

PRESS RELEASE

TURKISH LIRA DEPOSIT BUYING AUCTIONS PROGRAM FOR MAY 2003

The Central Bank will continue to conduct Turkish lira deposit buying auctions in May 2003 with a standard four-week maturity that was initiated in April 2002 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 was in April 2003, the Central Bank will hold Turkish lira deposit buying auctions on Wednesdays and Fridays each week and the maximum amount at each auction will be limited to 200 trillion Turkish liras.

On the other hand, as has already been made public in the Letters of Intent and the previous Central Bank press releases, in the cases where there is an excess foreign exchange supply resulting from the reverse currency substitution process and the strong balance of payments position, the Central Bank may resume foreign exchange buying auctions with the aim of enhancing its foreign exchange reserves, without conflicting with the floating exchange rate regime, and without disrupting the long-term trend and the natural equilibrium level of the exchange rate. In this respect, the developments arising from the excess foreign exchange supply are being closely monitored by the Central Bank. In the event of a decision on the resumption of holding programmed foreign exchange buying auctions, the Central Bank will start the auctions by making the announcement in advance.