

Deposits (9 months 2014)

In January-September 2014, there was an increase of the depositary base in the market of commercial banks' deposits as compared to the similar period of 2013, which was mainly due to the growth of the deposits in foreign currency.

The indicators of the interest rates on the accepted deposits in the national and foreign currency did not experience significant changes for nine months.

By the end of the reporting period, the volume of the depositary base of the commercial banks constituted KGS 74.6 billion, having increased from the beginning of the year by 10.8 percent. At the same time, the increase was due to the growth of the deposits in foreign currency by 25.8 percent, up to KGS 41.3 billion. The deposits in the national currency on the contrary decreased by 3.4 percent, down to KGS 33.3 billion.

According to the results of January-September 2014, the dollarization of the depositary base, taking into account adjustments of the policy rate as of the beginning of the year, increased by 5.0 percentage points, up to 52.9 percent.

In the reporting period, there was an increase in the share of funds on the settlement accounts up to 35.9 percent (+0.2 percentage points) and the share of the fixed-term deposits increased up to 40.6 percent (+1.5 percentage points) in the time structure of the depositary base. The share of the deposits on demand of the banks' clients, on the contrary, decreased down to 23.5 percent (-1.7 percentage points).

The index of market concentration remained 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

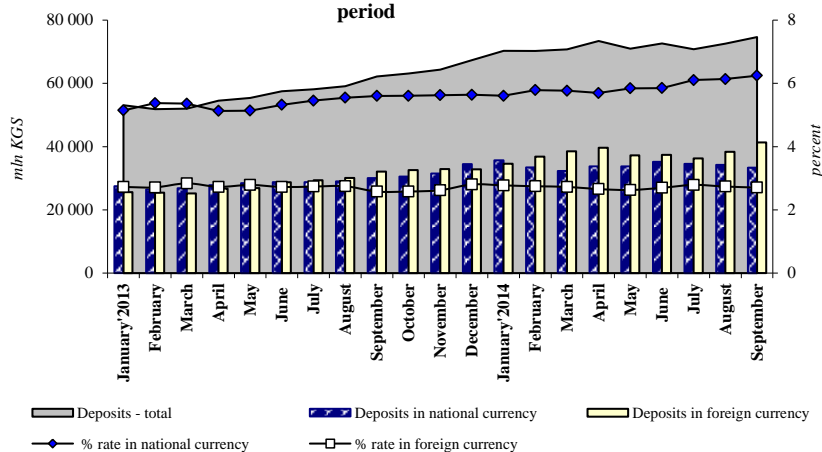
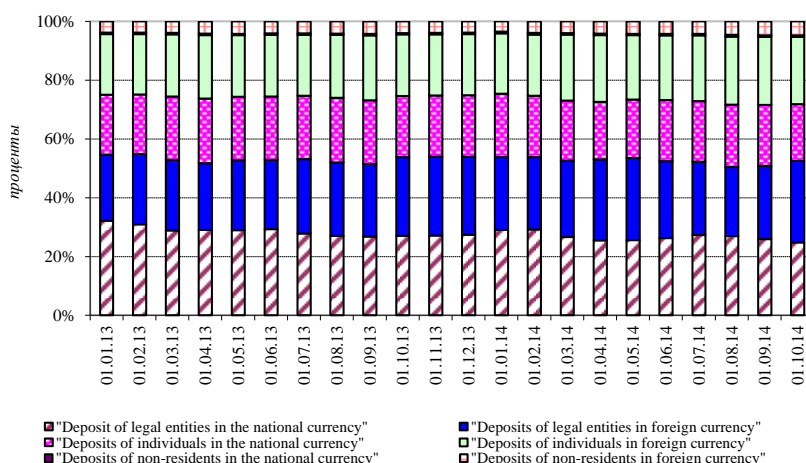


Chart 2. Deposit structure by depositors



In the reporting period, there was an increase in the inflow of deposits to the commercial banks. The volume of the newly accepted deposits in January-September 2014¹ constituted KGS 270.2 billion, having increased by 35.8 percent as compared to the similar indicator of 2013. The volume of the newly accepted deposits in the national currency constituted KGS 127.7 billion (+23.7 percent), in foreign currency – 142.4 billion in KGS equivalent (+48.7 percent).

By structure, an increase of the newly accepted deposits was due to the growth of the deposits on demand by 35.6 percent and the fixed-term deposits by 36.9 percent. At the same time, the share of the fixed-term deposits decreased from 11.8 to 11.7 percent with the proportional increase in the share of the deposits on demand (from 88.2 to 88.3 percent) mainly due to the growth in the volume of the short-term deposits.

The weighted average interest rate on the newly accepted deposits in the national currency constituted 2.37 percent, having not changed as compared with the similar indicator of 2013. At the same time, the weighted average interest rate on the fixed-term deposits in the national currency constituted 10.22 percent (+0.92 percentage points), and on the deposits on demand – 1.33 percent, having decreased by 0.07 percentage points as compared to the similar period of 2013.

The weighted average interest rate on the newly accepted deposits in foreign currency was 0.79 percent (+0.01 percentage point). At the same time, the weighted average interest rate on the deposits on demand in foreign currency increased up to 0.13 percent (+0.02 percentage points), the rate on the fixed-term deposits in foreign currency decreased by 5.58 percent (-0.21 percentage points).

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

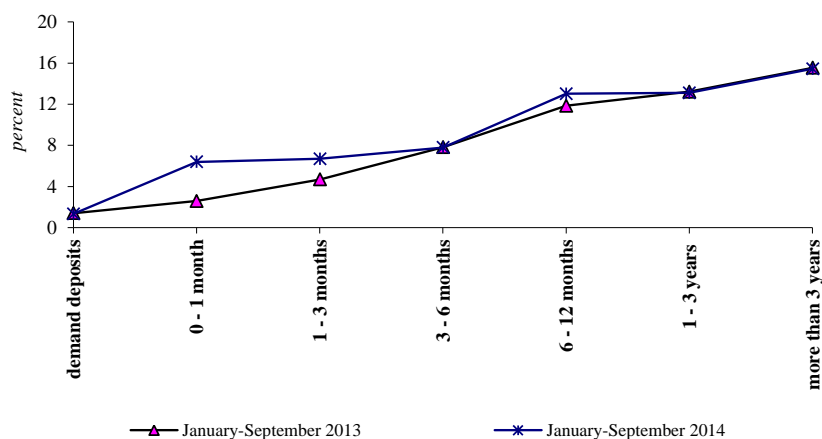
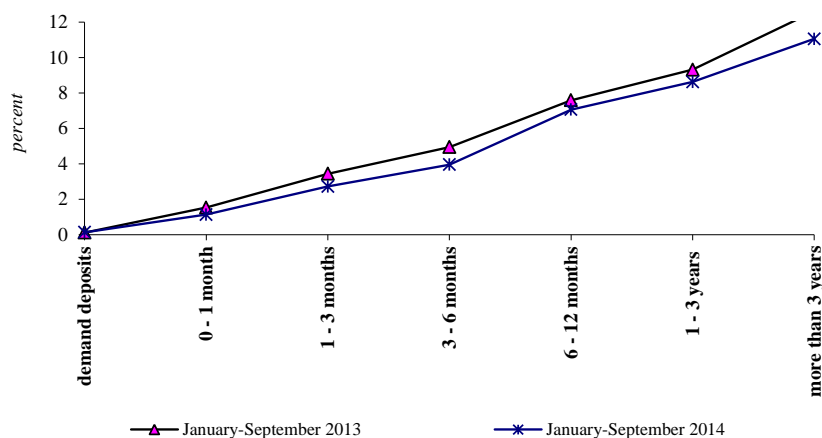


Chart 4. Average level of interest rates on new deposits in foreign currency by term categories



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