

Deposits (3 months 2016)

In January-March 2016, there was decrease of the commercial banks depositary base in the market of bank deposits as compared to the similar period of 2015, which was mainly due to the reduction of 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 the first quarter.

By the end of the reporting period, the volume of the depositary base of commercial banks constituted KGS 95.8 billion, having decreased from the beginning of the year by 6.9 percent. At the same time, the decrease was due to the reduction of the currency component in the depositary base by 16.3 percent, down to KGS 56.5 billion. Deposits in KGS were on the contrary increased by 11.0 percent, up to KGS 39.3 billion.

According to the results of January-March 2016, the dollarization of the depositary base increased, taking into account changes in the exchange rate, by 1.3 percentage points, up to 60.9 percent.

In the reporting period, there was an increase in the share of funds on the deposits on demand of the bank's clients in the time structure of the depositary base from 24.4 to 24.8 percent. The share in the settlement accounts also increased from 31.6 to 32.0 percent. The share of the fixed-term deposits of the depositary base, on the contrary, decreased from 44.0 to 43.2 percent.

The index of market concentration remained at the level of 0.09, which corresponds to the average level of concentration and is an equivalent to the presence of eleven participants in the market with an equal share.

Chart 1. Dynamics of Depositary Base

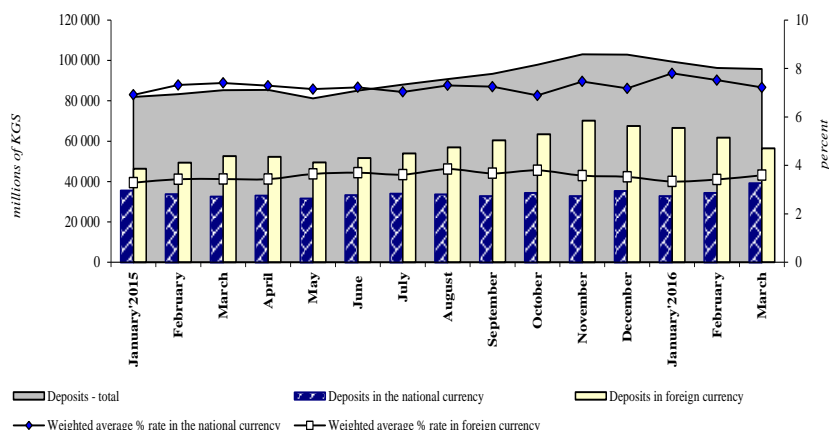
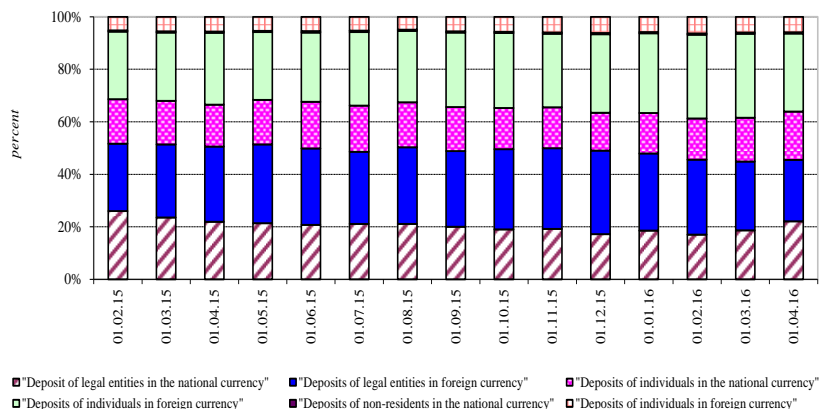


Chart 2. Deposit Structure



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-March 2016¹ constituted KGS 92.7 billion, having increased by 3.9 percent as compared to the similar indicator of 2015. The volume of the newly accepted deposits in the national currency constituted KGS 48.8 billion (+20.8 percent), in foreign currency – 44.0 billion in KGS equivalent (-10.0 percent).

By structure, increase of the newly accepted deposits was mainly due to the growth in the deposits on demand, the volume of the latter increased by 9.7 percent within the reporting period. At the same time, the share of the deposits on demand increased from 85.5 to 90.2 percent with the proportional reduction in the share of fixed-term deposits (from 14.5 to 9.8 percent) due to the reduction of their short-term component.

The average weighted interest rate on the newly accepted deposits in the national currency constituted 2.46 percent, having remained the same as compared with the similar indicator of 2015. At the same time, the average weighted interest rate on the fixed-term deposits in the national currency constituted 13.21 percent (+1.27 percentage points), and on the deposits on demand – 1.49 percent, having increased by 0.33 percentage points as compared with the similar period of 2015.

The average weighted interest rate on the newly accepted deposits in foreign currency was 0.74 percent (-0.40 percentage points). At the same time, the average weighted interest rate on the deposits on demand in foreign currency increased to 0.18 percent (+0.10 percentage points), on the fixed-term deposits in foreign currency the rate decreased by 0.90 percentage points and constituted 5.03 percent.

Chart 3. Average Level of Interest Rates on New Deposits in the National Currency by Term Categories

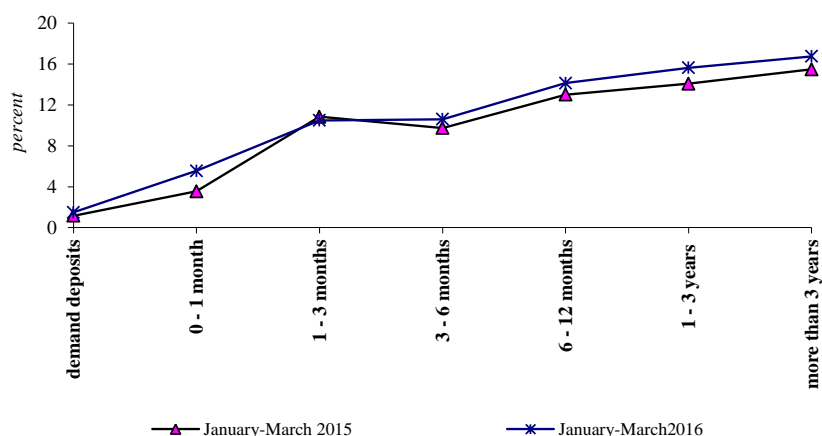
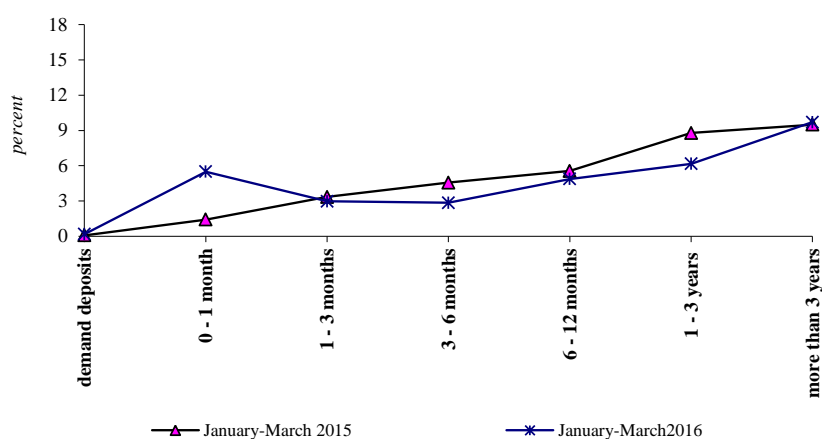


Chart 4. Average Level of Interest Rates on New Deposits in Foreign Currency by Term Categories



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