

i)Arrangement Dated 2007/01

The definition of monetary sector coverage is expanded to cover Investment and Development Bank, Participation Banks and B-Type Liquid Funds (Money Market Funds) in addition to Central Bank and Deposit Money Banks beginning from the data of December 2005 with the arrangements made on January 2007. Moreover in the context of compliance with international standards, coverage and presentation of the items of money supply are made. In this framework, changes in following are reflected to *money supply tables* beginning from December 2005.

- Monetary liabilities of Participation Banks, Investment and Development Banks have been added to money supply.
- B-Type Liquid Funds have been added to money supply.
- Foreign currency monetary liabilities, previously shown under M2Y, have been shown in M1 and M2 according to maturity group.
- All money supply items have been prepared in a way to excluded interbank transactions. In this framework, funds received from repo transactions have been deducted from repo transactions with B-Type Liquid Funds.
- Deposits of Central Government followed in "Official Deposits (Time/Sight)" and "Central Bank's Other Deposits" in the existing presentation have been removed from M3 and these deposits have been added to Central Government Deposits which is in Counterpart Items. On the other hand, other general government deposit items in M3 are classified in M1 and M2 according to the maturity.
- In this framework, M2Y, M2YR, M3, M3Y and M3YR money supply definitions which were being disseminated until now not be published and definitions below are in effect beginning from December 2005:

$M1 = \text{Currency in Circulation} + \text{Demand Deposits (TRY, FX)}$

$M2 = M1 + \text{Time Deposits (TRY, FX)}$

$M3 = M2 + \text{Repo} + \text{Money Market Funds}$

ii) Arrangement of Dated 2011/05

Due to increase in the amount of securities issued by banks after the authorization of Banking Regulation and Supervision Agency for banks to issue debt securities in domestic market in Turkish Lira; and also for the purpose of harmonization with international implementations;

➤ Bills and bonds issued domestically in Turkish Lira by banks, with maturity up to 2 years are added to,

➤ Of those securities held in domestic banks' portfolios and owned by nonresidents are excluded from

M3 money supply definition beginning from December 2010.

Thus, M3 is redefined as follows:

$M3 = M2 + \text{Repo} + \text{Money Market Funds} + \text{Debt Securities Issued}$