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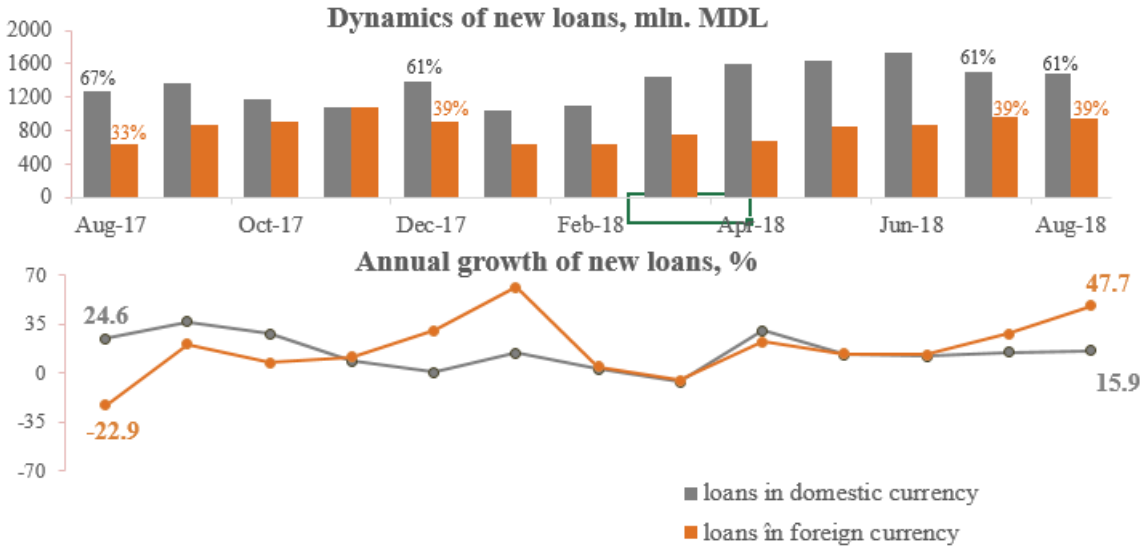
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20.09.2018

Developments in loan and deposit markets in August 2018

In August 2018, new loans[1] extended by banks totalled MDL 2,426.9 million, recording an increase of 26.5%, compared to August 2017.



Domestic and foreign currency loans accounted for 61.0% and 39.0%, respectively, of total loans extended.

Domestic currency loans totalled MDL 1,480.7 million (-2.0% compared to the previous month and +15.9% compared to August 2017).

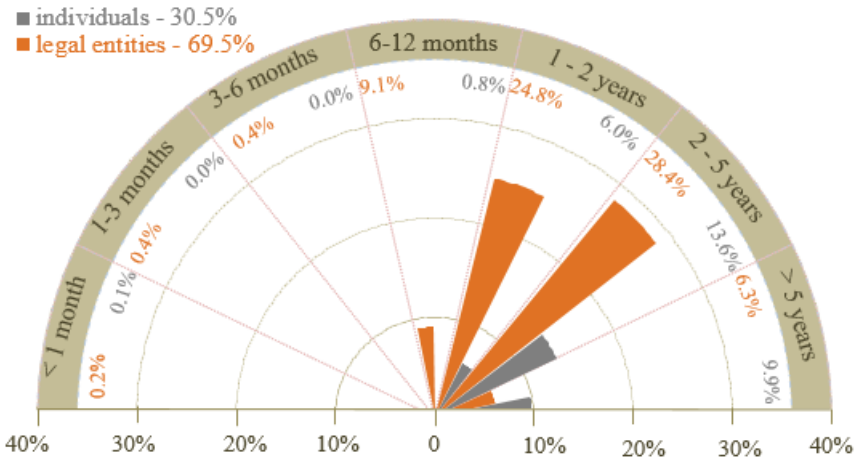
Foreign currency loans[2], recalculated in MDL, totalled MDL 946.3 million (-2.4% compared to the previous month and +47.7% compared to August 2017).

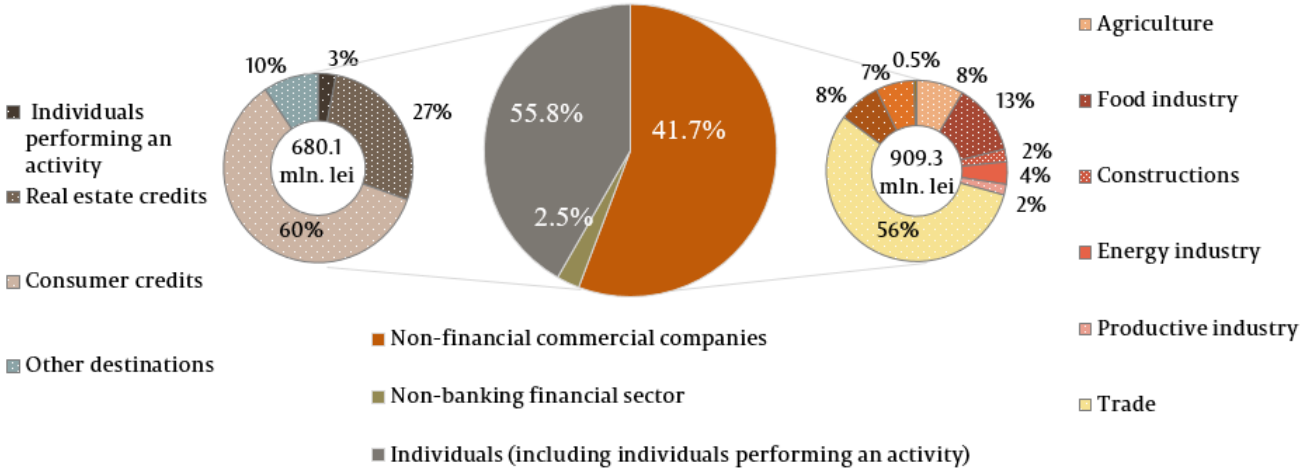
In terms of maturity, loans with maturity ranging from 2 to 5 years recorded the highest demand (42.0% of total loans extended), out of which the largest share of 28.4% was held by legal entities.

Domestic currency loans were mainly represented by individuals' loans[3] holding a share of 49.0% (consumer loans accounting for 63% of total loans), as well as loans extended to non-financial corporations, holding a share of 45.9% (of which 47% accounted for loans extended to trade companies).

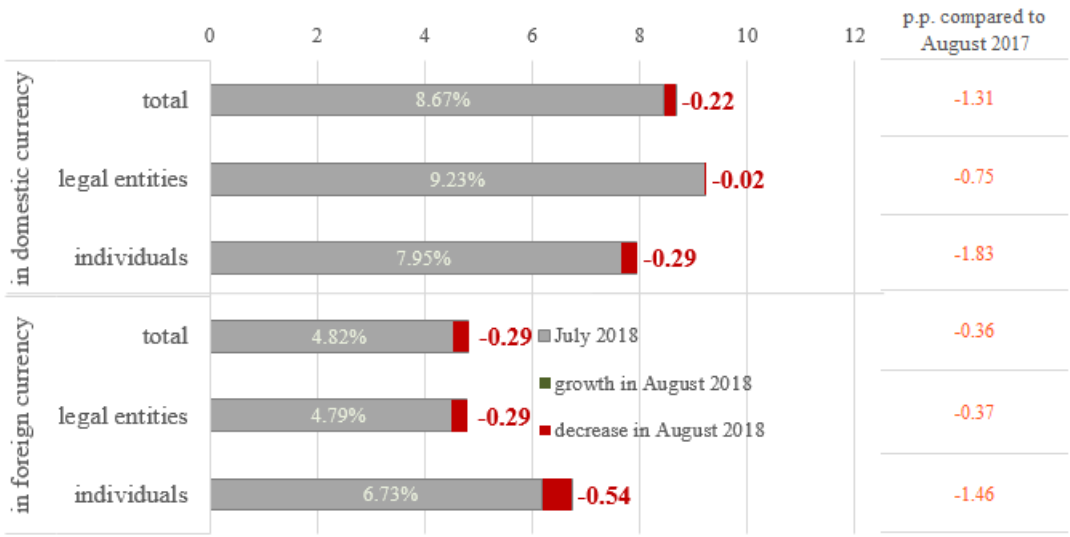
Foreign currency loans were mainly extended to non-financial corporations (95.4%), of which loans extended to trade companies accounted for the largest share (60.7%).

Total loans extended in August 2018





New loans were extended at an average interest rate of 8.45% (domestic currency loans) and 4.53% (foreign currency loans).



Average interest rate on domestic currency loans decreased by 0.22 pp. compared to July 2018, recording levels of 7.66% (individuals' loans) and 9.21% (legal entities loans).

Average interest rate on foreign currency loans fell by 0.29 pp. compared to July 2018, recording levels of 6.19% (individuals' loans) and 4.50% (legal entities loans).

Year-on-year, average interest rates on loans recorded a total decrease of 1.31 pp. (domestic currency loans) and 0.36 pp. (foreign currency loans).

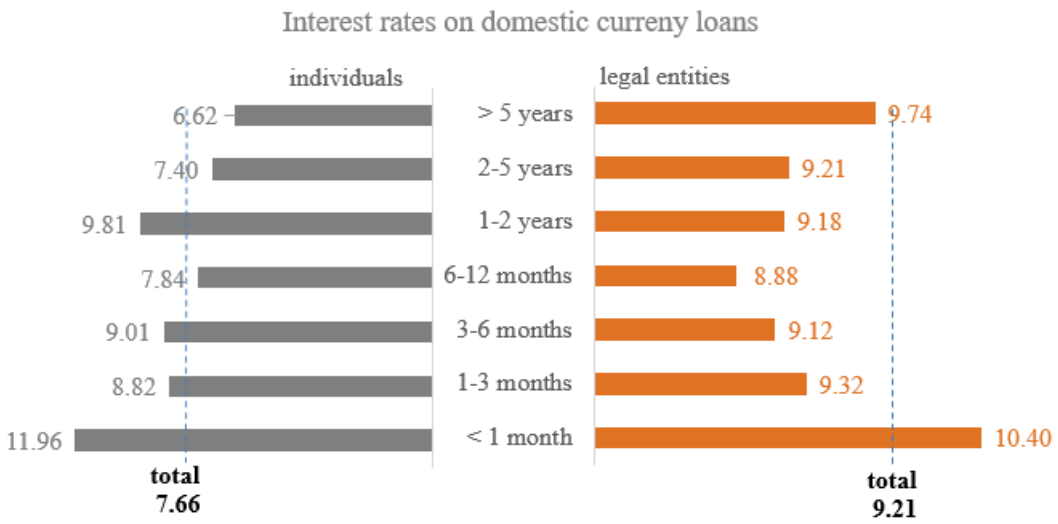
Domestic currency loans with maturity ranging from 2 to 5 years recorded the highest demand in the reporting month and were extended at an average interest rate of 8.36% (9.21% on legal entities loans, 7.40% on individual's loans).

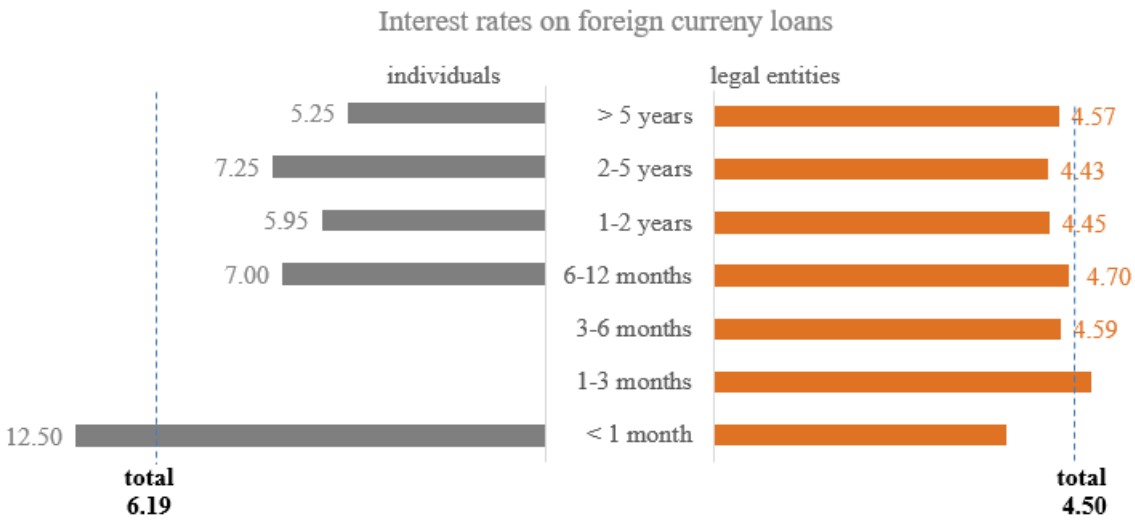
The highest average interest rate of 11.05% was applied on loans with maturity of up to 1 month (10.40% - on legal entities loans and 11.96% - on individuals' loans).

Foreign currency loans with maturity ranging between 1 and 2 years recorded the highest demand and were extended at an average interest rate of 4.45% (individuals' loans – at 5.95%, legal entities loans – at 4.45%).

The highest average interest rate on foreign currency loans was applied on individuals' loans with maturity of up to 1 month (12.50%) and legal entities loans with maturity ranging between 1 and 3 months (5.00%).

Average lending interest rates, August 2018 (%)





In August 2018, new term deposits totalled MDL 3,837.1 million, recording a decrease of 8.5% compared to August 2017.

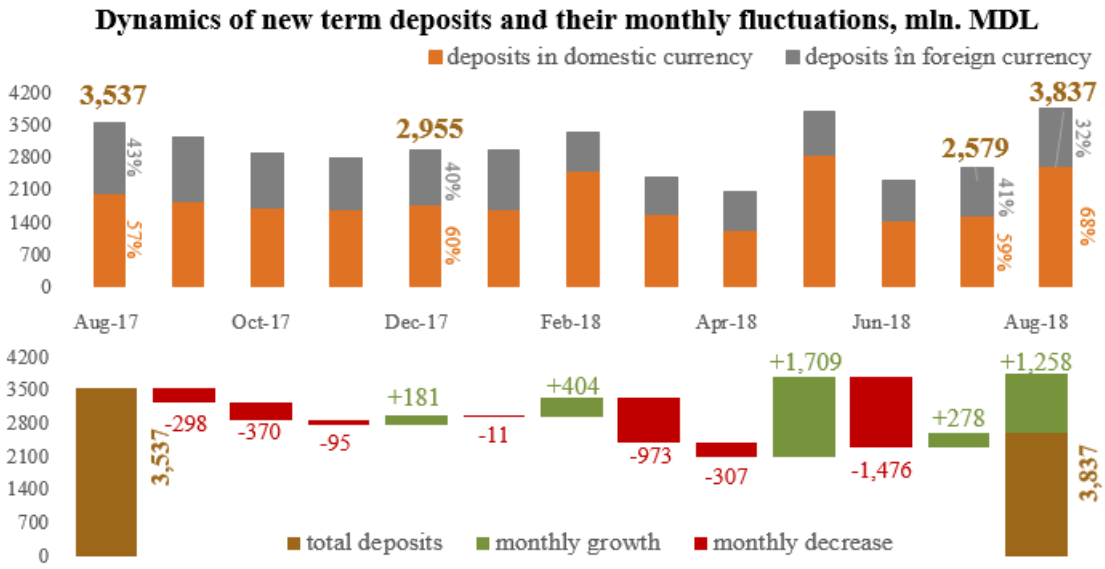
Domestic currency deposits accounted for a share of 67.6%, while foreign currency deposits – 32.4% of total deposits.

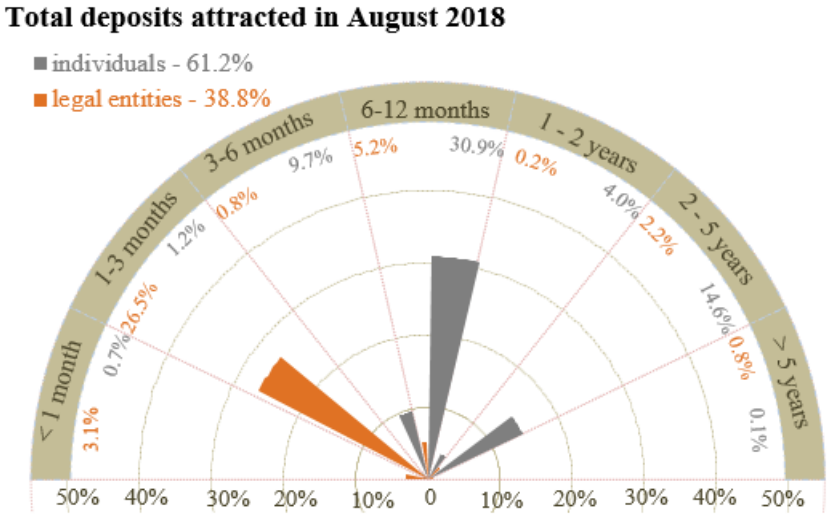
In terms of maturity, the highest demand was recorded for deposits placed for a period ranging from 6 to 12 months (36.1% of total term deposits). The largest share was held by individuals' deposits (30.9% of total deposits placed).

In August 2018, deposits were mainly represented by individuals' deposits – 61.2% (of which 31.0% - domestic currency deposits and 30.2% - foreign currency deposits).

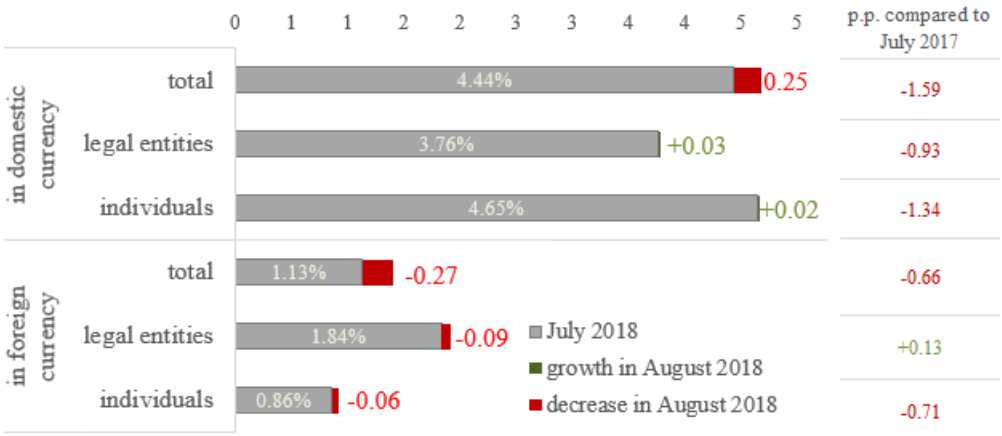
Domestic currency deposits totalled MDL 2,593.0 million (+70.5% compared to July 2018 and -27.7% compared to August 2017).

Foreign currency deposits, recalculated in MDL, totalled MDL 1,244.0 million (+17.7% compared to July 2018 and -17.4% compared to August 2017)..





New term deposits were placed at an average interest rate of 4.19% (domestic currency deposits) and 0.86% (foreign currency deposits).



Average interest rate on new term deposits in domestic currency decreased by 0.25 pp. compared to the previous month. Individuals' deposits were placed at an average interest rate of 4.67%, while legal entities deposits – at 3.79%.

The average interest rate on new term deposits in foreign currency fell by 0.27 pp., compared to July 2018. Individual's deposits were placed at an average interest rate of 0.80%, while legal entities deposits – at 1.75%.

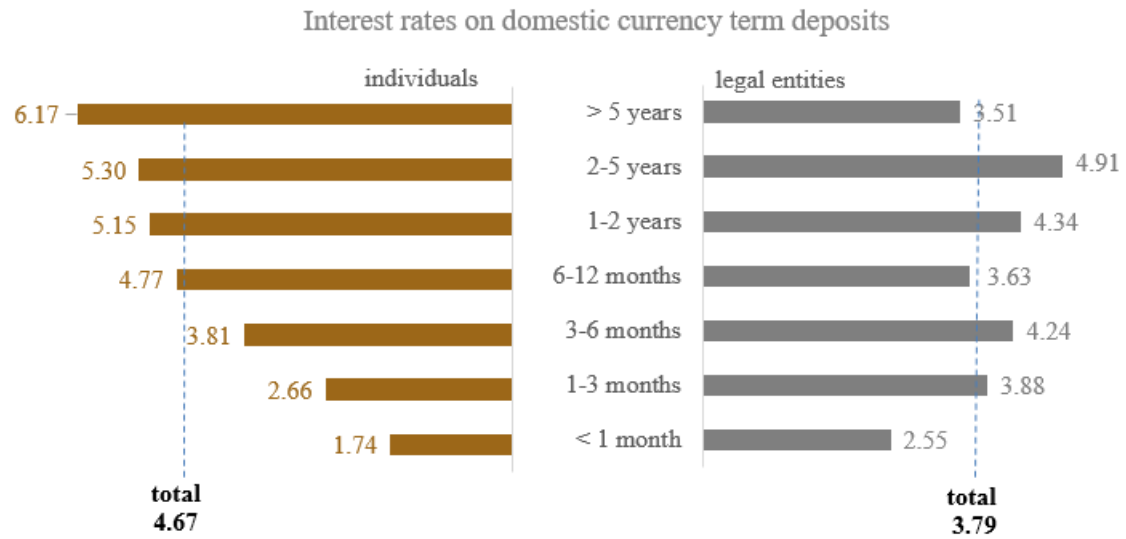
Year-on-year, average deposit interest rates decreased. Thus, average interest rate on domestic currency deposits decreased by 1.59 pp. (individuals' deposits - by 1.34 pp., legal entities deposits - by 0.93 pp.). Average interest rate on foreign currency deposits decreased by 0.66 pp. (individuals' deposits - by 0.71 pp., legal entities deposits - by 0.13 pp.).

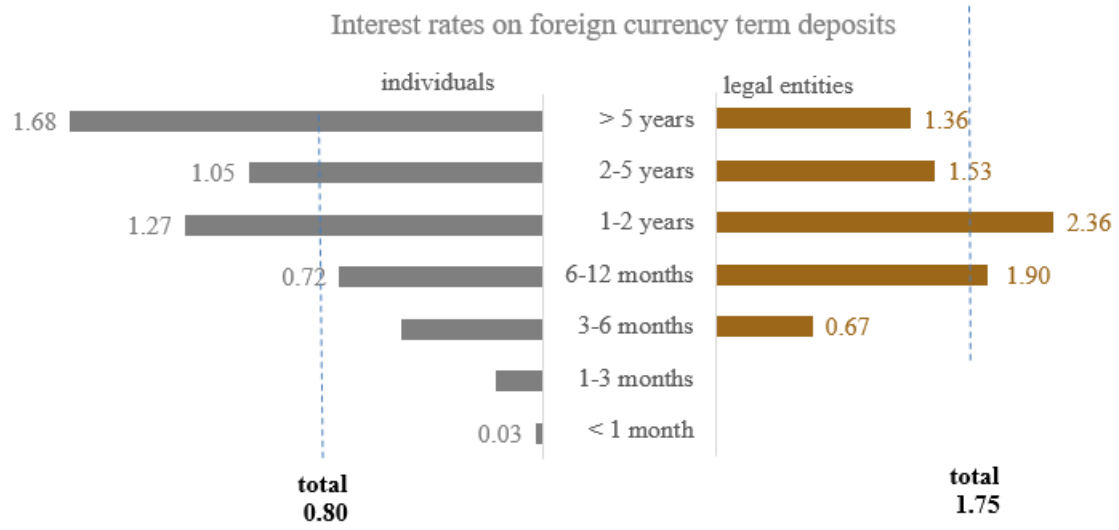
Domestic currency deposits with maturity ranging from 1 to 3 months, which recorded the highest demand in the reporting period, were placed at an average interest rate of 3.85% (individuals' deposits – 2.66%, legal entities deposits – 3.88%), whereas in foreign currency segment the highest demand was recorded for deposits with maturity ranging from 6 to 12 months, which were placed at an average interest rate of 0.82% (individuals' deposits – 0.72%, legal entities deposits – 1.90%).

The highest average interest rate on domestic currency deposits was recorded for individuals' deposits with maturity of over 5 years (6.17%) and legal entities deposits with maturity from 2 to 5 years (4.91%).

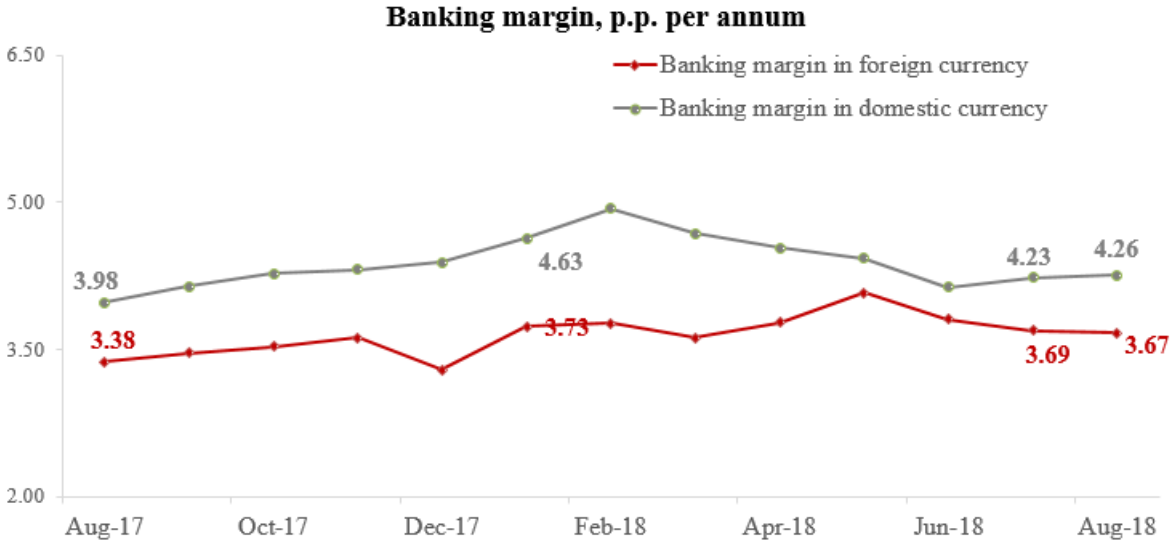
The highest average interest rate on foreign currency deposits was recorded for individuals' deposits with maturity of over 5 years (1.68%) and legal entities deposits with maturity from 1 to 2 years (2.36%).

Average deposit interest rates, August 2018 (%)





Bank interest margin recorded 4.26 pp. (in domestic currency) and 3.67 pp. (in foreign currency).



Bank interest margin on domestic currency operations increased by 0.03 pp. compared to the previous month and by 0.28 pp. compared to August 2017.

Bank interest margin on foreign currency operations decreased by 0.02 pp. compared to the previous month and increased by 0.29 pp. compared to August 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 August 2018 data as compared to August 2017: total in MDL – 8.38%; total in foreign currency - 4.52%.

[3.] Including individuals performing an activity.

See also

Tags

deposits [2]

credits [3]

average interest rate [4]

credits market [5]

deposits market [6]

interest rate [7]

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