

The interbank market of credit resources

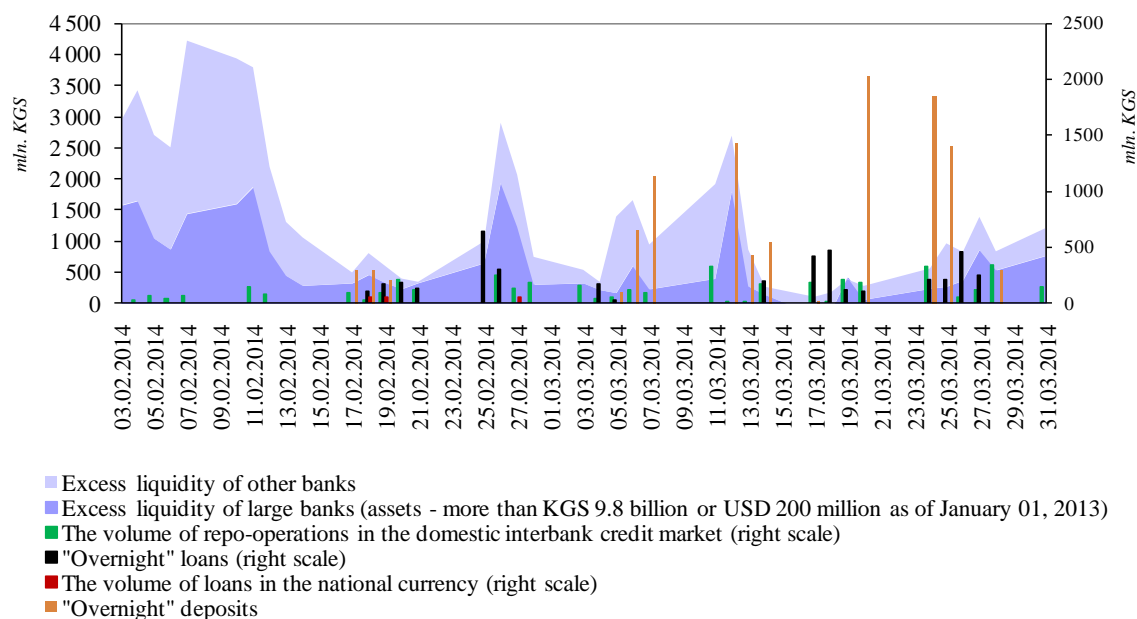
(March 2014)

In March, the average daily liquidity in the interbank market decreased from KGS 2.0 billion in the previous month to KGS 908.2 million, primarily due to decrease of excess reserves indicators of the leading banks (Graph 1).

Graph 1.

The dynamics of excess reserves of commercial banks (in the national currency) and volume of interbank credits

(mln. KGS)



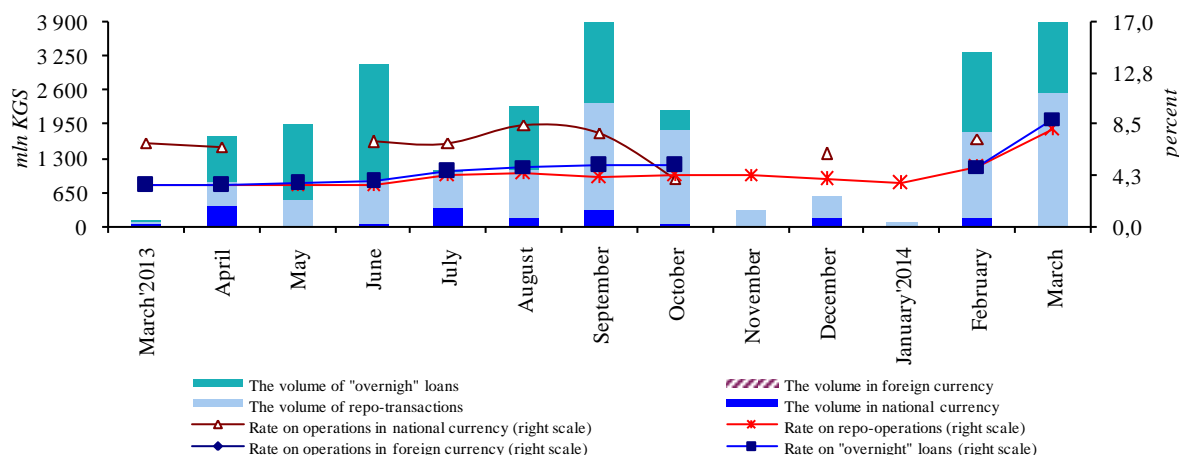
Meanwhile, repo-operations on the most popular loans were still conducted in the reporting period at the rate of 8.1 percent per annum (+3.2 percentage points). Thus, there was an increase in demand for “overnight” loans, which volume constituted KGS 2.6 billion, having increased by 1.7 times compared to the previous month.

In March, the total volume of transactions in the domestic interbank lending market (excluding “overnight” loans) amounted to KGS 2.6 billion, having increased by 44.5 percent compared to the indicator of the previous month, which resulted from increase in the volume of repo-transactions to KGS 2.6 billion (+58.3 percent). In the reporting period, credit transactions in the national and foreign currency were not carried out between banks.

The average weighted rate on “overnight” loans was 9.0 percent.

Graph 2.

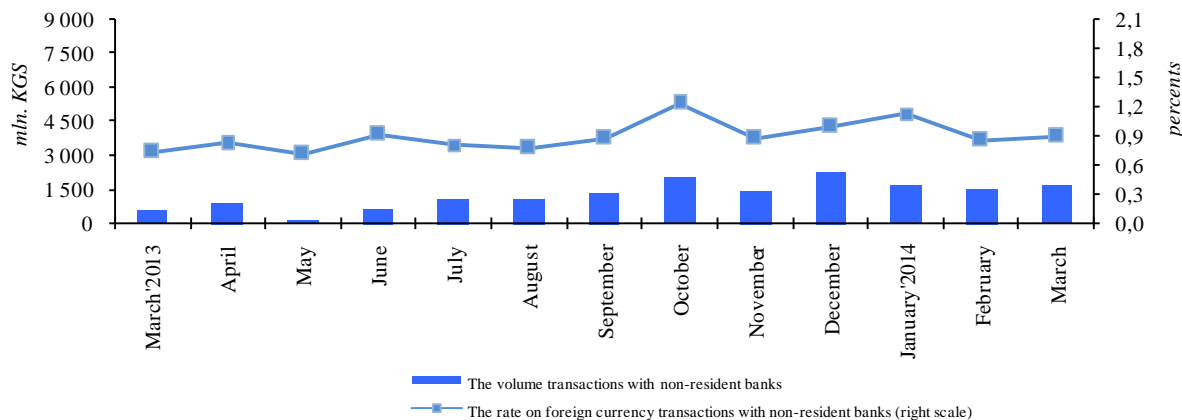
The dynamics of the transactions and the interest rates in the domestic interbank credit market



The concentration index of creditors decreased from 0.34 to 0.30 per a month, and the concentration index of debtors was 0.25 compared to 0.16 in the previous month. The values of these indices indicate a continuing average level of market concentration and correspond to the presence of three creditors and four borrowers with equal shares in the market.

Graph 3.

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 KGS 1.6 billion, having increased by 9.8 percent compared to the same indicator of the previous month. The average weighted interest rate on credit transactions carried out in the period under review with non-resident banks using only US dollars remained at the level of 0.9 percent.

