

**PRESS RELEASE**  
**ON**  
**DECEMBER 2005 REALIZATIONS OF THE MONETARY PROGRAM**

1. Under the 2005 monetary program, performance targets for the Base Money and Net International Reserves, and indicative targets for Net Domestic Assets were set for the end-December 2005 in accordance with the Letter of Intent dated 24 November 2005. The specified targets have been met as of end-December. The details of the realized targets and figures are given below:

a. The ceiling specified as performance criterion for the Base Money under the monetary program was set at YTL 29,200 million for end-December, as calculated by the average values of the last five working days. The average Base Money of the last five working days of December stood at YTL 28,756 million, remaining below the upper limit of YTL 29,200 million.

b. The floor specified as performance criterion for the Net International Reserves under the monetary program was set at USD 14,000 million for end- December.

As of 30 December 2005, the realizations of Net International Reserves and its sub-items are shown in the following table:

(Million USD)

Central Bank Net International Reserves	(1)	37,518
Treasury's Debt to IMF	(2)	15,126
Treasury's FX denominated debt with a maturity less than one year	(3)	0
Net International Reserves under the IMF program	(4=1-2-3)	22,393

Thus, Net International Reserves specified in the program was realized as USD 22,393 million standing above the floor of USD 14,000 million, which is the performance criterion.

c. The indicative ceiling for Net Domestic Assets in the monetary program was specified as YTL 25,500 million for end of December, as calculated by the average values of the last five working days.

The realizations of Net Domestic Assets and its sub-items for the said period are shown in the following table.

(Million YTL)

Central Bank Net Domestic Assets (1)	- 10,259
Treasury's Debt to the IMF (2)	22,846
Treasury's FX-denominated debt with a maturity less than one year (3)	0
Net Domestic Assets under the IMF program (4=1+2+3)	12,587

Therefore, the average Net Domestic Assets stood at YTL 12,587 million in the mentioned period, remaining below the indicative ceiling value of YTL 25,500 million.

2. On the other hand, as stated in the press release of 5 December 2005, with the adoption of the inflation-targeting regime at the beginning of 2006, Net International Reserves will continue to be performance criteria, while the performance criteria for Money Base and the indicative target for Net Domestic Assets have been replaced with the “inflation consultation criteria” in the scope of “IMF program conditionality”. To this end, the performance criteria and the indicative floors on the level of Net International Reserves specified in the Letter of Intent dated 24 November 2005 are as follows:

- a. USD 17,200 million for end-March 2006 (performance criterion)
- b. USD 19,900 million for end-June 2006 (performance criterion)
- c. USD 20,300 million for end-September 2006 (indicative target)
- d. USD 22,600 million for end-December 2006 (indicative target)