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Credits and deposits market development in January 2014

The volume of new granted credits in national currency increased by MDL 569.3 million or by 69.8 percent in January 2014 as compared to the same period of the last year, totaling MDL 1385.0 million. The average weighted interest rate on credits granted during the reporting period was 12.29 percent, decreasing by 0.12 percentage points (Table no.1).

Table no. 1. Volume and average rate on credits granted by banks in national currency

	January 2013		December 2013		January 2014	
	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)
Up to 1 month	5.0	22.17	392.5	14.91	18.2	15.53
From 1 month to 3 months	5.4	13.91	51.3	12.82	104.3	13.08
From 3 months to 6 months	17.9	14.08	80.5	12.20	19.3	10.97
From 6 months to 12 months	122.2	12.76	513.0	12.74	281.2	12.29
Over 12 months	665.1	12.22	2609.9	12.11	961.9	12.17
Total amount	815.7		3647.3		1385.0	
Average rate on banking system		12.41		12.51		12.29

As compared to December 2013, the volume of new granted credits in national currency decreased by MDL 2262.3 million (by 62.0 times), while the average weighted interest rate on granted credits decreased by 0.22 percentage points. The credits granted with terms over 12 months continued to be the most attractive, their share being of 69.5 percent of the total volume of credits in national currency in January 2014, being extended at an average interest rate of 12.17 percent (increasing by 0.06 percentage points as compared to the previous month). The credits granted to legal entities at an average rate of 12.14 percent held the largest share in the new granted credits in national currency, representing 78.0 percent of total credits in MDL. At the same time, the average rate on credits granted to individuals amounted to 12.82 percent. In January

2014, the volume of new granted credits in foreign currency (expressed in MDL) increased by MDL 206.7 million or by 36.7 percent as compared to the same period of the previous year, accounting for MDL 770.65 million. The average weighted interest rate on credits granted during the reporting period was 7.83 percent, increasing by 0.31 percentage points (Table no.2).

Table no. 2. Volume and average interest rate on credits granted by banks in foreign currency

	January 2013		December 2013		January 2014	
	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)
Up to 1 month	8.2	9.45	208.9	12.22	157.4	8.04
From 1 month to 3 months	4.9	8.97	0.5	7.22	43.5	8.98
From 3 months to 6 months	1.1	8.53	26.7	7.47	1.6	7.31
From 6 months to 12 months	77.0	7.40	73.9	9.26	82.6	7.59
Over 12 months	472.7	7.48	1173.8	8.33	485.6	7.70
Total amount	563.9		1483.8		770.7	
Average rate on banking system		7.52		8.91		7.83

The volume of credits granted in foreign currency decreased by MDL 713.2 million or by 48.1 percent as compared to the previous month, being mainly represented by the credits granted to legal entities with an average rate of 7.83 percent, holding a share of 98.2 percent of total credits in foreign currency. The average rate on new granted credits in foreign currency on the banking sector has decreased by 1.08 percentage points as compared to December 2013, up to the level of 7.83 percent in January 2014. The credits in foreign currency with the maturity of over 12 months were the most attractive, being granted at an average rate of 7.70 percent. In January 2014, the volume of term deposits in national currency increased by MDL 70.8 million or by 3.6 percent as compared to the same period of the previous year, amounting to MDL 2058.8 million. The weighted average rate was 5.91 percent and decreased by 2.64 percentage points (Table no. 3).

Table no. 3. Volume and average rate on term deposits in national currency

	January 2013		December 2013		January 2014	
	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)
Up to 1 month	52.7	6.42	26.1	2.88	18.2	3.89
From 1 month to 3 months	174.5	3.03	95.1	2.66	26.4	3.50
From 3 months to 6 months	400.9	8.54	457.5	5.99	484.9	5.53
From 6 months to 12 months	927.3	8.67	932.3	5.14	1155.7	5.25
Over 12 months	432.6	10.77	305.8	8.89	373.6	8.70
Total amount	1988.0		1816.8		2058.8	
Average rate on banking system		8.55		5.82		5.91

As compared to December 2013, the volume of term deposits in national currency increased by MDL 242.0 million (13.3 percent). The average interest rate of term deposits in national currency increased by 0.09 percentage points in the respective period. Term deposits with terms from 6 to 12 months held the largest share (56.1 percent) of total term deposits in national currency, which were attracted at an average interest rate of 5.25 percent. The share of term deposits in national currency attracted from individuals during the reporting period was 62.9 percent of total term deposits attracted in national currency, increasing by 4.7 percentage points as compared to the previous month. The average weighted interest rate of term deposits in national currency attracted from individuals was 7.62 percent. The volume of term deposits in foreign currency (expressed in MDL) was MDL 1182.6 million in January 2014, decreasing by MDL 262.8 million or by 18.2 percent as compared to the same period of the previous year. The average weighted rate of term deposits in foreign currency (expressed in MDL) was 4.60 percent during the reporting period (Table no.4).

Table no. 4. Volume and average rate of term deposits in foreign currency

	January 2013		December 2013		January 2014	
	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)
Up to 1 month	52.6	2.07	104.5	5.53	55.3	1.60
From 1 month to 3 months	60.7	1.36	45.9	2.21	28.4	1.59
From 3 months to 6 months	361.4	4.50	280.0	4.10	323.1	4.31
From 6 months to 12 months	669.4	4.87	382.0	4.74	565.3	4.97
Over 12 months	301.4	6.14	275.3	4.60	210.5	5.25
Total amount	1445.5		1087.7		1182.6	
Average rate on banking system		4.79		4.51		4.60

As compared to December 2013, the volume of term deposits in foreign currency increased by MDL 94.9 million (8.7 percent) in January 2014, while the average interest rate of term deposits increased by 0.09 percentage points. Term deposits with terms from 6 to 12 months held the largest share (47.8 percent) of total term deposits in foreign currency, which were attracted at an average interest rate of 4.97 percent, increasing by 0.23 percentage points as compared to the previous month. Banking margin on operations in national currency was 6.38 percentage points in January 2014, decreasing by 0.31 percentage points as compared to the previous month level. Banking margin on operations in foreign currency amounted to 3.23 percentage points in the analyzed month, decreasing by 1.17 percentage points as compared to December 2013.

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