

**PRESS RELEASE ON THE FACILITY OF MAINTAINING RESERVE  
REQUIREMENTS AS "STANDARD GOLD"**

With an aim to strengthen the build-up of the Central Bank's gold reserves and to provide the banking system with more flexibility in liquidity management, the Central Bank had already enabled the facility that allows holding up to the entire amount of reserve requirements for precious metal deposit accounts, and up to 10 percent of reserve requirements for FX liabilities excluding precious metal deposit accounts and Turkish lira liabilities, in the form of "standard gold".

Currently available data suggests that the amount of standard gold held for reserve requirements for foreign currency liabilities excluding precious metal deposit accounts is 23.5 tons (2.3 billion Turkish liras) and the utilization ratio is 66 percent. Meanwhile, the amount of standard gold held for Turkish lira reserve requirements is 48.4 tons (4.7 billion Turkish liras) with a utilization ratio of 87 percent.

In order to strengthen the build-up of the Central Bank's gold reserves and positively influence cost and liquidity channels of the banking sector, the upper limit for standard gold reserves that may be held to meet Turkish lira reserve requirements has now been raised from 10 percent to 20 percent, while the limit for standard gold reserves that may be held to meet reserve requirements for foreign currency liabilities excluding precious metal deposit accounts has this time been decreased from 10 percent to 0 percent. The new regulation will be effective as of the calculation period dated 30 March 2012 and the maintenance period will begin on 13 April 2012.

In this context, the amount of reserve requirements that must be held by banks in foreign currency and the Central Bank's foreign currency reserves are expected to increase by approximately USD 1.3 billion. Furthermore, the Bank's gold reserves are expected to increase by about USD 2.2 billion if the said facility is utilized in full. Thus, permanent liquidity amounting to approximately 6.1 billion Turkish liras will be provided to the market.