TÜRKİYE CUMHURİYET MERKEZ BANKASI

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PRESS RELEASE ON RESERVE REQUIREMENTS

Reserve option coefficients (ROCs) have been changed in order to meet the temporary foreign exchange liquidity needs of the financial sector. In this context, the coefficients for the first tranche and the last five tranches have been revised as follows.

FX Facility Tranches (%)	Current ROC	New ROC
0-30	1.2	1.0
30-35	1.5	1.5
35-40	1.9	1.9
40-45	2.3	2.3
45-50	2.7	2.7
50-55	3.1	3.1
55-56	3.3	3.9
56-57	3.5	4.1
57-58	3.7	4.3
58-59	3.9	4.5
59-60	4.1	4.7

Banks and financing companies have been consistently using the facility. The utilization ratio as of the latest maintenance period stood at 91 percent (54.6/60). Currently, USD 32.4 billion is being held for Turkish lira required reserves. Should the facility continue to be used at the same level after the revisions, approximately by USD 1.5 billion would be released from the Central Bank reserves. The revisions in ROCs will be effective as of the calculation period dated 27 February 2015 and the maintenance period will begin on 13 March 2015.

On the other hand, to be effective as of the calculation period dated 13 March 2015 and maintenance period dated 27 March 2015, to provide incentives for maturity extension on FX borrowing, reserve requirement ratios of FX denominated liabilities

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other than deposits/participation funds with a maturity up to 1 year and 2 years will be increased as follows.

Liabilities other than deposits/participation funds	**Current Ratios (%)**	**New Ratios (%)**
With maturity up to (and including) 1	18	20
With maturity up to (and including) 2	13	14
With maturity up to (and including) 3	8	8
With maturity up to (and including) 5	7	7
With maturity longer than 5 years	6	6

With the increase in FX reserve requirement ratios, Central Bank reserves are expected to increase by approximately USD 1.3 billion and the effective reserve requirement ratio for FX currently 12.7 percent will become 13.1 percent.

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