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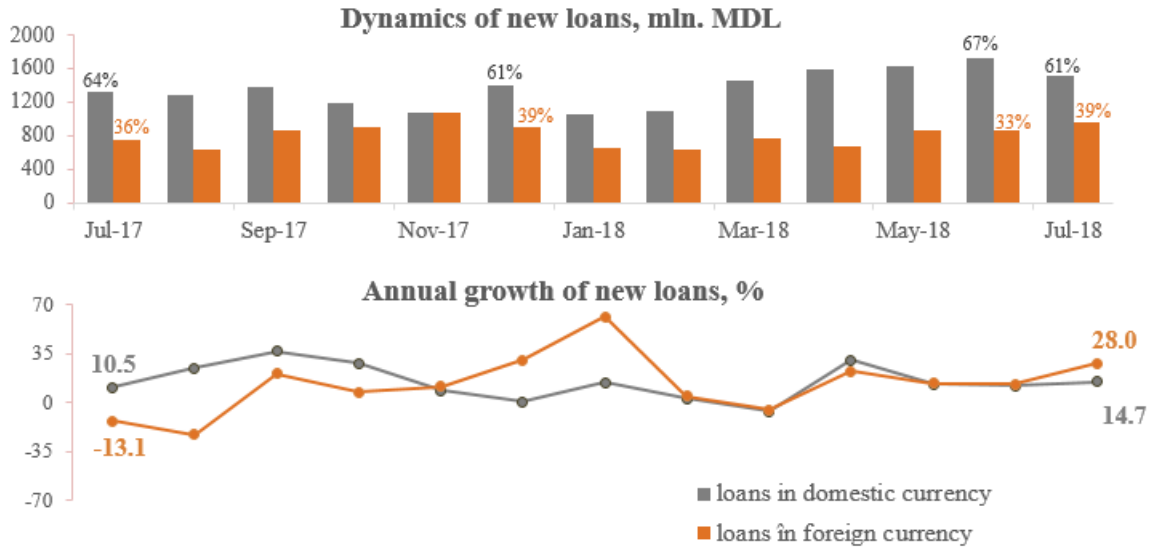
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20.08.2018

Credits and deposits market in July 2018

In July 2018, new loans[1] extended by banks totalled MDL 2,480.8 million, recording an increase of 19.5%, compared to July 2017.



Domestic and foreign currency loans accounted for 60.9% and 39.1%, respectively, of total loans extended.

Domestic currency loans totalled MDL 1,511.6 million (-12.8% compared to the previous month or +14.7% compared to July 2017).

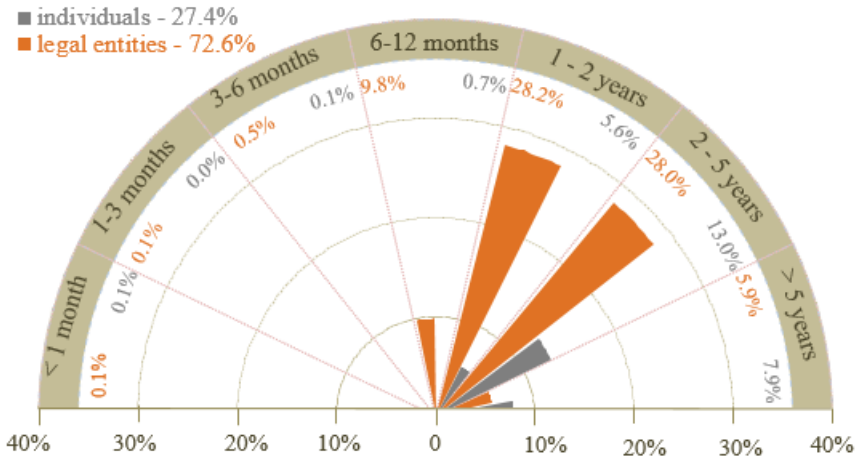
Foreign currency loans[2], recalculated in MDL, totalled MDL 969.2 million (+11.3% compared to the previous month or +28.0% compared to July 2017).

In terms of maturity, loans with maturity ranging from 2 to 5 years recorded highest demand (41.0% of total loans extended), out of which the largest share of 28.0% was held by legal entities loans.

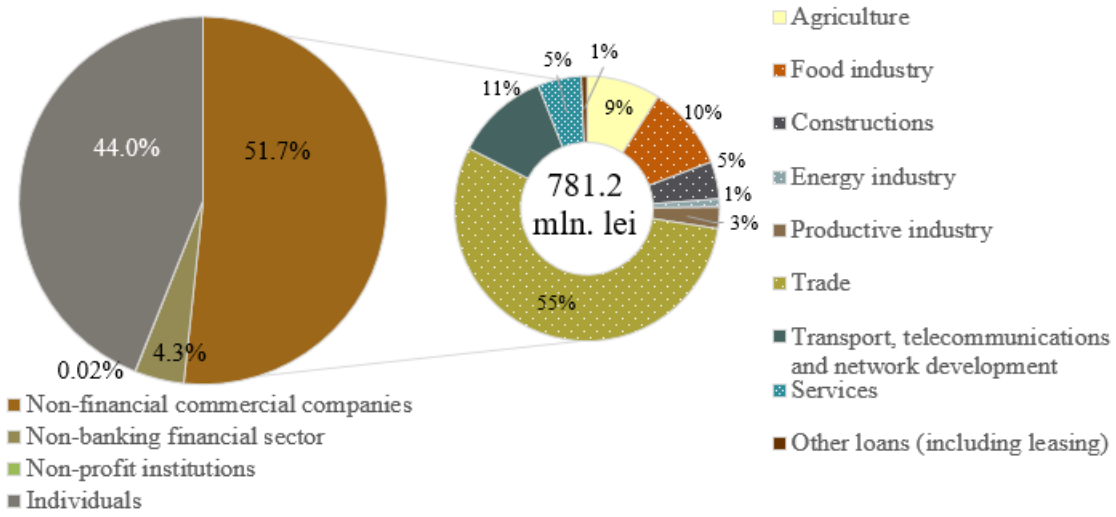
Domestic currency loans were mainly represented by loans extended to non-financial corporations, holding a share of 51.7% (of which 55.1% accounted for trade companies), and individuals'[3] (44.0%).

Foreign currency loans were mainly extended to non-financial corporations (96.5%), of which trade companies accounted for the largest share (47.0%).

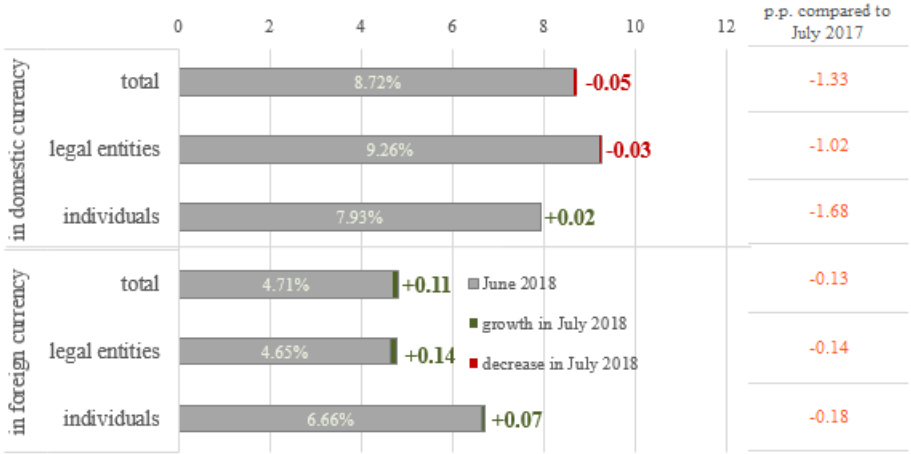
Total loans extended in July 2018



Structure of loans in national currency, July 2018



New loans were extended at an average interest rate of 8.67% (domestic currency loans) and 4.82% (foreign currency loans).



Average interest rate on domestic currency loans decreased by 0.05 pp. compared to June 2018, recording levels of 7.95% (individuals') and 9.23% (legal entities loans).

Average interest rate on foreign currency loans increased by 0.11 pp. compared to June 2018, recording levels of 6.73% (individuals') and 4.79% (legal entities loans).

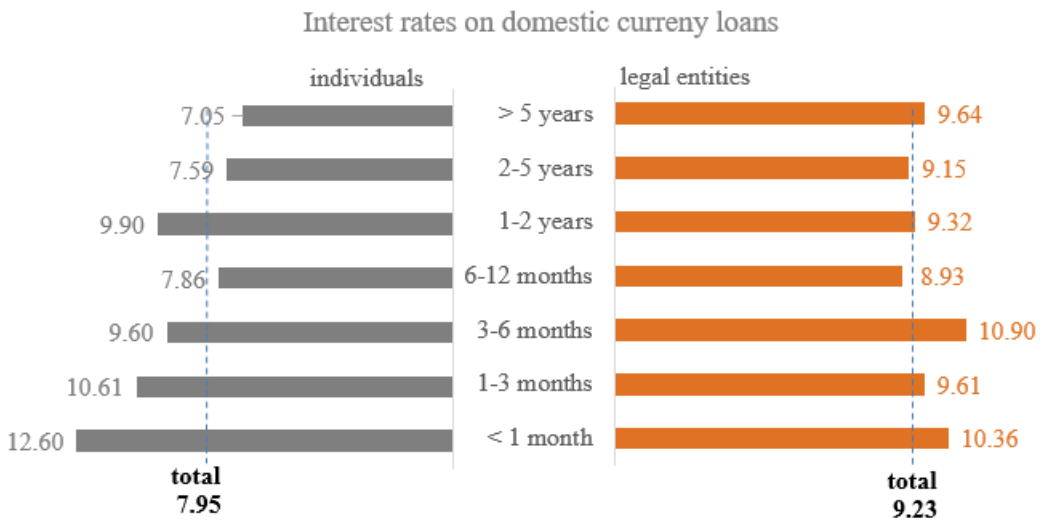
Year-on-year, average interest rates on loans recorded a total decrease of 1.33 pp. (domestic currency loans) and 0.13 pp. (foreign currency loans).

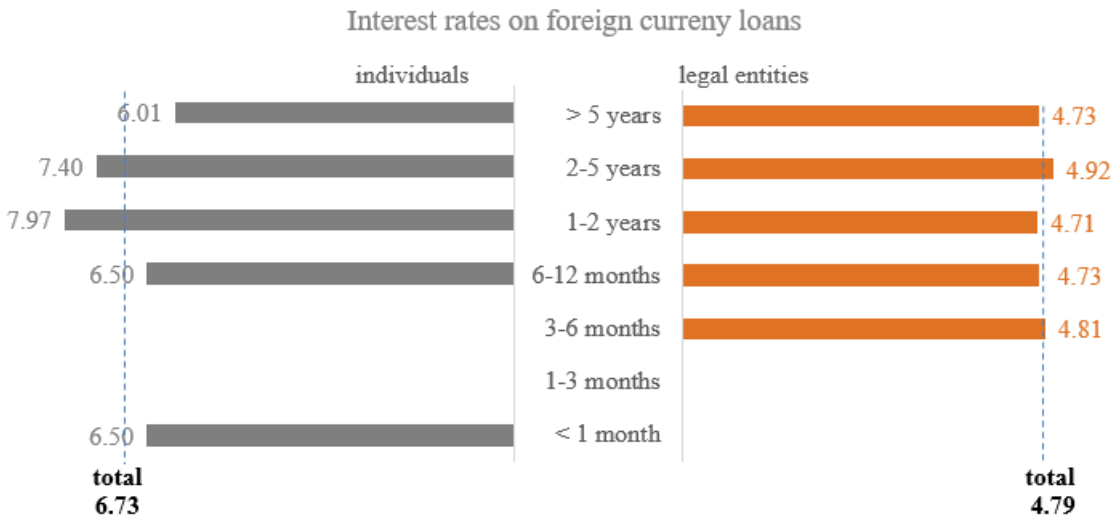
Domestic currency loans with maturity ranging from 2 to 5 years recorded highest demand in the reporting month and were extended at an average interest rate of 8.45% (9.15% on legal entities loans, 7.59% on individuals').

The highest average interest rate was applied on individuals' with maturity of up to 1 month (12.60%) and legal entities loans with maturity ranging from 3 to 6 months (10.90%).

Foreign currency loans with maturity ranging from 1 to 2 years recorded the highest average interest rate of 4.76%. Individuals' were extended at an average interest rate of 7.97%, legal entities loans – at 4.71%.

Average lending interest rates, July 2018 (%)





In July 2018, new term deposits totalled MDL 2,578.6 million, recording a decrease of 30.6% compared to July 2017.

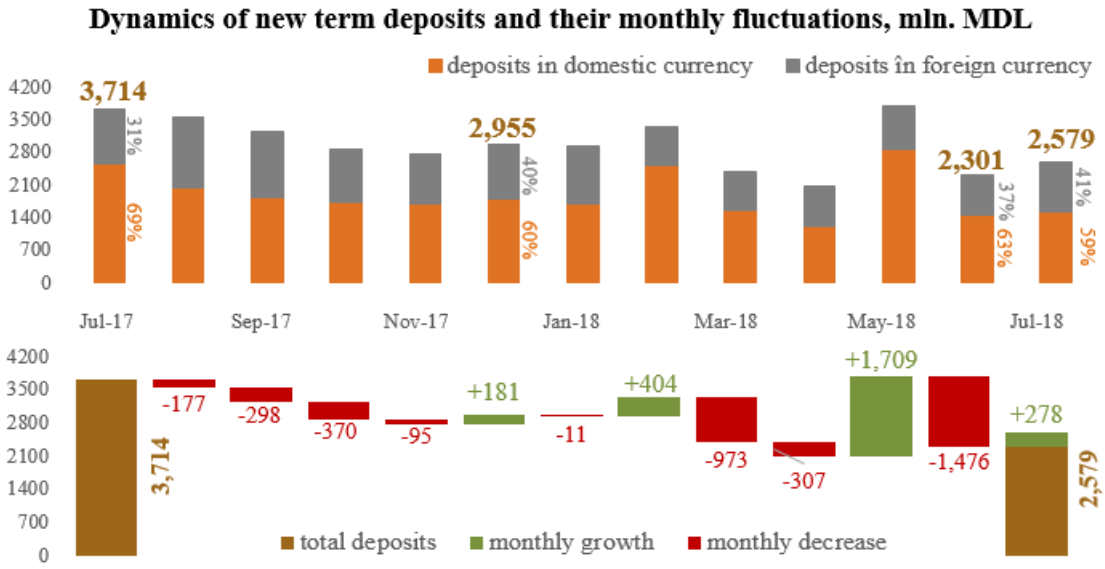
In terms of maturity, the highest demand was recorded for deposits placed for a period ranging from 6 to 12 months (51.0% of total term deposits). The largest share was held by retail deposits (40.2% of total deposits placed).

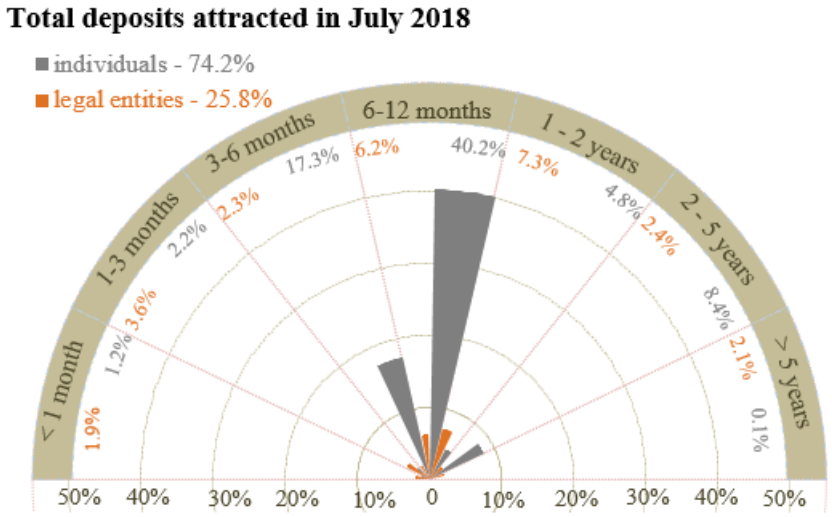
Domestic currency deposits accounted for a share of 59.0%, while foreign currency deposits - 41.0%

In July 2018, deposits were mainly represented by retail deposits – 74.2% (of which 44.8% - domestic currency deposits and 29.4% - foreign currency deposits).

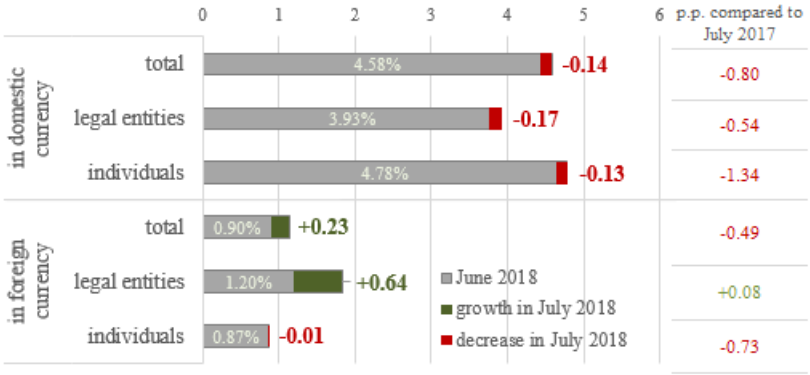
Domestic currency deposits totalled MDL 1,521.21 million (decreasing by 5.0% compared to June 2018 and by 40.5% compared to July 2017).

Foreign currency deposits, recalculated in MDL, totalled MDL 1,057.4 million (+24.2% compared to July 2018 and -8.6% compared to July 2017).





New term deposits were placed at an average interest rate of 4.44% (domestic currency deposits) and 1.13% (foreign currency deposits).



Average interest rate on new term deposits in domestic currency decreased by 0.14 pp. compared to the previous month. Retail deposits were placed at an average interest rate of 4.65%, while corporate deposits – at 3.76%.

The average interest rate on new term deposits in foreign currency increased by 0.23 pp., compared to June 2018. Retail deposits were placed at an average interest rate of 0.86%, while corporate deposits – at 1.84%.

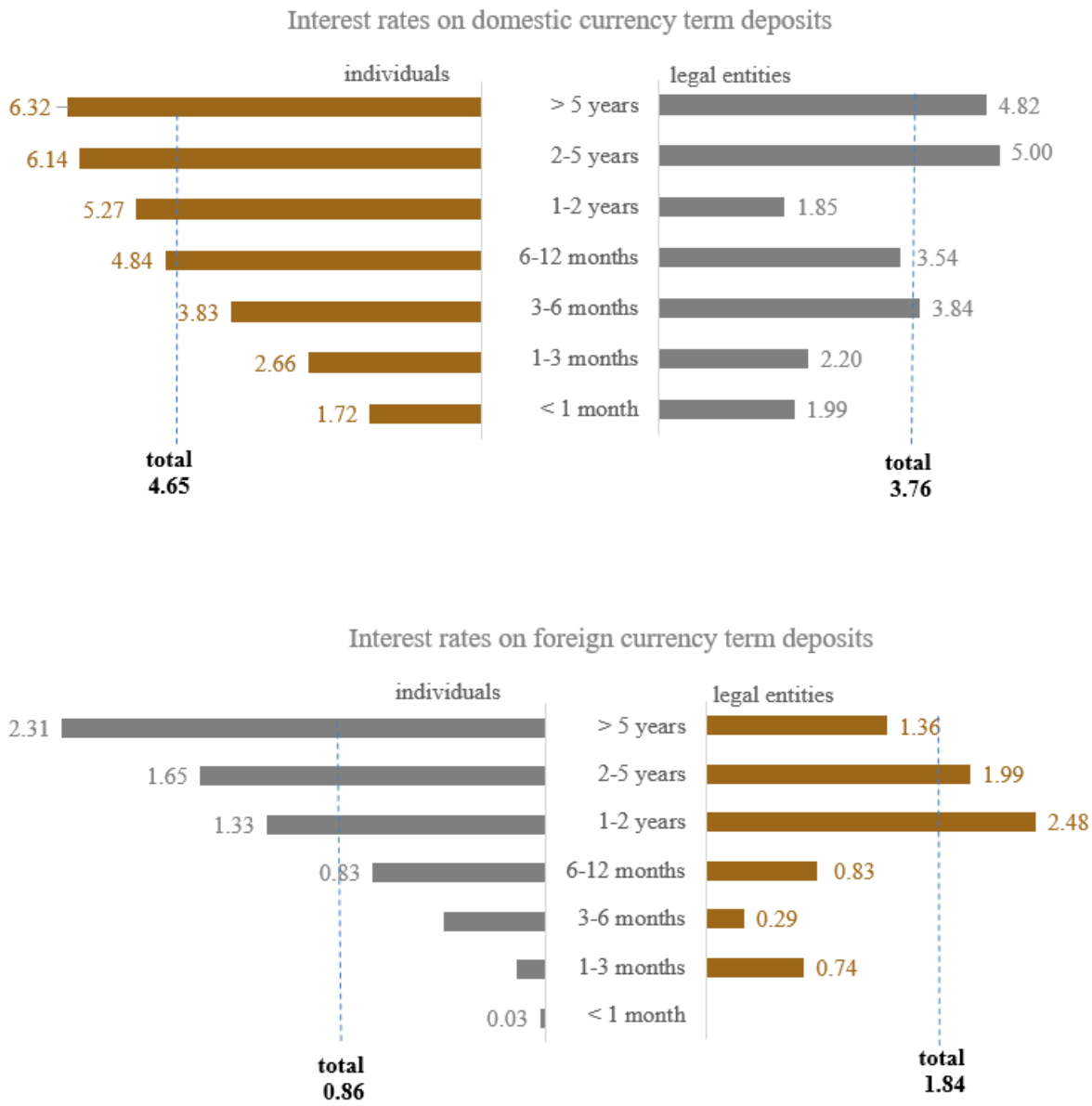
Year-on-year, average deposit interest rates decreased. Thus, average interest rate on domestic currency deposits decreased by 0.80 pp. (retail deposits - by 1.34 pp., corporate deposits - by 0.54 pp.). Average interest rate on foreign currency deposits decreased by 0.49 pp. (retail deposits - by 0.73 pp., corporate deposits - by 0.08 pp.).

Deposits with maturity ranging from 6 to 12 month, which recorded highest demand in the reporting period, were placed in domestic currency at an average interest rate of 4.60% (retail deposits – 4.84%, corporate deposits – 3.54%) and in foreign currency at an average interest rate of 0.83% (retail deposits – 0.83%, corporate deposits – 0.83%).

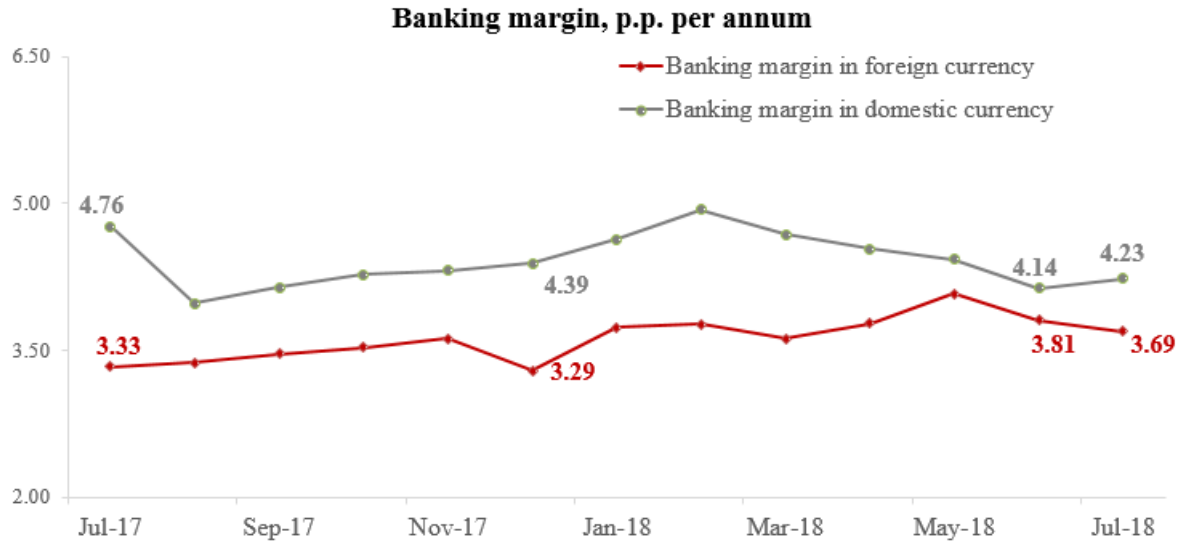
The highest average interest rate on domestic currency deposits was recorded for retail deposits with maturity of over 5 years (6.32%) and corporate deposits with maturity from 2 to 5 years (5.00%).

The highest average interest rate on foreign currency deposits was recorded for retail deposits with maturity of over 5 years (2.31%) and corporate deposits with maturity from 1 to 2 years (2.48%).

Average deposit interest rates, July 2018 (%)



Bank interest margin recorded 4.23 pp. (in domestic currency) and 3.69 pp. (in foreign currency)



Bank interest margin on domestic currency operations increased by 0.09 pp. compared to the previous month and by 0.53 pp. compared to July 2017.

Bank interest margin on foreign currency operations decreased by 0.13 pp. compared to the previous month and increased by 0.36 pp. compared to July 2017.

Statistical data [1]

1 The data are presented according to the Guidelines on Preparation and Presentation of Reports on Interest Rates applied by banks in the Republic of Moldova, approved by the Decision of the Executive Board of the NBM no. 331 of 01 December 2016, which were published in the Official Monitor of the Republic of Moldova no.441-451 of 16 December 2016, with subsequent amendments and completions.

2 As of January 1, 2018, the foreign currency-linked loans were moved from the class of domestic currency loans to foreign currency loans. According to July 2018 data as compared to July 2017: total in MDL – 8.61%; total in foreign currency - 4.80%.

3 Including economically active individuals.

See also

Tags

deposits [2]

credits [3]

average interest rate [4]

credits market [5]

deposits market [6]

interest rate [7]

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