

Deposits (January-March of 2017)

In the reporting period, there was growth of the commercial banks depository base in the market of bank deposits, where inflow of deposits in national currency prevailed. The indicators of the interest rates on the accepted deposits in national and foreign currency did not experience significant changes in the reporting period.

By structure, the growth of the depository base of commercial banks was characterized by an increase in balance of money on fixed-term deposits, as well as by the growth of demand deposits. The balance on settlement accounts, on the contrary, decreased during the reporting period.

At the end of the reporting period, the depository base volume of commercial banks amounted to KGS 109.7 billion, having increased by 2.4 percent year to date. At the same time, this increase was caused by the growth of deposits in national currency by 3.4 percent amounting up to KGS 54.2 billion. The foreign currency component of the depository base also increased by 1.5 percent amounting to KGS 55.5 billion.

In the reporting period, the time structure of the depository base showed an increase in the share of funds on fixed-term deposits of banks' clients up to 39.5 percent (+2.1 percentage points), as well as the share of demand deposits up to 27.1 percent (+0.1 percentage points). The share of deposits on settlement accounts in the depository base, on the contrary, decreased up to 33.4 percent (-2.3 percentage points).

The index of market concentration was at the level of 0.10, which corresponds to the average level of concentration and is an equivalent to the presence of ten participants in the market with an equal share.

Chart 1. Dynamics of deposits, accepted by the commercial banks over a period

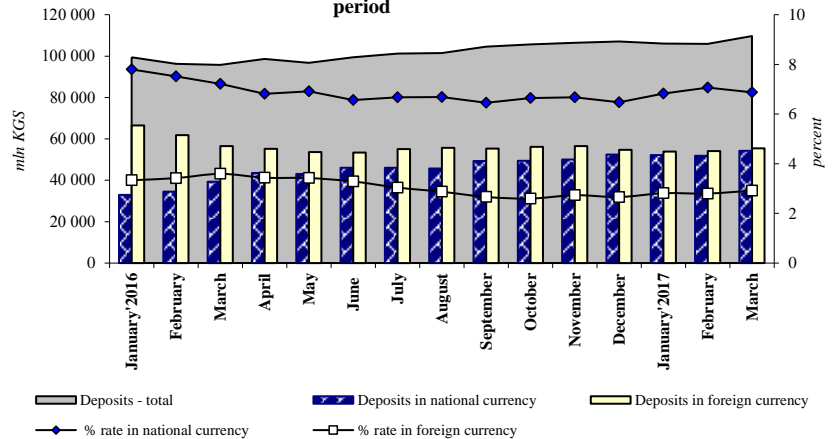
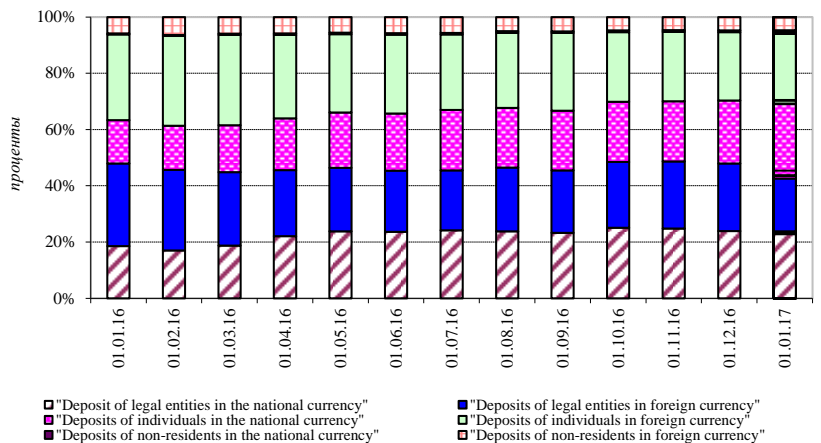


Chart 2. Deposit structure by depositors



In the reporting period there was an increase in the inflow of deposits to the commercial banks. The volume of the newly accepted deposits¹ for the reporting period constituted KGS 118.3 billion, having increased by 27.6 percent as compared to the similar indicator of 2016. The volume of the newly accepted deposits in national currency constituted KGS 65.0 billion (+33.4 percent), in foreign currency – 53.3 billion in KGS equivalent (+21.3 percent).

By structure, increase of the newly accepted deposits was mainly due to the growth in the fixed-term deposits, the volume of the latter increased by 47.3 percent amounting up to KGS 13.4 billion within the period. At the same time, their share increased from 9.8 to 11.3 percent with the proportional reduction in the share of the deposits on demand (from 90.2 to 88.7 percent). At the same time, the volume of accepted deposits on demand increased by 25.5 percent amounting to KGS 104.9 billion.

The average weighted interest rate on the newly accepted deposits in national currency constituted 3.0 percent, having increased by 0.6 percentage points as compared with the similar indicator of 2016. At the same time, the average weighted interest rate on fixed-term deposits in national currency constituted 11.3 percent (-1.9 percentage points), and on deposits on demand – 1.8 percent (+0.4 percentage points).

The weighted average interest rate on the newly accepted deposits in foreign currency was 0.9 percent (+0.1 percentage points). At the same time, the average weighted interest rate on fixed-term deposits in foreign currency decreased to 4.5 percent (-0.5 percentage points), on deposits on demand the rate increased by 0.3 percentage points and constituted 0.5 percent.

Chart 3. Average level of interest rates on new deposits in national currency by term categories

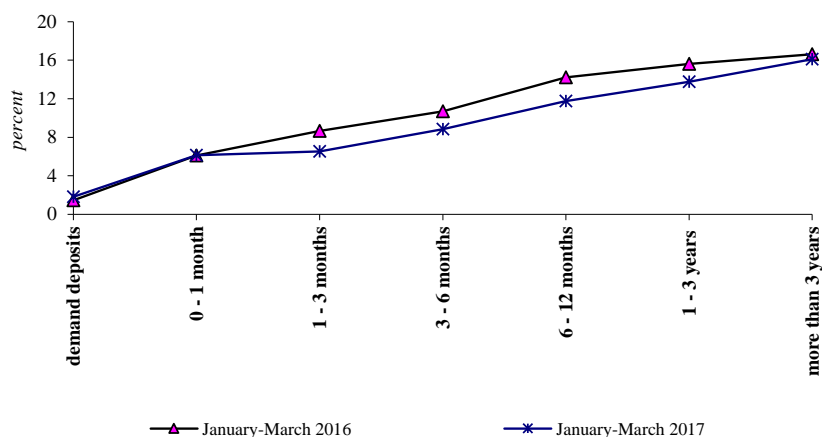
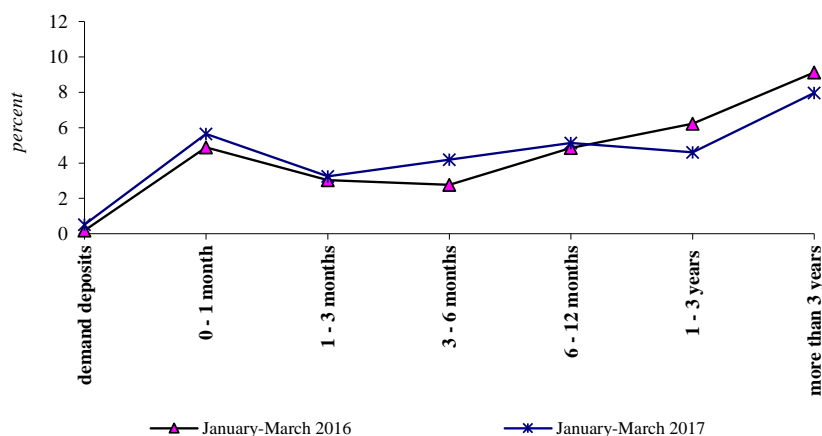


Chart 4. Average level of interest rates on new deposits in foreign currency by term categories



¹ In the volume of the newly accepted deposits the settlement accounts of the bank's clients are not taken into account.