

PRESS RELEASE
ON
CBRT INTEREST RATES

1. The Central Bank of Turkey (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 **9 December 2005** as follows:

a) **Overnight Interest Rates:** The borrowing interest rate is lowered to **13.50 percent** from 13.75 percent, and the lending interest rate to **17.50 percent** from 17.75 percent.

b) **Other Maturities:** The one-week borrowing interest rate is lowered to **13.50 percent** from 13.75 percent.

c) **Late Liquidity Window Interest Rates:** Within the framework of the Late Liquidity Window Facility, the CBRT overnight lending interest rate applicable between 16:00 – 16:30 hours at Interbank Money Market is lowered to **21.50 percent** from 21.75 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 **15.50 percent** from 15.75 percent.

2. The report entitled “Inflation and Outlook” explaining the rationale of the above-mentioned decision will be published **within two working days**, by also taking into account the evaluations made at the Monetary Policy Board meeting held on 8 December 2005.