No: 2011 – 48 **27 October 2011**

PRESS RELEASE ON REQUIRED RESERVES

In line with the strategic framework set out at the Monetary Policy Committee Meeting held on 4 August 2011, the required reserve ratios are adjusted as below:

TL Liabilities	Current Ratios (%)	New Ratios (%)
Demand deposits, notice deposits and private current accounts	16	11
Deposits/participation accounts up to 1-month maturity (including 1-month)	16	11
Deposits/participation accounts up to 3-month maturity (including 3-month)	12,5	11
Deposits/participation accounts up to 6-month maturity (including 6-month)	9	8
Deposits/participation accounts up to 1-year maturity	6	6
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	5	5
Other TL liabilities up to 1-year maturity (including 1-year)	11	11
Other TL liabilities up to 3-year maturity (including 3-year)	8	8
Other TL liabilities longer than 3-year maturity	5	5

With the reduction in Turkish lira required reserve ratios, the currently available data suggests that liquidity amounting to approximately 11 billion Turkish lira will be permanently supplied to the market, and the weighted average required reserve ratio, which is 12.6 percent will come down to 10.5 percent.

On the other hand, for meeting the TL liquidity requirement of the Turkish banking system permanently and at a lower cost, while at the same time bolstering the build-up of the Central Bank's FX reserves, the upper limit for FX reserves that may be held to meet Turkish lira reserve requirements is raised from 20 percent to 40 percent of lira liabilities. Thus, the Bank's FX reserves are expected to increase by about USD 4.7 billion if this additional facility in question is utilized in full.

This revision will be effective as of the calculation period dated 28 October 2011 and required reserves calculated using the new ratios will start to be maintained as of 11 November 2011.