

**PRESS RELEASE
ON THE FOREIGN EXCHANGE INTERVENTION
OF THE CENTRAL BANK**

The Central Bank of Turkey 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, and that the Central Bank closely monitors the volatility in the exchange rate, and may directly intervene in the markets in the event of an excessive volatility that might occur in either directions.

Recently, an excessive volatility has been observed in foreign currency market in line with the decrease in foreign exchange supply due to the recent global liquidity conditions as well. Within this framework, the Central Bank has decided to directly intervene in the foreign currency market today by selling foreign currency in order to prevent the excessive volatility.