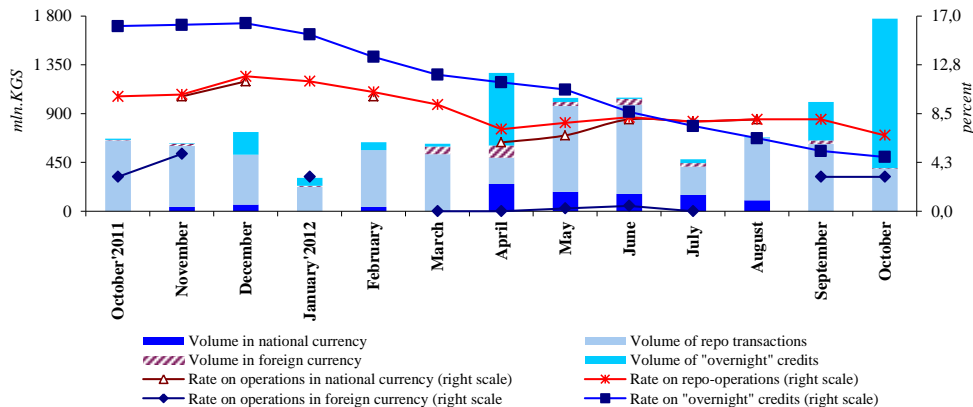


Interbank Market of Credit Resources (October 2012)

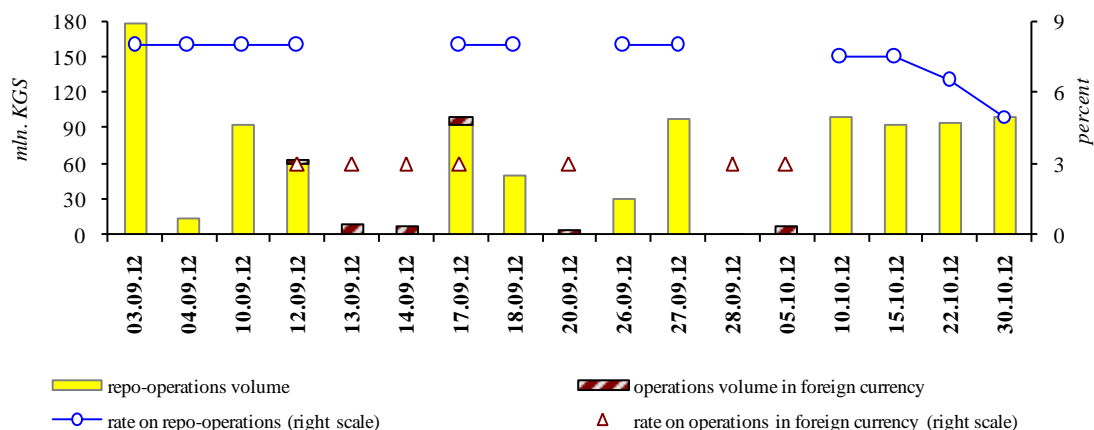
Graph 1. Dynamics of operations volume and interest rates in the domestic interbank credit market



In October, the overall average daily indicator of liquidity in the banking system has increased in comparison with the previous month by 24.3 percent to KGS 2.7 billion. The main reason for the growth was the increase in the excess reserves in individual banks, while the most of the remaining FCI observed volatile dynamics of the indicator in a much smaller amount of volume. However, some participants of the market proved a significant need for short-term liquidity and as a result in October the volume of "overnight" credits suddenly increased to KGS 1.4 billion (in 3.9 times). The rate on such credits, calculated on the basis of the discount rate NBKR, from the beginning of the year once again decreased, constituted the amount of 4.7 percent in October.

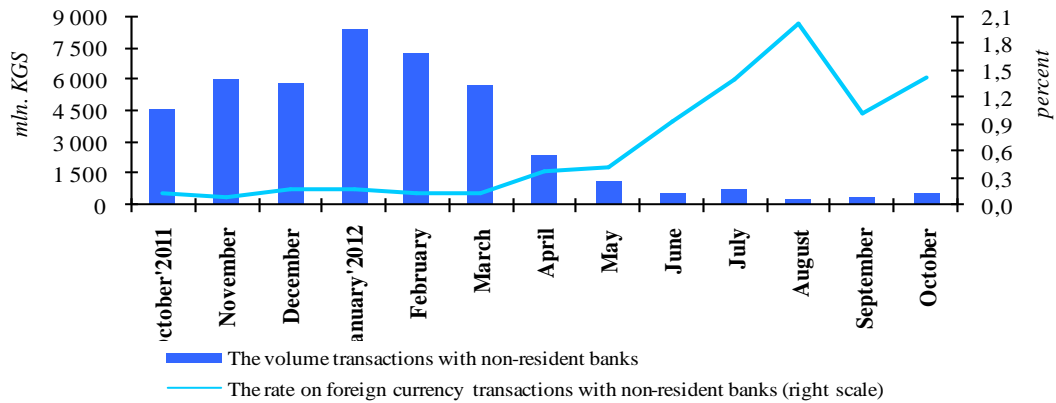
The total volume of operations in the domestic interbank market of loans constituted KGS 396.7 million, decreased from September's indicator of 39.3 percent. Particularly, the volume of transactions concluded under repo terms decreased by 37.3 percent to KGS 389.2 million, the volume of operations between resident banks in foreign currency increased by 77.1 percent, to KGS 7.6 million. In the period under review borrowings between commercial banks in national currency, as in the previous month, were not made.

Graph 2. Daily turnover and rates in the domestic interbank credit market



The decrease of the volume and quantity of interbank loans under repo terms led to a decrease of the rate on the transactions constituted 6.6 percent (-1.4 percentage points) as of the end of October, while the rate for credits between resident banks in foreign currency continued to be 3.0 percent. All kinds of borrowings, registered in October in the interbank credit market were made for a term of 7 days, and the average weighted term on transactions constituted 3 days.

Graph 3. Dynamics of volume of operations and interest rate on interbank credit market on transactions in foreign currency with non-resident banks



Concentration index of creditors increased in October from 0.33 to 0.47, while concentration index of debtors decreased from 0.5 to 0.37. The values of these indices indicate a continuing high level of concentration of the market and correspond to the presence of the two creditors and three borrowers on the market with equal shares.

The volume of credit transactions in a foreign currency with non-resident banks still formed by one of the commercial banks increased by 44.2 percent to KGS 612.3 million in terms of national currency. The entire volume of such transactions were made in USD and as before the abovementioned bank acted as a creditor. The average weighted interest rate on credit transactions with non-resident banks increased to 1.4 percent (+0.4 percentage points) as of the end of the month.

Table 1. Dynamics of interbank credits in national currency (in terms of urgency)

Period	Total			Including by terms															
	Volume (mln.K GS)	Quantity of transact	Rate (%)	Up to 1 day		2-7 days		8-14 days		15-30 days		31-60 days		61-90 days		91-180 days		181-360 days	
				Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)
October 2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	40,0	1	10,0	-	-	40,0	10,0	-	-	-	-	-	-	-	-	-	-	-	-
December	61,0	2	11,3	-	-	40,0	12,0	21,0	10,0	-	-	-	-	-	-	-	-	-	-
January 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
February	40,0	1	10,0	-	-	40,0	10,0	-	-	-	-	-	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April	250,0	2	6,0	150,0	8,0	100,0	3,0	-	-	-	-	-	-	-	-	-	-	-	-
May	177,0	4	6,6	25,0	3,0	152,0	7,2	-	-	-	-	-	-	-	-	-	-	-	-
June	160,0	3	8,0	-	-	160,0	8,0	-	-	-	-	-	-	-	-	-	-	-	-
July	150,0	3	7,8	-	-	100,0	7,8	50,0	8,0	-	-	-	-	-	-	-	-	-	-
August	100,0	2	8,0	-	-	50,0	8,0	50,0	8,0	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 2. Repo operations of commercial banks (in terms of urgency)

Period	Total			Including by terms															
	Volume (mln.K GS)	Quantity of transact	Rate (%)	Up to 1 day		2-7 days		8-14 days		15-30 days		31-60 days		61-90 days		91-180 days		181-360 days	
				Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)
October 2011	653,1	12	10,0	81,4	10,0	571,7	10,0	-	-	-	-	-	-	-	-	-	-	-	-
November	563,1	14	10,2	170,4	10,2	392,7	10,2	-	-	-	-	-	-	-	-	-	-	-	-
December	460,4	15	11,8	-	-	408,0	11,9	52,4	10,3	-	-	-	-	-	-	-	-	-	-
January 2012	225,7	6	11,3	72,7	12,0	128,0	11,0	25,0	11,0	-	-	-	-	-	-	-	-	-	-
February	522,5	15	10,4	173,7	10,4	348,8	10,4	-	-	-	-	-	-	-	-	-	-	-	-
March	525,9	19	9,3	95,2	9,0	430,7	9,3	-	-	-	-	-	-	-	-	-	-	-	-
April	242,8	7	7,1	104,7	7,0	138,0	7,3	-	-	-	-	-	-	-	-	-	-	-	-
May	792,7	15	7,7	190,1	7,5	602,5	7,8	-	-	-	-	-	-	-	-	-	-	-	-
June	820,6	19	8,2	231,5	8,2	534,6	8,2	54,4	8,0	-	-	-	-	-	-	-	-	-	-
July	261,4	4	7,8	-	-	261,4	7,8	-	-	-	-	-	-	-	-	-	-	-	-
August	578,4	10	8,0	13,2	8,0	565,2	8,0	-	-	-	-	-	-	-	-	-	-	-	-
September	620,7	11	8,0	98,1	8,0	522,6	8,0	-	-	-	-	-	-	-	-	-	-	-	-
October	389,2	5	6,6	100,1	7,5	289,1	6,3	-	-	-	-	-	-	-	-	-	-	-	-

Table 3. The dynamics of inter-bank loans in foreign currency between resident banks (in terms of urgency)

Period	Total			Including by terms															
	Volume (mln. KGS)	Q-ty of transactions	Rate (%)	Up to 1 day		2-7 days		8-14 days		15-30 days		31-60 days		61-90 days		91-180 days		181-360 days	
				Volume (mln. KGS)	Rate (%)	Volume (mln. KGS)	Rate (%)	Volume (mln. KGS)	Rate (%)	Volume (mln. KGS)	Rate (%)	Volume (mln. KGS)	Rate (%)	Volume (mln. KGS)	Rate (%)	Volume (mln. KGS)	Rate (%)	Volume (mln. KGS)	Rate (%)
October 2011	4,0	1	3,0	4,0	3,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	18,6	1	5,0	-	-	-	-	-	-	-	-	18,6	5,0	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
January 2012	9,5	3	3,0	9,5	3,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
February	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March	70,1	4	0,0	-	-	23,4	0,0	23,4	0,0	23,4	0,0	-	-	-	-	-	-	-	-
April	112,4	6	0,0	-	-	89,0	0,0	23,5	0,0	-	-	-	-	-	-	-	-	-	-
May	38,4	4	0,2	3,2	3,0	35,3	0,0	-	-	-	-	-	-	-	-	-	-	-	-
June	56,0	4	0,5	2,9	3,0	53,1	0,3	-	-	-	-	-	-	-	-	-	-	-	-
July	33,0	1	0,0	-	-	33,0	0,0	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
September	33,1	6	3,0	24,1	3,0	9,0	3,0	-	-	-	-	-	-	-	-	-	-	-	-
October	7,6	1	3,0	-	-	7,6	3,0	-	-	-	-	-	-	-	-	-	-	-	-