

## MONETARY POLICY INSTRUMENTS AND MEASURES

INSTRUMENT	DIRECTION	MAIN CHARACTERISTICS	INTEREST RATE	FREQUENCY	COLLATERAL	MATURITY
<b>KEY POLICY RATE</b>		Set by the NBS Executive Board and applied by the NBS in implementing main open market operations.	<b>5.75%</b>	In line with the meeting calendar of NBS Executive board	-	-
<b>REQUIRED RESERVES</b>	Withdrawal	<p>Measure for regulating the general level of banking sector liquidity (withdrawal of excess liquidity). The foreign currency base also includes foreign currency clause-indexed dinar liabilities.</p> <p>Statutory depositing of required reserves with the NBS by applying:</p> <ul style="list-style-type: none"> <li>- 7% on dinar liabilities with maturity up to 2 years, 2% on dinar liabilities with maturity over 2 years,</li> <li>- 23% on foreign currency liabilities with maturity up to 2 years, 16% on foreign currency liabilities with maturity over 2 years, except on foreign currency clause-indexed dinar liabilities (100% for all maturities).</li> </ul> <p>46% of RR calculated on FX liabilities with maturity of up to 2 years is allocated in dinars, and 38% of RR calculated on FX liabilities with maturity over 2 years is allocated in dinars.</p>	<ul style="list-style-type: none"> <li>- <b>0.75%</b> on dinar assets</li> <li>- <b>0%</b> on foreign currency assets</li> </ul>	Daily – possibility of averaging the calculated required reserves during the maintenance period (from the 18th of the current month to the 17th of the next month).	None	Standing obligation
<b>OPEN MARKET OPERATIONS</b>	Withdrawal	Main operation, a reverse repo transaction - repo sell of securities, plays the most important role in achieving the OMO objectives; a standard auction, at the previously set calendar.	<b>Key policy rate</b>	Regular auctions – on Wednesdays	NBS dinar securities without foreign currency clause	1 W
	Withdrawal and Creation	Longer maturity operations, creation/withdrawal of liquidity in the longer run; a standard auction.	-	-	NBS, RS, IFI and domestic company dinar securities without foreign currency clause	-
	Withdrawal and Creation	Fine-tuning liquidity operations, prevention/mitigation of sudden disturbances of liquidity, quick auction, conducted the same day when the decision on organising an auction is adopted.	-	-		-
<b>STANDING FACILITIES</b>						
<b>DEPOSIT FACILITIES</b>	Withdrawal	Measure which allows banks to deposit excess liquidity with the NBS.	<b>4.50%</b> (key policy rate – 1.25 p.p.)	Daily	None	Overnight facility
<b>LENDING FACILITIES (LIQUIDITY LOANS)</b>	Creation	A single credit line for maintaining bank liquidity against the collateral of securities, as follows:		<i>Ad hoc</i>	NBS, RS, IFI and domestic company dinar securities without foreign currency clause	Overnight facility
		- on intraday loan	<b>0%</b>			
		- on overnight (O/N) loans	<b>7.00%</b> (key policy rate + 1.25 p.p.)			