirement ratios have been raised for banks fulfilling real credit growth conditions.

As part of the normalization process, in its press release of [18 July 2020](#), the CBRT announced that it increased FX reserve requirement ratios by 300 basis points in all liability types and maturity brackets for all banks. Now, the CBRT has decided to raise FX reserve requirement ratios for banks fulfilling real credit growth conditions by 700 basis points for precious metal deposit accounts and by 200 basis points for all other FX liabilities for all maturity brackets.

Moreover, in line with the recent steps taken towards the Turkish lira liquidity management, for banks fulfilling the real credit growth conditions: TL reserve requirement ratios have been increased by 200 basis points for all deposits / participation funds liabilities with a maturity up to 6 months and other liabilities with a maturity up to 1 year, and by 150 basis points for other liabilities with a maturity up to 3 years.

As a result of this decision, approximately TRY 17 billion and USD 8.5 billion of FX and gold liquidity is expected to be withdrawn from the market.

Thus, with the revision made on 18 July 2020 and this current arrangement, USD 17.7 billion of FX and gold liquidity, which has been injected into the market since 17 March 2020 due to the reduction of FX reserve requirement ratios and the fulfilment of real credit growth conditions by some banks for the first time, will be fully withdrawn as part of the normalization.

These changes will be effective from the calculation date of 21 August 2020 with the maintenance period starting on 4 September 2020.

Contact

For further information, you may send an e-mail to basin@tcmb.gov.tr.

Türkiye Cumhuriyet Merkez Bankası
(Central Bank of the Republic of Turkey)
Head Office
Hacı Bayram Mah. İstiklal Cad. No:10 06050
Ulus Altındağ Ankara +90 (312) 507 50 00
www.tcmb.gov.tr