

PRESS RELEASE
ON
CBRT INTEREST RATES

1. The CBRT has decided to cut short-term interest rates applied at the CBRT Interbank Money Market and at the Istanbul Stock Exchange Repo-Reverse Repo Market starting from **11 January 2005** as follows:

- a) **Overnight Interest Rates:** The borrowing interest rate is lowered to **17 percent** from 18 percent, and the lending interest rate to **21 percent** from 22 percent.
- b) **Other Maturities:** The one-week borrowing interest rate is lowered to **17 percent** from 18 percent.
- c) **Late Liquidity Window Interest Rates:** Within the framework of the Late Liquidity Window Facility, the CBRT overnight borrowing interest rate applicable between 16:00 – 16:30 at Interbank Money Market is lowered to **25 percent** from 26 percent. Borrowing interest rate of 5 percent remains the same.
- d) The interest rates applicable to overnight and one-week maturity borrowing facilities provided for primary dealer banks via repo transactions within the framework of open market transactions are lowered to **19 percent** from 20 percent.

2. As announced in the press release of 20 December 2004, the report entitled “Inflation and Outlook” explaining the rationale of the above-mentioned decision will be published **within two days**, by also taking account of the evaluations made at the meeting of Monetary Policy Board held on 10 January 2005.