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PRESS RELEASE
ON THE FOREIGN EXCHANGE INTERVENTION
OF THE CENTRAL BANK

The Central Bank has announced through several press releases that, under the floating exchange rate regime, the level of exchange rate is determined by supply and demand conditions in the currency markets, the volatility in the exchange rate is closely observed by the Central Bank, and the Central Bank may directly intervene in the markets in the event of an excessive volatility that might occur in either directions.

Since the volatility in exchange rates has recently increased due to the optimistic mood arising from the negotiations on Cyprus, the Central Bank has directly intervened in the markets today by buying foreign currency. As was also the case in the previous buying and selling interventions, today's intervention should not be interpreted as if the Central Bank were uneasy at the actual level of the Turkish lira.