

**THE CENTRAL BANK OF THE REPUBLIC OF TURKEY
PRESS RELEASE**

A) FOREIGN EXCHANGE BUYING AUCTION PROGRAM FOR JUNE 2002

As known, considering the fact that having stronger reserve position in the medium to long term would boost the market's confidence in the existing program, in order to increase the level of foreign exchange reserves the Central Bank of the Republic of Turkey (CBRT) continued to hold foreign exchange buying auctions in May 2002, which started on April 1, 2002. The aim of these foreign exchange buying auctions is to enhance the foreign exchange reserve position of the CBRT at the market rates without targetting any specific exchange rate level, if and when excess foreign exchange supply situation develops depending upon the balance of payments, without creating an additional volatility in the foreign exchange rates and without disturbing the foreign exchange positions of the banks. b

In this respect, during June 2002, the CBRT will continue to hold daily foreign exchange buying auctions in the amount of USD 20 million. There will be 20 foreign exchange buying auctions in June 2002, therefore the maximum amount of foreign exchange to be bought via these auctions will be USD 400 million.

The implementation started in May 2002, which allows the CBRT to compensate the cumulative foreign exchange amount that could not be bought as a result of either no bidding or insufficient bidding (less than USD 20 million) in an auction will be continued in June 2002. In this respect, the compensation amount that will be added to daily USD 20 million amount, will be limited to USD 20 million. Therefore, the maximum amount to be bought in the auctions will be USD 40 million. Meanwhile, the foreign exchange amount that could not be bought in May 2002 auctions will not be compensated in June 2002 auctions.

B) TURKISH LIRA DEPOSIT BUYING AUCTION PROGRAM FOR JUNE 2002

The CBRT has decided to continue Turkish Lira Deposit Buying Auctions with four week standard maturity during June 2002, which was started in April 2002 in the Interbank Money Market as a supplement to the existing instruments to enhance the effectiveness to sterilize the additional Turkish Lira liquidity in the system.

In this respect, considering that foreign exchange buying auctions will be held in June and the level of the Turkish Lira liquidity, the maximum amount to be auctioned in each week is increased from from TL 250 trillion to TL 350 trillion. However, different from the implementations of auctions which were held in April and May, while other conditions remaining the same, during June 2002 Turkish Lira deposit auctions will be held on Wednesdays and Fridays and the maximum amount in each auction will be TL 175 trillion.