## **Inter-Bank Market of Credit Resources**

(*October 2014*)

A decrease was observed in the average daily level of liquidity of commercial banks at the interbank market by 9.8 percent, to 673.2 million KGS in the period under consideration as compared to similar index for the previous month.

In the reporting period, only REPO conditions based transactions were committed at the interbank market of credits. No credit transactions in foreign and national currency were committed between banks. At the same time, the transactions on REPO conditions were committed according to the weighted average rate of 6.4 percent per annum (+1.2 percentage points). The volume of these credits amounted to 4.3 billion KGS, by having decreased by 34.3 percent as compared to the previous month.

Besides, in the reporting period there was some decrease in demand for overnight credits, a tool of the National Bank of the Kyrgyz Republic, the volume of which amounted to 1.2 billion KGS, (-55.5 percent). The weighted average rate on overnight credits established by the National Bank of the Kyrgyz Republic increased to 10.1 percent (+1.1 percentage points).

In the reporting period, the National Bank issued credits to commercial banks based on credit auctions at the total amount of 280.0 million KGS (-61.1 percent), 7-day credits and intraday credits were not issued.

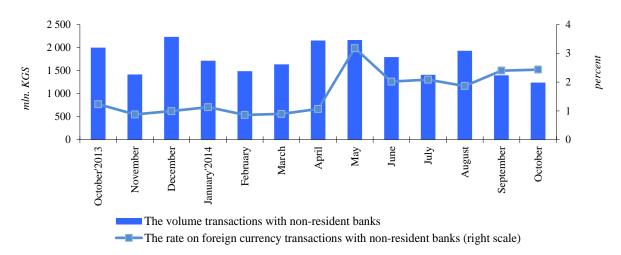
In the reporting period, the National Bank continued to allocate funds of commercial banks on deposits based on overnight conditions in the amount of 15.6 billion KGS, which is by 2.5 times more than funds allocated in September.

Graph 1. The dynamics of the transactions and the interest rates in the

domestic interbank credit market 24 000 15 20 000 12 16 000 регсепі 9 12 000 6 8 000 3 4 000 March June February October'2013 April July August November December The volume of "overnigh" loans The volume in foreign currency The volume of repo-transactions The volume in national currency • Rate on operations in national currency (right scale) Rate on repo-operations (right scale) - Rate on operations in foreign currency (right scale) - Rate on "overnight" loans (right scale)

The concentration index of creditors decreased over the month from 0.57 to 0.36, and the concentration index of debtors from 0.27 to 0.25. The values of these indices indicate to the high level of market concentration and correspond to the presence of three creditors and four debtors in the market with equal shares.

Graph 2. The dynamics of the operations and the interest rates on the interbank credit market on transactions in foreign currency with non-resident banks



The volume of credit transactions in foreign currency with non-resident banks amounted to 1.2 billion in KGS equivalent, by having increased by 11.3 percent as compared to the same period of the previous month. The weighted average interest rate on credit transactions with non-resident banks committed in the period under review remained at the level of 2.4 percent.

Table 1. The dynamics of inter-bank loans in national currency (in terms of urgency)

		Total			Including by terms																	
						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		
Period			Q-ty of transact ions	Rate (%)	Volume (mln. KGS)	Rate (%)	Volume (mln. KGS)	Rate (%)														
2013	10 11 12	40,5 169,3		4,0			40,5	4,0	40,0	3,0							59,3	7,0	70,0	7,0		
-	01	109,3		6,1					40,0	3,0							39,3	7,0	/0,0	7,0		
	02 03 04	155,8	3,0	7,3																		
2014	05 06	104,0 78,8		7,0 12,5			104,0	7,0											78,8	12,5		
	07 08	51,9 26,2		9,5 9,50					51,9 26,2	9,5 9,50												
	09 10	26,8 0,0		9,50					26,8 0,0	9,50												

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

		Total			Including by terms																	
						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		
Period			Q-ty of transact ions	Rate (%)	Volume (mln. KGS)	Rate (%)	Volume (mln. KGS)	Rate (%)														
2012	10	1792,3		4,3		4,3	1139,3	4,2														
2013	11	317,5 419,2	12 6	4,3 4,0		4,4 3,5		4,2 4,0														
	01	101,4	3	3,6		3,5		3,8														
	02	1626,8		4,9		5,3	1060,3	4,7	58,4	5,0												
	03 04	2574,9 2606,1	62 64	8,1 7,7	787,7 401,3	8,4 7,6	1787,2 2056,6	7,9 7,6		8,4												
2011	05	3035,2	53	7,7		7,0	2297,3	7,5		8,0												
2014	06	6174,1	76	7,8	3279,6	8,0	2630,4	7,6	215,0	8,5	49,2	8,0										
	07	7717,8		6,6		6,0	2906,5	7,2		8,0												
	08 09	8395,2	59	5,3		5,1	3787,0	-	-	6,0												
	10	6588,7 4327,6	72 74	5,2 6,4		4,9 5,9	6187,4 3823,8	5,2 6,4		7,0 7,4												