

20.05.2015

Monetary indicators in April 2015

In April 2015, **monetary base** The monetary base includes money in circulation (outside banking system), banking reserves (banks' reserves in MDL on correspondent accounts maintained at the National Bank of Moldova and cash in banks), deposits at sight of other organizations with the National Bank of Moldova, "overnight" deposits of banks and required reserves in foreign currency. increased by MDL 106.2 million (0.4 percent) compared to March 2015 and accounted for MDL 24728.4 million. The increase of the monetary base was determined by the increase of net domestic assets by MDL 508.2 million (59.7 percent). At the same time, net foreign assets decreased by MDL 402.0 million (1.6 percent). **Money supply M2** Money supply M2 includes monetary aggregate (M0), deposits in MDL and money market instruments. increased during the reporting period by MDL 349.3 million, or by 0.9 percent compared to March 2015 and accounted for MDL 39276.3 million. At the same time, **Money supply M3** Money supply M3 includes broad money M2 and deposits in foreign currency of residents expressed in MDL. increased in April 2015 by 243.6 MDL million (0.4 percent). The analysis of the passive components of money supply (M3) denotes that this increase in April 2015 was driven by the increase of the balance of deposits by MDL 253.0 million, while the balance of **Money in circulation M0** Money in circulation M0 represents cash in circulation put by the National Bank of Moldova, except for cash in banks and NBM vault decreased by MDL 9.5 million in April 2015 (Table no.1).

Table no.1 Passive components of money supply

INDICATORS	mar.15	apr.15	apr.15	apr.15
	million MDL	million MDL	mar.15	apr.14
	%	%		
1 Money in circulation (M0)	15420.3	15410.9	-0.1	-9.5
2 Sight deposits in MDL	8110.0	8503.7	4.9	-9.3
3 <u>Money supply M1</u> <u>Money supply M1 includes money in circulation and sight deposits in MDL of residents.</u>	23530.3	23914.7	1.6	-9.4
4 Term deposits in MDL	15396.7	15361.7	-0.2	-14.0
5 Money market instruments	0.0	0.0		
6 MONEY SUPPLY (M2)	38927.0	39276.3	0.9	-11.2
7 Deposits in foreign currency	25685.9	25580.3	-0.4	40.3
8 MONEY SUPPLY (M3)	64613.0	64856.6	0.4	3.8

The balance of deposits in national currency increased by MDL 358.6 million and reached the level of MDL 23865.4 million, which share equalled to 48.3 percent of total deposits, while the deposits in foreign currency (recalculated in MDL) decreased by MDL 105.6 million and amounted to MDL 25580.3 million (with a share of 51.7 percent) (Table no.2).

Table no.2 Deposits structure Deposits structure is classified by institutional sectors, according to the Instruction on filling out by the licensed banks of the Report on monetary statistics (Official Monitor of the Republic of Moldova no.206-215 of December 2, 2011).

INDICATORS	mar.15	apr.15	apr.15	apr.15
	million MDL	million MDL	mar.15	apr.14
	%	%		
I Deposits balance (Total)	49192.7	49445.7	0.5	8.8
Including:				
1.0 Deposits balance (in MDL):	23506.8	23865.4	1.5	-12.3
Share in deposits balance (Total) %	47.8	48.3		
1.1 Non-banking financial sector	443.4	430.7	-2.9	-39.9
1.2 Non-financial companies sector, which majority ownership is public	1108.2	1153.8	4.1	-23.3
1.3 Non-financial companies sector, which majority ownership is private	5343.8	5683.8	6.4	-2.8
1.4 Other residential sectors (individuals, etc.)	16611.4	16597.1	-0.1	-13.4
2.0 Balance of deposits in foreign currency (recalculated in MDL):	25685.9	25580.3	-0.4	40.3
Share in deposits balance (Total) %	52.2	51.7		
2.1 Non-banking financial sector	1174.9	1158.3	-1.4	In 2.5times
2.2 Non-financial companies sector, which majority ownership is public	404.2	367.1	-9.2	-21.4
2.3 Non-financial companies sector, which majority ownership is private	5307.8	5295.3	-0.2	83.8
2.4 Other residential sectors (individuals, etc.)	18799.0	18759.5	-0.2	30.2

The increase of money supply M3 during the reporting period was determined by the increase in net foreign assets of the

banking system by MDL 675.0 million (1.5 percent), while the net domestic assets of the banking system decreased by MDL 431.4 million (2.2 percent).

Domestic credit of the banking system increased by MDL 72.7 million, up to the level of MDL 42702.7 million, due to the increase in the balance of credits granted to the Government by MDL 290.7 million, while the balance of credits granted to economy decreased by MDL 218.0 million.

The balance of credits in economy According to the IMF methodology, the interbank credits and the credits granted to the Government are excluded from the total credits in the economy (including the interest calculated for credits and for credits of banks - in liquidation process). decreased in April 2015 by 0.5 percent at the expense of the decrease of credits granted to economy in national currency by MDL 14.0 million (0.1 percent) and the credits in foreign currency (expressed in MDL) by MDL 204.0 million (1.2 percent) (Table no.3). At the same time, the credits granted to economy in foreign currency, expressed in USD, increased by USD 3.9 million during the reporting period, which shows that its increase, expressed in MDL, was due to the appreciation of the national currency during the reporting period.

Table no.3 Structure of credits granted to economy

INDICATORS	mar.15	apr.15	apr.15	apr.15
	million MDL	million MDL	mar.15	apr.14
	%	%		
I CREDITS GRANTED TO ECONOMY	42845.3	42627.3	-0.5	-3.11
Including:				
1 CREDITS GRANTED TO ECONOMY (in MDL):	25783.4	25769.4	-0.1	-3.9
Share of Credits granted to economy, %	60.2	60.5		
1.1 Non-banking financial sector	660.5	665.5	0.8	32.5
1.2 Non-financial companies sector, which majority ownership is public	892.9	862.2	-3.4	15.3
1.3 Non-financial companies sector, which majority ownership is private	16893.7	16896.4	0.02	-10.6
1.4 Other residential sectors (individuals, etc.)	7336.3	7345.3	0.1	10.0
Including: Consumer loans	3427.7	3445.3	0.5	19.0
Real estate loans	2281.5	2288.4	0.3	22.5
2 CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY (recalculated in MDL):	17061.9	16857.9	-1.2	-1.8
Share of Credits granted to economy, %	39.8	39.5		
2.1 Non-banking financial sector	749.1	732.6	-2.2	-10.0

2.2	Non-financial companies sector, which majority ownership is public	869.0	854.7	-1.6	2.6
2.3	Non-financial companies sector, which majority ownership is private	15160.9	14988.9	-1.1	-1.5
2.4	Other residential sectors (individuals, etc.)	282.8	281.6	-0.4	-8.6
	Including: Consumer loans	18.5	18.2	-1.7	29.6
	Real estate loans	98.4	97.6	-0.8	4.0

Negative evolution of the balance of credits granted to economy in national currency was determined by the decrease of credits granted to non-financial companies sector, which majority ownership is public by MDL 30.7 million (3.4 percent), while the balance of credits granted to non-financial companies sector, which majority ownership is private and the non-banking financial sector and other resident sectors (including individuals) increased by MDL 2.7 million (0.02 percent), by MDL 5.0 million (0.8 percent) and by MDL 9.0 million (0.1 percent).

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