

# **Eurodollar Market:** **in Turkish Banking System**

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**2023**

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# 00 - Introduction

# **00 - Introduction**

**1- Russian individuals concerns about potential confiscation by American authorities,**

**2-limitations on interest rates offered on deposits held in the United States,**

**3- ongoing American balance of payments deficits, and**

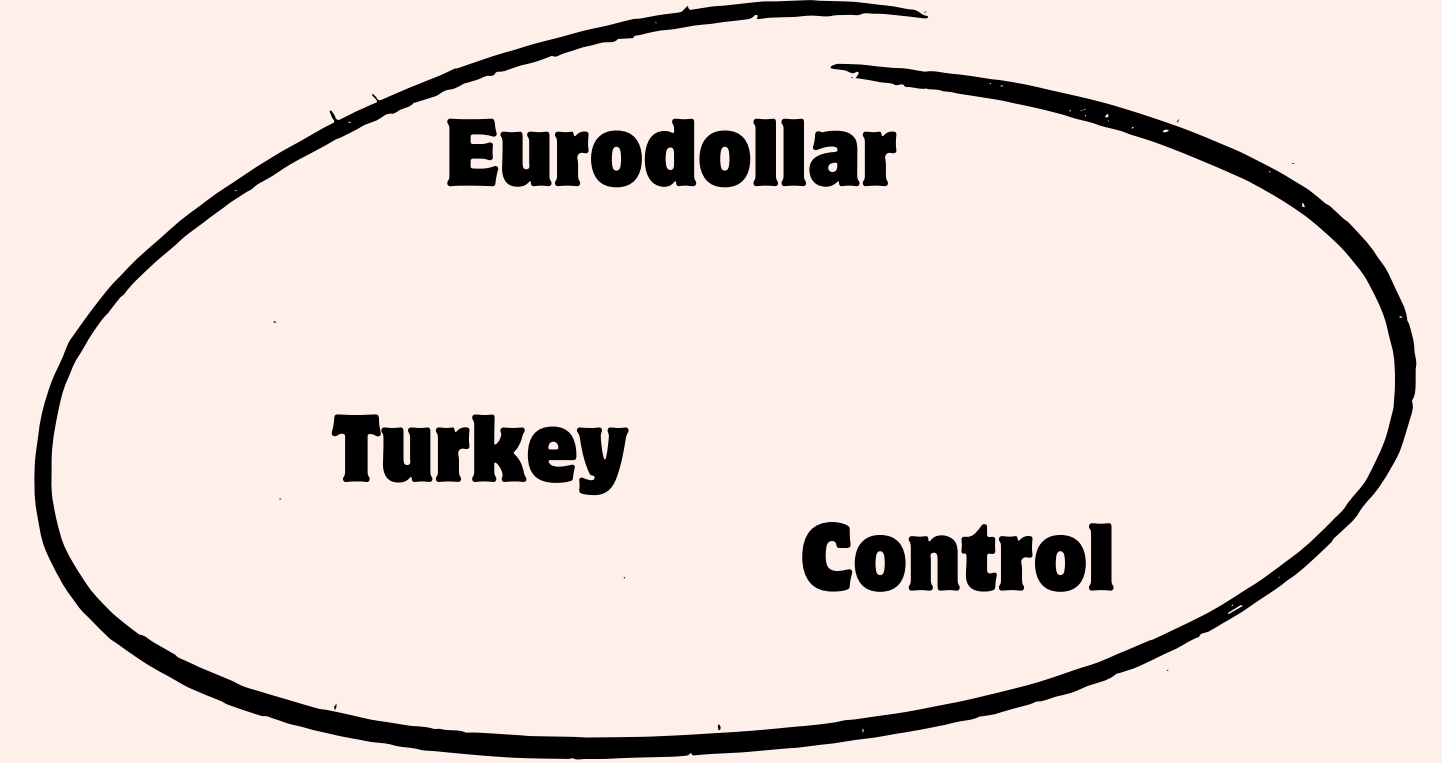
**4-regulatory measures implemented by the British government.**

# 00 - Introduction

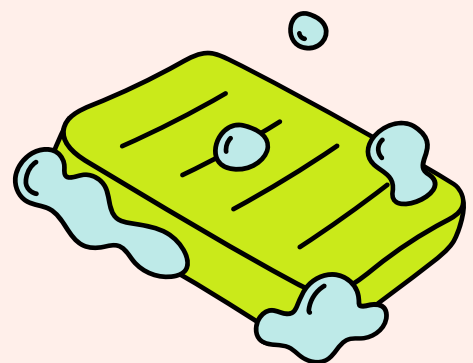
**-Eurodollars facilitate the transferability of debt contracts denominated in USD dollar, as non-U.S. banks issue debts in this currency.**

**-Euromarket's development are closely linked to expanding the USD dollar debt creation and transferability (Lim, 2017, 142).**

# 00 - Introduction



- This paper focuses on the Eurodollar market from the perspective of accounting entries
- It tries to focus how the actual Eurodollar system is working in Turkish banking system

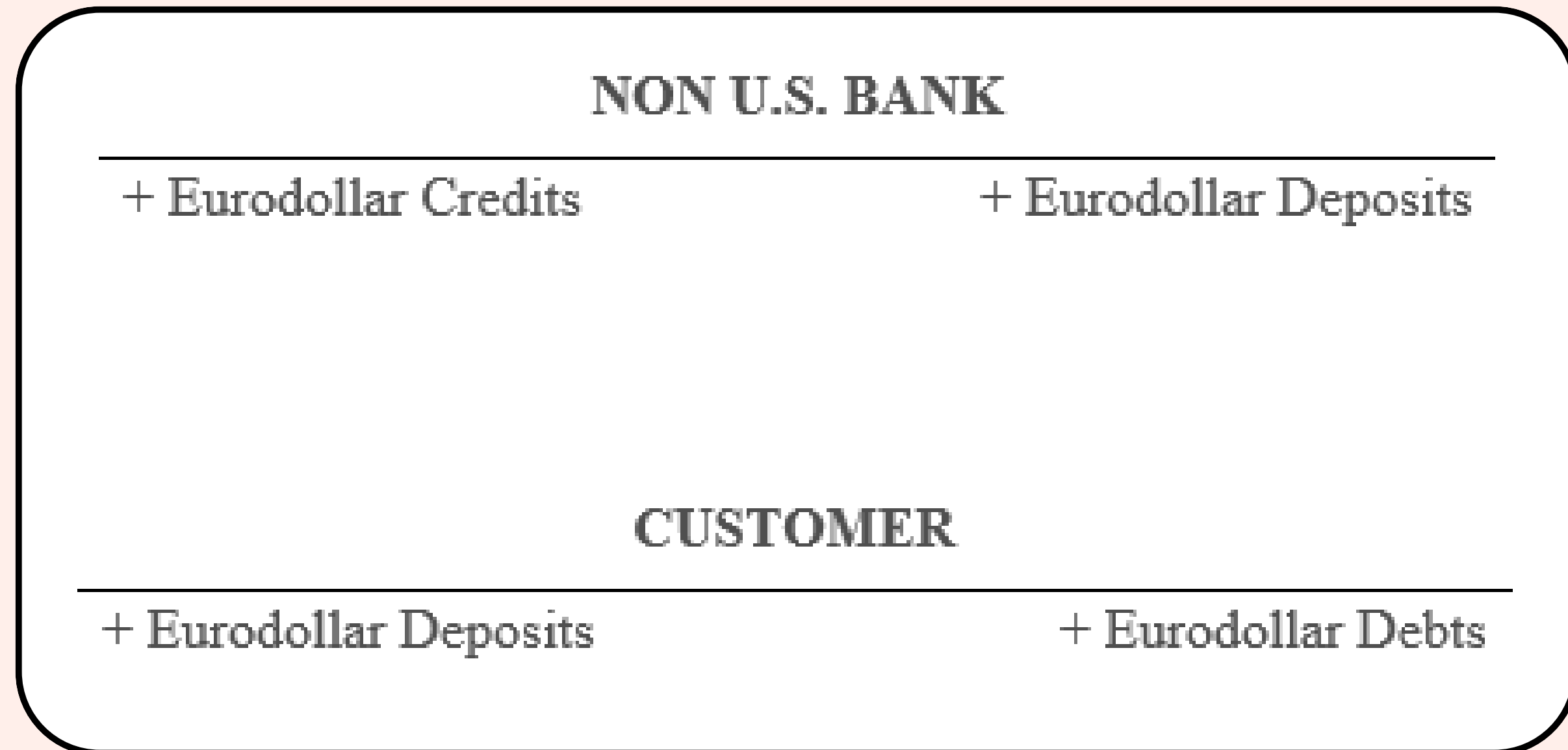




# 01 - Eurodollar Market

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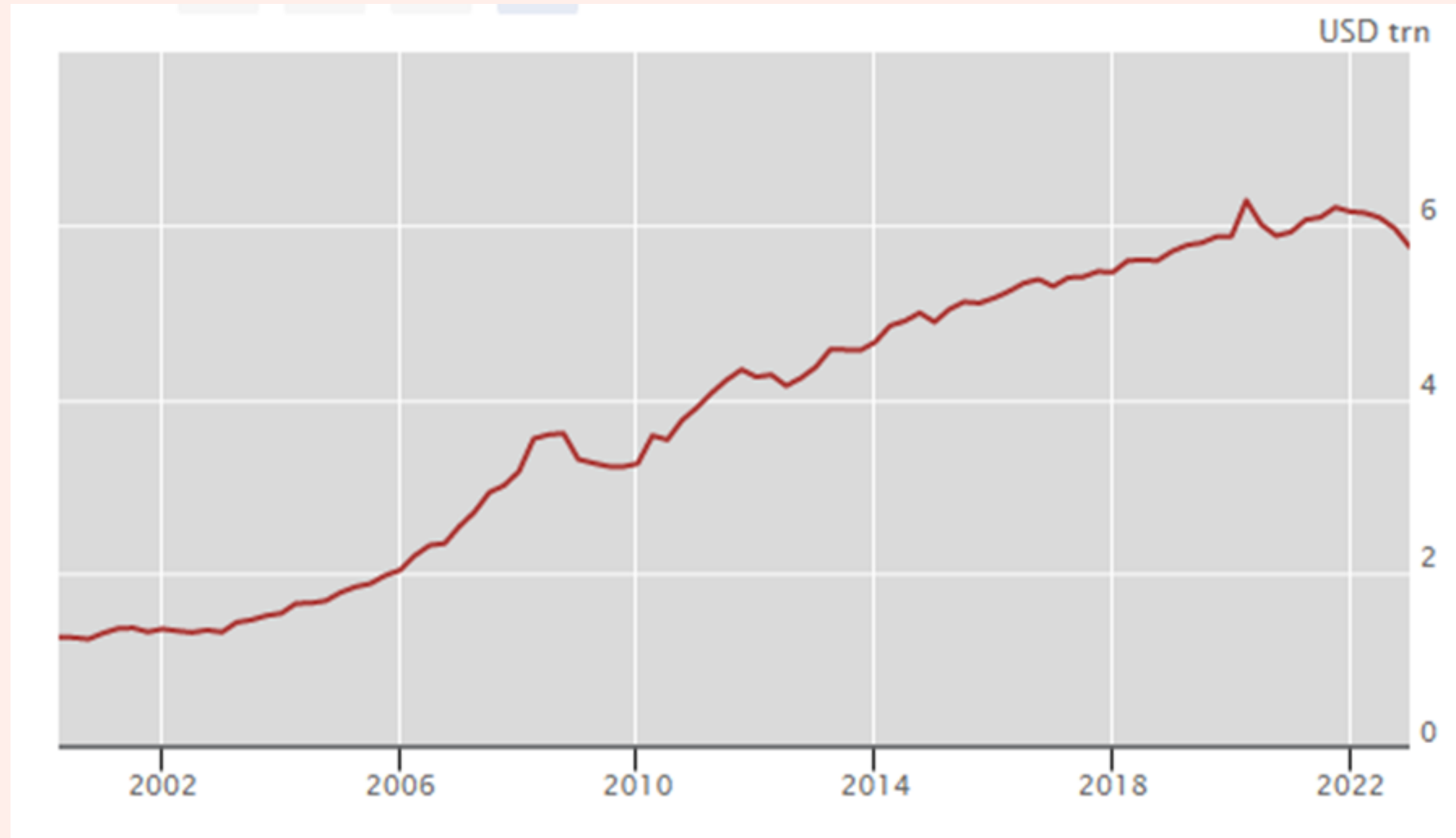
## How this market operates





# 01 - Eurodollar Market

## The Amount of Eurodollar Loans

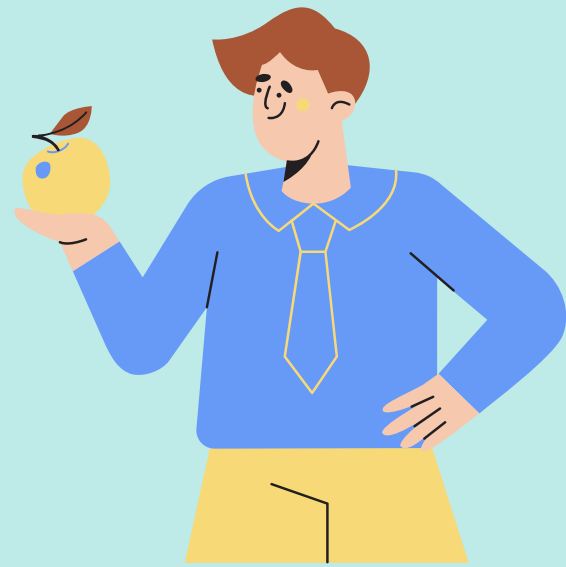


# 01 - Eurodollar Market

There are approximately

22.5 trillion dollars of deposits

in the world financial system

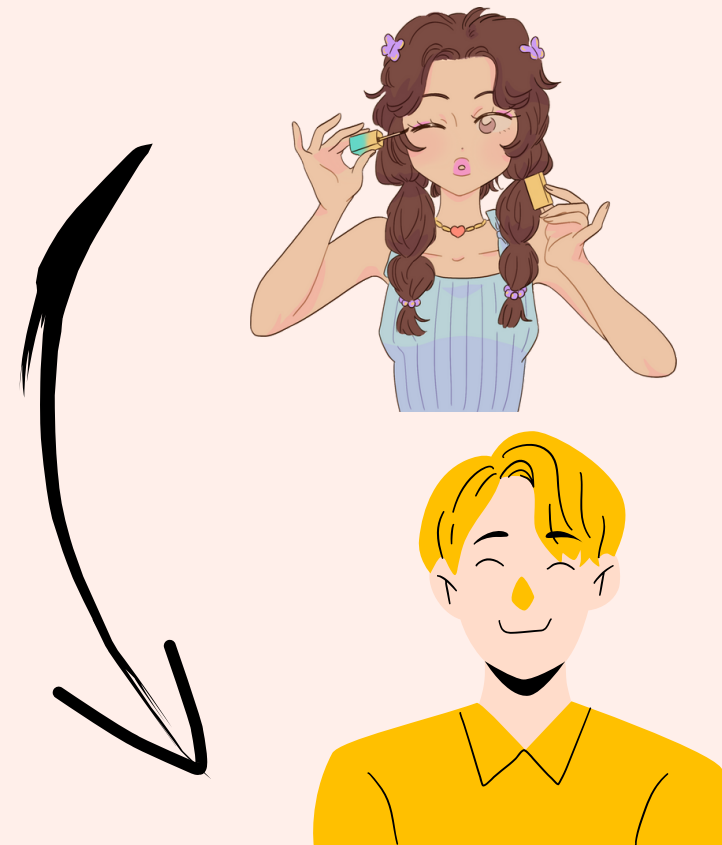


## **02- How the eurodollar market works**

# How the eurodollar market works

## Eurodollars' transactions

Ziraat Bank  
Turkey



# How the eurodollar market works

## Eurodollars' transactions

Ziraat Bank

**Turkey**



Garanti Bank

**Turkey**





Citi Bank

**USA**

# How the eurodollar market works

Eurodollar transactions between two different customers who have bank accounts at the **same non-U.S. Bank.**

NON U.S. BANK	
	- Eurodollar Deposits of Customer I + Eurodollar Deposits of Customer II
CUSTOMER I 	
- Eurodollar Deposits + Goods	
CUSTOMER II 	
+ Eurodollar Deposits - Goods	

**No Correspondent Bank**

**U.S. BANK**

- Dollar Deposits of Non U.S. Bank I
- + Dollar Deposits of Non U.S. Bank II

□

**NON U.S. BANK I**

- Dollar Deposits in Correspondent Bank
- Eurodollar Deposits of Customer I

**CUSTOMER | NON U.S. BANK I**

- Eurodollar Deposits
- + Goods

**NON U.S. BANK II**

- + Dollar Deposits in Correspondent Bank
- + Eurodollar Deposits of Customer II

**CUSTOMER | NON U.S. BANK II**

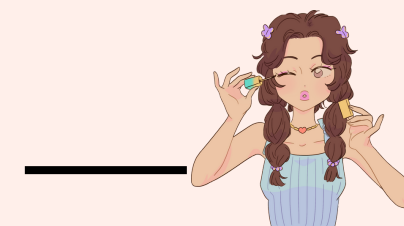
- + Eurodollar Deposits
- Goods

**The different bank accounts in a non-U.S. territory. These banks have the same correspondent bank in the U.S**

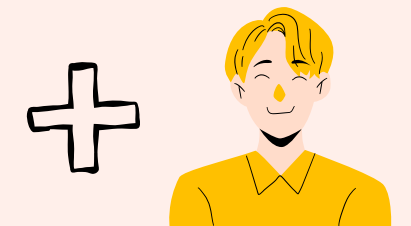
**U.S. CITI Bank**

- Ziraat Bank
- + Garanti Bank

**Ziraat Bank**



**Garanti Bank**



Fed

- The Bank Reserves of Non U.S. Bank I
- + The Bank Reserves of Non U.S. Bank II

U.S. BANK I

- The Bank Reserves of Non U.S. Bank I
- Dollar Deposits of Non U.S. Bank I

U.S. BANK II

- + The Bank Reserves of Non U.S. Bank II
- + Dollar Deposits of Non U.S. Bank II

NON U.S. BANK I

- Dollar Deposits in U.S. Bank I
- Eurodollar Deposits of Customer I

CUSTOMER | NON U.S. BANK I

- Eurodollar Deposits
- + Goods

NON U.S. BANK II

- + Dollar Deposits in U.S. Bank II
- + Eurodollar Deposits of Customer II

CUSTOMER | NON U.S. BANK II

- + Eurodollar Deposits
- Goods

**The different bank accounts in a non-U.S. territory. These banks have the different correspondent bank in the U.S**

Fed

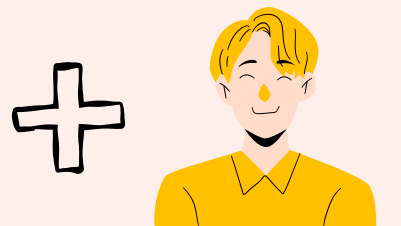
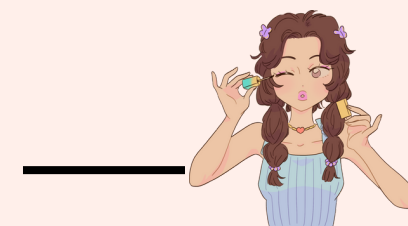
- + JPM Bank
- CITI Bank

**U.S. CITI Bank**  
- Ziraat Bank

**U.S. JPM Bank**  
+ Garanti Bank

**Ziraat Bank**

**Garanti Bank**





# How the eurodollar market works

	<b>The Same Correspondent Bank</b>	<b>The Different Correspondent Banks</b>
<b>Non-U.S. Bank I</b>	<b>Deposits of the correspondent bank</b>	<b>The bank reserves of Fed</b>
<b>Non-U.S. Bank II</b>		



# 03 - Turkish Eurodollar Market

# 03 - Turkish Eurodollar Market

**Murat Kaşibeyaz: İlk hatamızı  
9.5 milyon dolarlık döviz  
kredisiyle yaşadık**

Ünlü restoran zinciri Kaşibeyaz'ın Lezzet Grubu Yönetim Kurulu Başkan Vekili Murat Kaşibeyaz konkordato sürecini anlattı.

**Protection of the Value of Turkish Currency**

**1984-1989-2009**

# 03 - Turkish Eurodollar Market



K. Ali Akkemik | アケミク・アリ  
@akkemik



Fun fact: you can't open a US dollar account at JP Bank (Japan Post Bank), the 4th largest bank in Japan in terms of assets. Plus, you can't exchange foreign currency into yen in any JP branch since 2021.

[Gönderiyi çevir](#)

ÖÖ 7:36 · 13 Eyl 2023 · 934 Görüntülenme

# 03 - Turkish Eurodollar Market

**Credit** → **Deposit**

**TL Deposit**

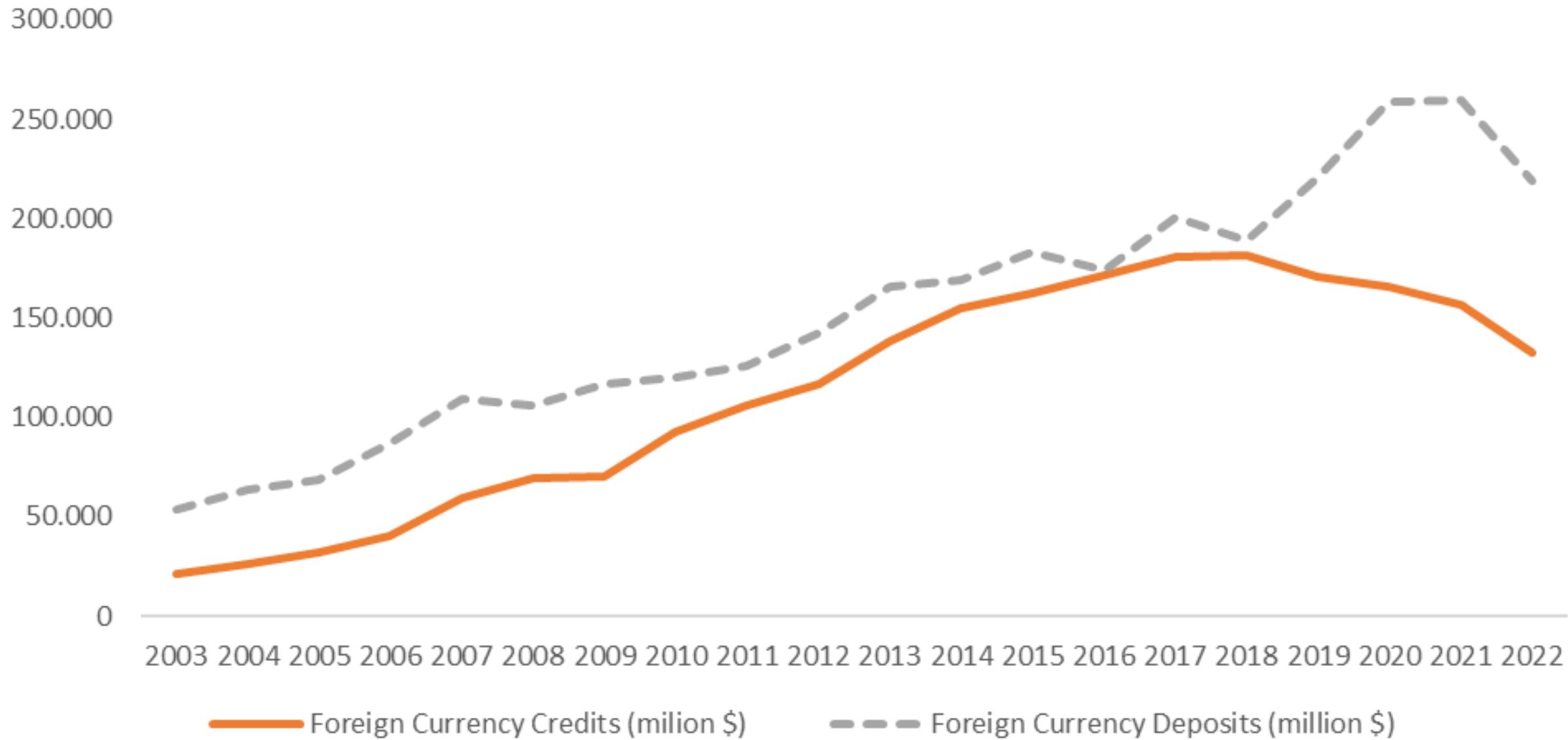


**FX Deposit**

Turkish banks may extend the eurodollar loans to high-risk individuals and sectors .

The conversion of local TL deposits accounts into foreign currency deposits accounts within the Turkish banking system.

# 03 - Turkish Eurodollar Market



•	<b>the conversion of local TL (Turkish Lira) deposits accounts into foreign currency deposits,</b>
•	<b>the new deposits entrance to the Turkish banking system from world,</b>
•	<b>the foreign currencies received from export revenues</b>
•	<b>Turkish banks borrowings the foreign currency from world.</b>

# 03 - Turkish Eurodollar Market

The outflow of foreign currency deposits/cash from the Turkish banking system may pose challenges or impact the stability of the system



**Cash**



**FX Deposits**

# 03 - Turkish Eurodollar Market



**7 billion Cash (\$)**

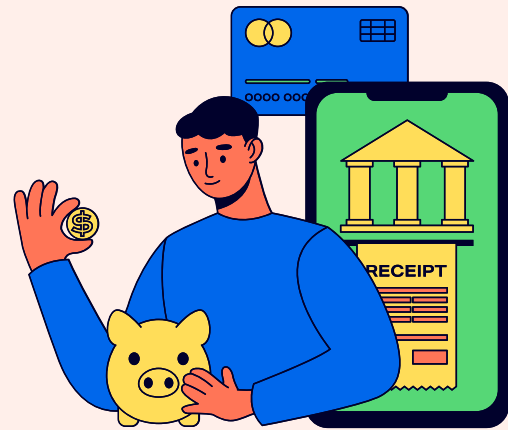


**205 billion FX Deposits (\$)**



# 03 - Turkish Eurodollar Market

**Turkey**



**205 billion FX Deposits (\$)**

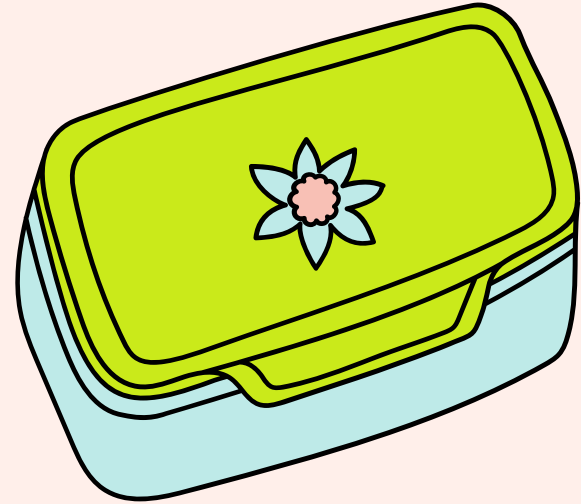


**Outside**

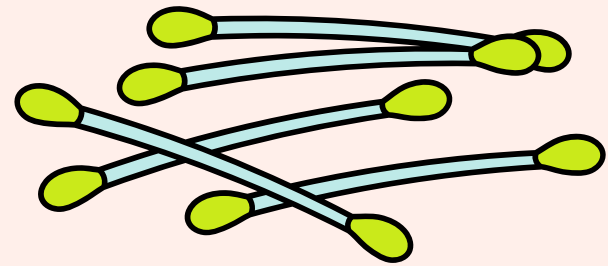


# 04 - How Turkish authorities intervene in eurodollar markets?

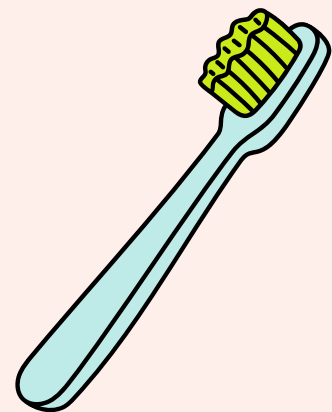
# 04 - How Turkish authorities intervene in eurodollar markets?



**Export Revenues**

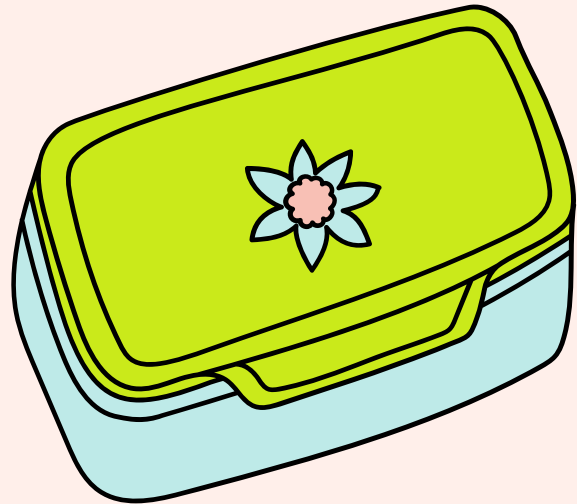


**FX Protected Deposit Account**



**Other Tools**

## 04 - How Turkish authorities intervene in eurodollar markets?



### Export Revenues

**The exporters must be sold 40% of their export revenues to the Central Bank.**

**\$ = 30 TL**

**90 days %15  
interest**

**100 \$**



**3000 TL**



**115 TL**

**\$ = 30 TL**



**\$ = 40 TL**



**1000 TL**

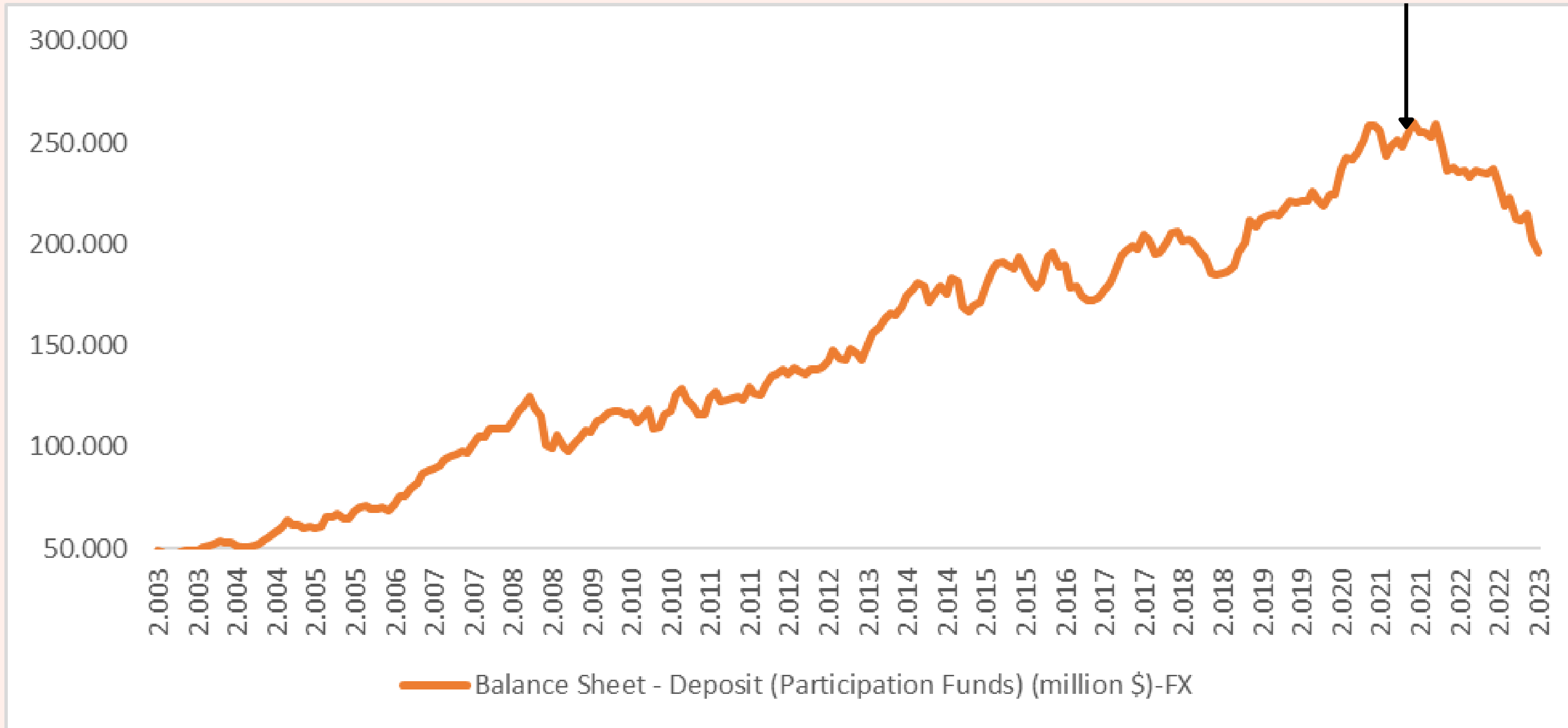
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**885 TL**

# 04 - How Turkish authorities intervene in eurodollar markets?

## The Foreign Currency Deposits (Million \$)





# 05 - Conclusions

# Thanks

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**@veridelisi**

