

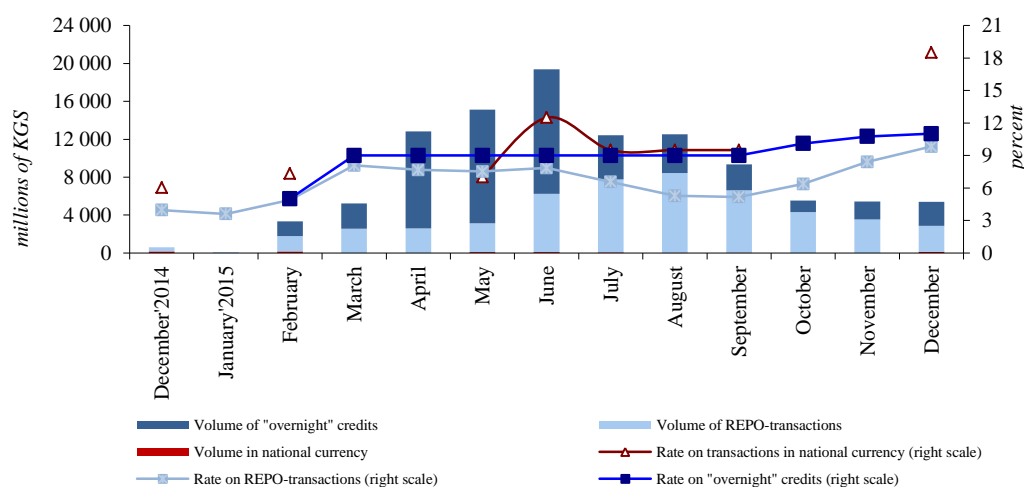
## Inter-Bank Market of Credit Resources

(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

