Inter-Bank Market of Credit Resources

(*December 2014*)

An increase was observed in the average daily level of excessive liquidity of commercial banks in the interbank market by 24.0 percent, to KGS 1.1 billion in the reporting period as compared to similar index for the previous month.

REPO conditions based transactions and standard conditions based credit transactions were conducted in the national and foreign currency in the domestic interbank credit market. At the same time, the transactions on REPO conditions were conducted according to the weighted average rate of 9.8 percent per annum (+1.4 percentage points). The volume of these credits amounted to KGS 2.8 billion having decreased by 22.3 percent as compared to the previous month.

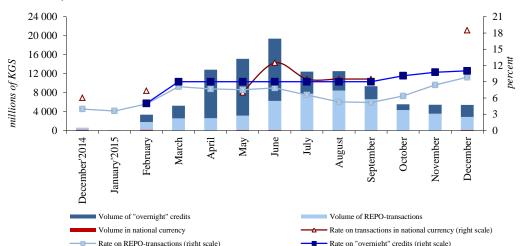


Chart 1. Dynamics of Transactions and Interest Rates in the Domestic Interbank Credit Market

The volume of standard transactions in the national currency amounted to KGS 120.0 million, which were not conducted in the previous year. The weighted average rate on these credits made 18.5 percent. In the reporting period, the credits in foreign currency were issued to the amount of KGS 115.2 million in the domestic market.

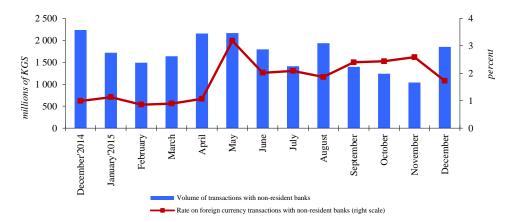
Besides, in the reporting period there was some decrease in demand for overnight credits, a tool of the National Bank of the Kyrgyz Republic, the volume of which amounted to KGS 2.5 billion (+32.2 percent). The weighted average rate on overnight credits established by the National Bank of the Kyrgyz Republic was at the level of 11.0 percent.

In the reporting period, the National Bank issued credits based on credit auctions, 7-day credits to commercial banks 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 KGS 26.7 billion (+2.0 times).

The concentration index of creditors made 0.23, and the concentration index of debtors - 0.25. The values of these indices indicate the high level of market concentration and correspond to the presence of four principal creditors and four debtors.

Chart 2. Dynamics of Operations and Interest Rates in 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 1.9 billion having increased by 78.1 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 reporting period formed at the level of 1.7 percent (-0.9 percentage points).

Table 1. Dynamics of Inter-Bank Loans in National Currency (in Terms of Urgency)

			Total										Including	by term:	s							
	Period		İ																		more than 360	
l p					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		days	
			Q-ty of transact ions	Rate (%)	(mln. KGS)	Rate (%)	(mln. KGS)	Rate (%)	(mln. KGS)	Rate (%)	(mln. KGS)	Rate (%)	(mln. KGS)	Rate (%)	(mln. KGS)	Rate (%)	(mln. KGS)	Rate (%)	(mln. KGS)	Rate (%)	(mln. KGS)	Rate (%)
2014	01 02 03 04 05 06 07 08 09 10	155,8 104,0 78,8 51,9 26,2 26,8	3,0 1 1 2 1	7,3 7,0 12,5 9,5 9,5 9,5			104,0	7,0		9,5 9,5									78,8	12,5		

Table 2. REPO Operations of Commercial Banks (in Terms of Urgency)

				Total										Including	by term:	3							
	Period																						han 360
					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		da	ays	
			Volume (mln. KGS)	Q-ty of transact ions	Rate (%)	Volume (mln. KGS)	Rate (%)	Volume (mln. KGS)	Rate (%)	Volume (mln. KGS)	Rate (%)												
	0)1	101,4	3	3,6	66,2	3,5	35,3	3,8														
	0:)2	1626,8	36	4,9	508,0	5,3	1060,3	4,7	58,4	5,0												
	0.)3	2574,9	62	8,1	787,7	8,4	1787,2	7,9														1
	0)4	2606,1	64	7,7	401,3	7,6	2056,6	7,6	148,2	8,4												1
	0:)5	3035,2	53	7,5	620,1	7,7	2297,3	7,5	117,9	8,0												
2014	0)6	6174,1	76	7,8	3279,6	8,0	2630,4	7,6	215,0	8,5	49,2	8,0										1
2014	0)7	7717,8	78	6,6	4506,8	6,0	2906,5	7,2	304,6	8,0												1
	0)8	8395,2	59	5,3	4598,9	5,1	3787,0	5,5	9,3	6,0												
	0)9	6588,7	72	5,2	361,2	4,9	6187,4	5,2	40,1	7,0												1
	10	0	4327,6	74	6,4	375,2	5,9	3823,8	6,4	128,5	7,4												
	1	1	3552,1	60	8,4	368,1	8,8	3111,6	8,4	72,4	8,0												
	1:	2	2759,7	65	9,8	948,1	9,7	1602,6	9,8	183,1	10,4	26,0	10,9										

Table 3. Dynamics of Inter-Bank Loans in Foreign Currency between Resident Banks (in Terms of Urgency)

			Total										Including	by terms	3							
D.	Period				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			han 360 iys
1,			Q-ty of transact ions	Rate (%)	Volume (mln. KGS)	Rate (%)																
	01 02		-	-		-		-	-	-	-	-		-		-	-	-		-	-	-
	03	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	04 05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	06	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	07 08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	12	115,2	1	0,5	-		115,2	0,5	-	-	-	-	-	-	-	-	-	-	-		-	-