

PRESS RELEASE

I- DEVELOPMENTS IN THE MONETARY PROGRAM DURING THE JANUARY-FEBRUARY 2002 PERIOD

The targets specified in the Letter of Intent (LOI) dated 18 January 2002 as the performance and indicative criteria among the main monetary aggregates on the Central Bank balance sheet have been achieved. The details of the said targets and actual figures realised are given below:

1. As is known, in the 2002 Monetary Program, the monetary base was taken as the nominal anchor and the ceilings were set for it as the performance criteria during the first half of the year and as the indicative targets for the rest of the year. The ceiling set for the end-February 2002 was 8.250 trillion Turkish Lira. However, in order to eliminate the distortional impact of the Kurban Bayramı (religious Feast), which would cause the money demand to increase temporarily, the realization of the target figure is measured by taking the average figures on 11 and 12 of February and March 2002. The average monetary base figure for the said period has been realized as 7.823 trillion Turkish Lira, well below the target ceiling of 8.250 trillion Turkish Lira.

2. In the LOI, a floor was set for the Net International Reserves (NIR) as the performance criteria, which is calculated by subtracting the IMF credit tranche received by the Treasury and the short-term foreign exchange debt of the Treasury with maturity less than 1 year from the CBRT Net International Reserves. As of 28 February 2002, the CBRT NIR, the Treasury's debt to the IMF, and the Treasury's short-term foreign exchange debts were realized as 5.580 million USD, 9.194 million USD, and 1.293 million USD respectively. Taking these figures into consideration, the CBRT NIR materialized as (minus) -4.907 million USD, again well above the performance target floor of (minus) -6.500 million USD.

3. Similarly, in the LOI, a floor was set for CBRT Net Domestic Assets (NDA) as an indicative target, which is calculated by adding the Turkish Lira equivalents of the IMF credits received by the Treasury and

the short-term foreign exchange debt of the Treasury with maturity less than 1 year to the CBRT NDA. The said target for the end-February 2002 was 26.100 trillion Turkish Lira. Due to the temporary impact of the Kurban Bayramı, the same method of computation, which was employed in the case of the monetary base, was used. During the four days period, the average CBRT NDA, the Treasury's debt to the IMF and the Treasury's foreign exchange debts with maturity less than 1 year were realized as 9.242 trillion Turkish Lira, 13.236 trillion Turkish Lira and 1.840 trillion Turkish Lira respectively. Thus, the average NDA realized is 24.318 trillion Turkish Lira, which is below the indicative target-ceiling figure of 26.100 trillion Turkish Lira.

II- TARGETS OF MONETARY PROGRAM FOR THE MARCH-APRIL 2002 PERIOD.

1. The target for monetary base, which is a performance criterion for the end-April, is 8.900 trillion Turkish Lira. Calculation will be based on the averaging of the figures realized in the last five business days of April.

2. The floor set as a performance criterion for NIR is (minus) - 7.200 million USD for the end-April.

3. The ceiling set for NDA for the end-April, which is an indicative target, is 27.700 trillion Turkish Lira. Calculation will be based on the averaging of the figures realized in the last five business days of April.