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PRESS RELEASE ON RAISING THE RESERVE OPTION COEFFICIENTS

In order to narrow the cost differential of maintaining Turkish lira reserve requirements in Turkish lira or in FX, and to enable banks to fully benefit from the new facility to meet their liquidity needs, the upper limit for FX reserves that might be held to maintain Turkish lira reserve requirements has been gradually revised upwards, and different coefficients have been introduced at different times; and with the latest revision that took place on 17 August 2012, the limit was raised to 60 percent and the ROC for the first tranche corresponding to 40 percent of Turkish lira reserve requirements was raised to “1.1”. Banks have been consistently using the facility and the utilization ratio is 92.3 percent (55,4/60).

In view of the latest developments in global markets, with an aim to boost the financial stability, the ROCs for all tranches of FX reserves that might be held to maintain Turkish lira reserve requirements have been increased by “0.2” points.

At present, USD 23 billion is being held for Turkish lira reserve requirements. Should this facility be used at the same level, the expected figure for the increase in the Central Bank FX reserves is approximately USD 3.6 billion.

The new regulation will be effective as of the calculation period dated 28 September 2012 and the maintenance period will begin on 12 October 2012.