

JOINT PRESS RELEASE
BY
THE UNDERSECRETARIAT OF TREASURY
AND
THE CENTRAL BANK OF TURKEY

On 10 May 2002, in accordance with an agreement between the Undersecretariat of Treasury (Treasury) and the Central Bank of Turkey (Bank), the portion to be transferred to the Treasury from the profit earned by the Bank in 2001, was utilized for the coupon and principal payments of the government papers that had been previously issued to the Bank.

Out of this profit, the total amount transferable to the Treasury was TL 3,257.7 Trillion. The Bank, however, has deducted TL 255.7 Trillion from the said amount to cover the exchange rate differentials incurred for the repayment of external debt and the payment of salaries of civil servants abroad. Thus, the net amount transferable in cash to the Treasury has been reduced to TL 3,002 Trillion. Of this amount:

- 1- TL 2,174.3 Trillion was used for the coupon payments of consumer price indexed government papers that had been issued to the Bank in 2001 with a maturity date 10.05.2002.
- 2- TL 476.8 Trillion was used for the early redemption of the principals of the foreign exchange indexed government papers maturing in 2003. These bonds had been issued to the Bank against the IMF credits obtained by the Bank and disbursed to the Treasury in 2001.
- 3- The remaining part of the net profit, TL 350.9 Trillion, was used for the early redemption of the principals of the government papers,

coupon payments of which are indexed to CPI and issued to the Bank with a maturity date 10.05.2006.

As a result of these operations, there has been no cash transfer to the Treasury from the 2001 Bank's profit.