

Press Release on Reserve Requirements

20 June 2020, No: 2020-34

A revision is made to the reserve requirement regulation that links the reserve requirement ratios and remuneration rates to loan growth rates.

The CBRT continues to use reserve requirements flexibly and effectively as a macroprudential tool to support short-term interest rates – its main monetary policy tool.

Circumstances of the coronavirus pandemic had adverse impacts on cash flows, increasing the loan demand of both individuals and firms. Measures put into effect ensured the efficient functioning of the credit mechanism and the increased loan demand was met to a considerable extent. This trend is expected to continue for a while in the normalization process as well.

To provide banks with flexibility in meeting the loan demand specific to this period, the CBRT has decided to temporarily (until the year end) suspend the enforcement of the rule of having adjusted real loan growth rate below 15% for the banks with a real annual loan growth rate above 15% in order to be able to benefit from reserve requirement incentives.

The revision will be effective from the calculation date of 12 June 2020 with the maintenance period starting on 26 June 2020 to the calculation date of 25 December 2020.

Contact

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