

PRESS RELEASE

ON

NEW TURKISH LIRA DEPOSIT BUYING AUCTIONS

As it is known, the Central Bank of the Republic of Turkey (CBRT) announced in its press release of 26 June 2006 on "Foreign Exchange Sale Auctions and the New Turkish Lira Deposit Buying Auctions" that the excess liquidity withdrawn overnight by the CBRT from the system varied between YTL 10-15 billion, and the New Turkish Lira Deposit Buying Auctions were initiated for 1 and 2-week standard maturities in order to enhance the effectiveness and flexibility of monetary policy. It was also announced with the press release of 27 June 2006 on "New Turkish Lira Deposit Buying Auction" that, in line with market developments the total amount to be bought at YTL Deposit Buying Auctions would be announced on a daily basis considering liquidity conditions.

In fact, YTL deposit buying auctions have been held every business day because of the ongoing excess liquidity conditions, although decreased to some extent since 26 June 2006.

However, it is predicted that there might be no need to hold deposit buying auctions in the forthcoming period, considering that the excess liquidity in the market could fall considerably on some days, as it is today, and the following short periods.

For this reason, the CBRT will continue to hold YTL deposit buying auctions in order to enhance the effectiveness and flexibility of monetary policy and to announce the maximum amount to be bought daily at 10 am every day on the "CBTY" page of Reuters system as before; or will announce on the same page that no auction will be held on days when the liquidity conditions do not necessitate to hold auctions.