

**1. BANK OF ALBANIA INTERVENTIONS IN THE MONEY MARKET DURING 2014 Q3**

**Table 1:** Temporary open market operations  
(in ALL million\*)

DATE	R/REPO overnight	R/REPO 1-week	R/REPO 1-month
03.07.2014		20,000.00	2,000.00
10.07.2014		16,300.00	2,000.00
17.07.2014		20,700.00	2,000.00
18.07.2014	2,000.00		
21.07.2014	2,000.00		
22.07.2014	2,000.00		
23.07.2014	1,000.00		
24.07.2014		27,500.00	2,000.00
31.07.2014		28,700.00	2,000.00
07.08.2014		26,460.00	2,000.00
14.08.2014		29,430.00	3,000.00
21.08.2014		31,500.00	2,000.00
22.08.2014	1,340.00		
28.08.2014		24,700.00	2,000.00
04.09.2014		27,500.00	2,000.00
11.09.2014		26,300.00	2,000.00
18.09.2014		28,160.00	2,000.00
25.09.2014		28,100.00	2,000.00

1.1 Open market operations

Money market interventions during 2014 Q3 consisted of open market operations for temporary liquidity injection and permanent operations for structuring Bank of Albania's portfolio.

The total amount of injected liquidity averaged ALL 28.06 billion, from ALL 20.61 billion injected in 2014 Q2. **Average injected liquidity was around 61% higher than in the previous year, when it amounted to around ALL 17.38 billion.**

To inject temporary liquidity, the Bank of Albania employed its main instrument, the one-week reverse repurchase agreement - on average, ALL 25.80 billion a week\*, and the one-month reverse repurchase agreement, on average, ALL 2.07 billion a week\*. The overnight injection operation on 22.08.2014 aimed at closing the period with positive balance, avoiding therefore the start of the new period at a high balance.

In 2014 Q3, outright transactions continued, aiming at lowering BoA's participation in T-bills up to 70% of total issue. Since BoA's portfolio during the first half of 2014 was up ALL 50

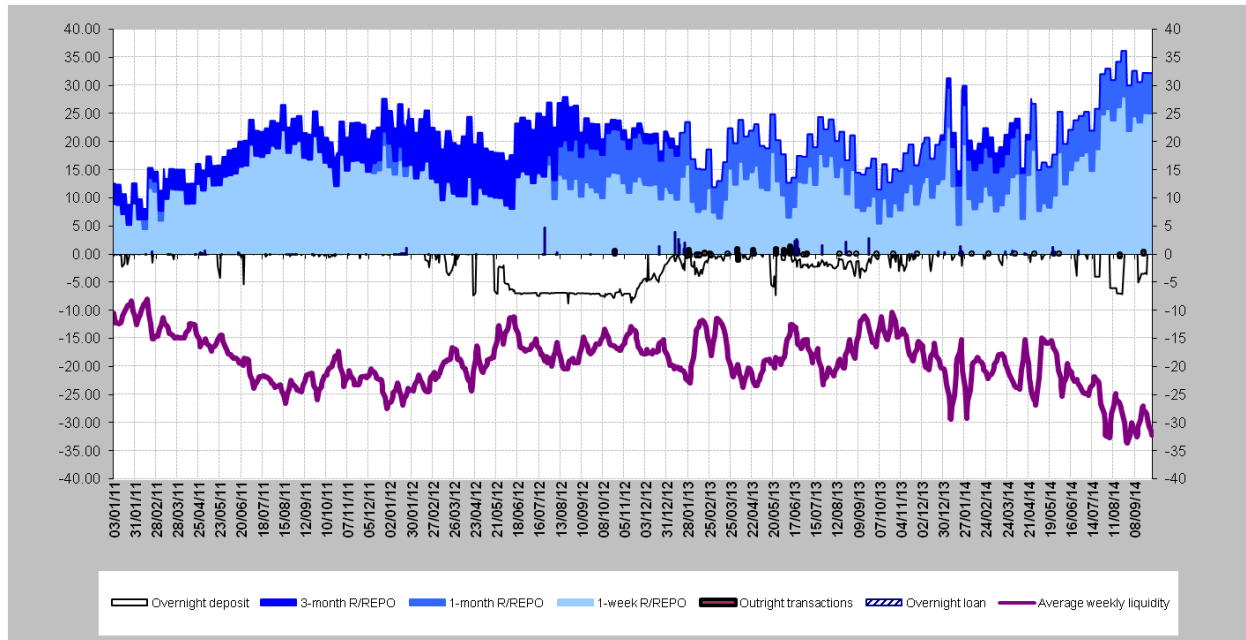
million from year start, in the third quarter an auction was organised to purchase 12-month newly issued Treasury bills for the announced amount of ALL 400 million, followed by downward reinvestment in 6-month Treasury bills for ALL 450 million. The purchase intervention was realised for only ALL 270 million. Following, three open market interventions were carried out to purchase 12-month newly issued Treasury bills, realised for ALL 465 million, in part adjusted by a sale intervention for ALL 250 million. At the end of the third quarter, BoA's portfolio stood ALL 85 million higher than at the beginning of 2014.

\* The figures are expressed in nominal value.

1.2 Use of standing facilities

The overnight deposit facility was used 27 times, averaging ALL 2.07 billion, against 6 times as in the previous quarter, when it averaged ALL 0.11 billion. The overnight loan was used once, on 22 August, for the amount ALL 225 million, against six times in the previous quarter, for ALL 450 million, on average. Chart 1 summarises Bank of Albania interventions in the money market during 2011-2014.

Chart 1 Bank of Albania interventions in the money market during 2011-2014 (purchase price)

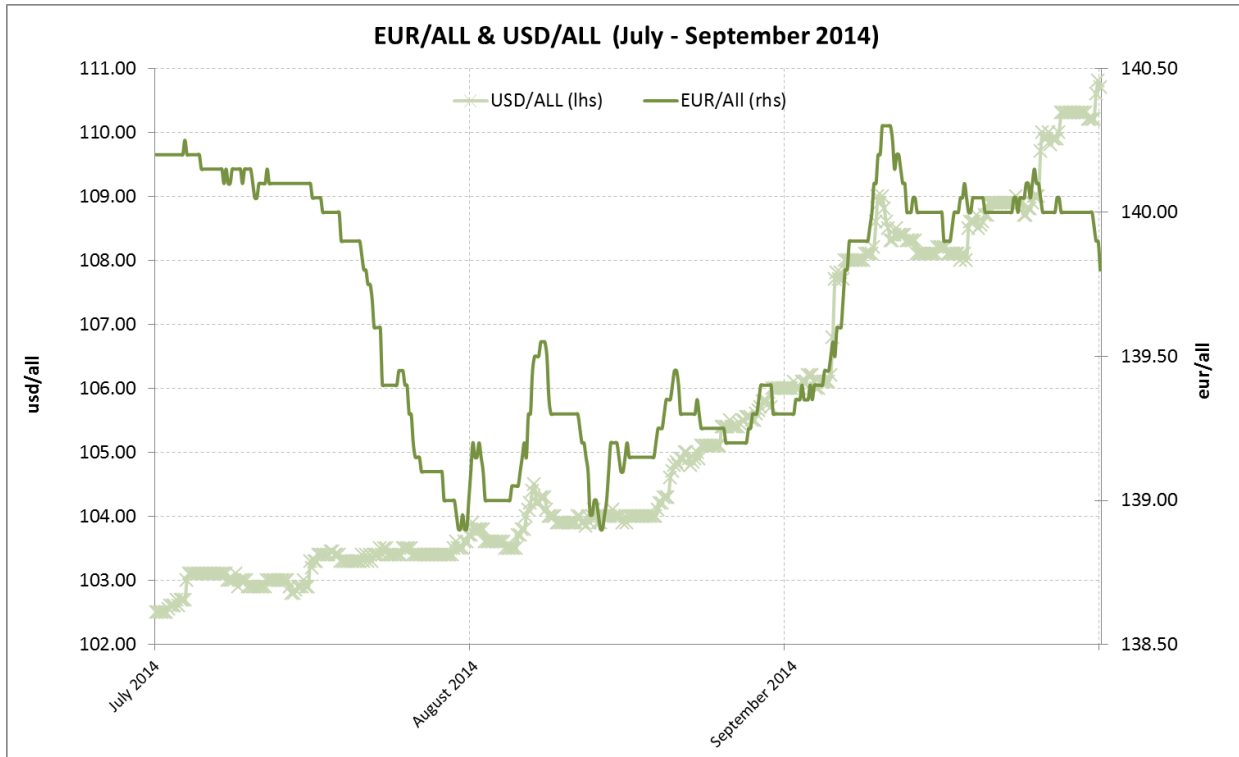


## 2. BANK OF ALBANIA INTERVENTIONS IN THE DOMESTIC FOREIGN EXCHANGE MARKET DURING 2014 Q3

### 2.1 Transactions with commercial banks

The Bank of Albania continued to not intervene in the foreign exchange market during 2014 Q3.

CHART 2 EUR/ALL and USD/ALL in 2014 Q3



### 2.2 Transactions with other institutions

During the third quarter, the only transaction between the Bank of Albania and the Ministry of Finance was the permanent purchase of SDR 23 million from the Ministry of Finance. These MoF funds were part of the Extended Fund Facility (EFF) program with the International Monetary Fund.

International institutions purchased foreign currency equivalent to ALL 225.80 million (International Bank for Reconstruction and Development – IBRD and International Development Agency – IDA).

**Table 2:** Foreign currency operations with other institutions

<b>Financial institution</b>	<b>Purchase of foreign currency (in ALL million)</b>	<b>Sale of foreign currency (in ALL million)</b>
Ministry of Finance	3,597.20	
Other (IDA, IBRD)	225.80	