

THE CBRT PRESS RELEASE

A) FOREIGN EXCHANGE BUYING AUCTION PROGRAM FOR FEBRUARY 2004

Considering that strong reserve position would boost the market's confidence in the current program and observing the excess foreign exchange supply, the Central Bank of Turkey (CBRT) decided to resume daily foreign exchange buying auctions on 23 January 2004. The CBRT bought USD 286 million in total during the auctions held between 23 and 30 January 2004.

In this framework, the CBRT has decided to announce daily foreign exchange buying auctions for February as well. The daily amount of foreign exchange buying auction and the amount of the optional selling will be USD 30 million. Therefore, the maximum daily auction can amount to USD 60 million. Accordingly, foreign exchange buying auctions are to be held on 16 working days in February, except for the holiday period for the Feast of the Sacrifice between 2 and 4 February, and 16 February, which is public holiday in USA, and it is planned that the maximum amount to be bought would be USD 960 million.

As was announced by previous press releases, the CBRT may, with a prior notice, suspend the auctions before the end of the period in the cases where the depth of foreign exchange market is lost and excessive volatility is observed in exchange rates due to an exogenous shock or unpredictable developments. As usual, the CBRT will continue to closely monitor the volatility in exchange rates and will directly intervene in the market in case of an excessive volatility in both directions.

B) TURKISH LIRA DEPOSIT BUYING AUCTIONS PROGRAM FOR FEBRUARY 2004

The Central Bank will continue to hold Turkish lira deposit buying auctions with a standard two and four-week maturity in February 2004, as a supplement to its existing instruments with the aim of enhancing the effectiveness of its efforts to sterilize the excess Turkish lira liquidity in the system.

As in January 2004, the Turkish lira deposit buying auctions with a standard two-week maturity will be held on Mondays, and those with a standard four-week maturity will be held on Wednesdays and Fridays in February 2004. There will be no upper limit at each auction.