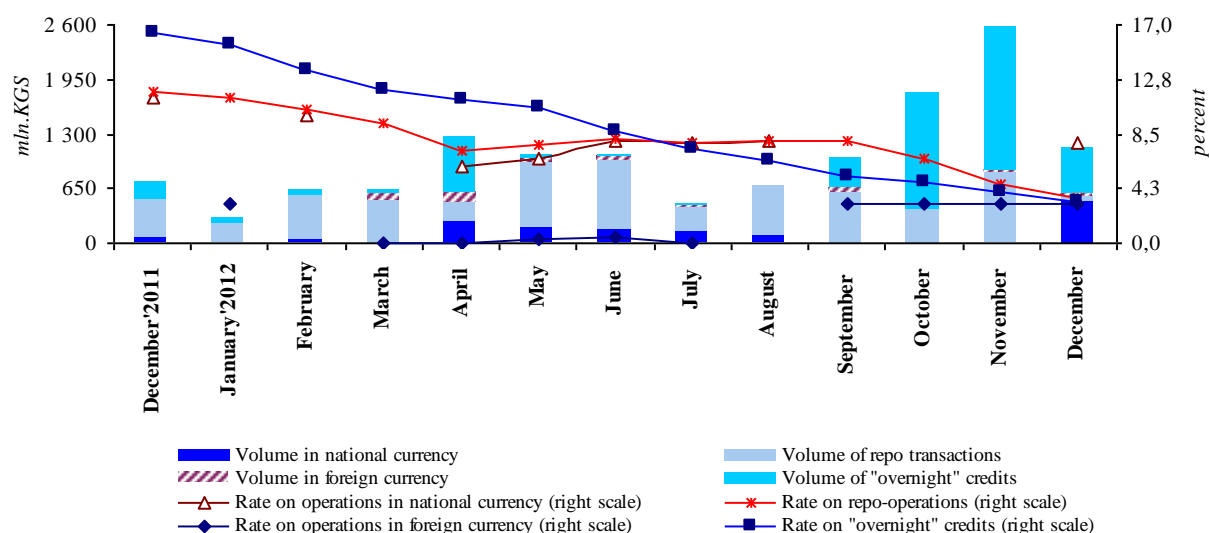


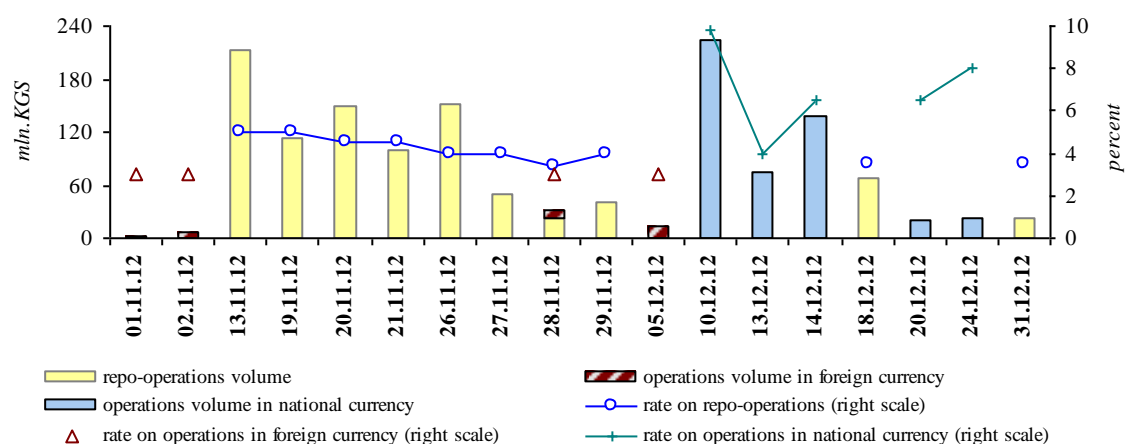
Interbank Market of Credit Resources (December 2012)

Graph 1. Dynamics of operations volume and interest rates in the domestic interbank credit market



In December, the next increase of the average daily volume of excess reserves of the banking system was observed, which reached KGS 3.2 billion to KGS 3.0 billion in the previous month. Maintaining the relative stability of the level of liquidity allowed banks to reduce the need for additional short-term resources, which resulted in a decrease in activity in the interbank credit market. In addition, the volume of issued “overnight” credits decreased by 68.4 percent compared to the previous month. Therefore existed dynamics of these parameters indicates in the period under review the presence of sufficient resources of the major market participants in the first place that affect the formation of the total amount of the liquidity accumulated in the banking system.

Graph 2. Daily turnover and rates in the domestic interbank credit market

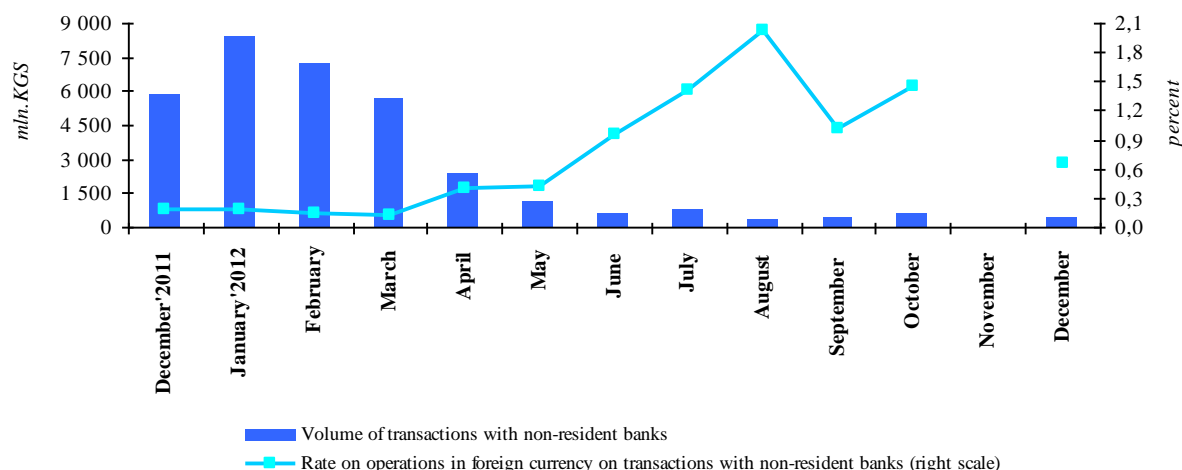


The total volume of operations in the domestic interbank credit market constituted KGS 584.3 million, decreased from November's index by 32.0 percent. Particularly, the volume of transactions concluded under repo terms decreased by 89.2 percent, to KGS 90.7 million, and the volume of operations between resident banks in foreign currency - by 28.7 percent, to KGS 13.0 million. For the first time in last four months there was a demand for loans in national currency - the volume of such credits amounted to KGS 480.6 million, reaching the highest level since the beginning of the year.

In November, the value of interbank credit resources in the domestic market continued to decrease. Thus, the rate for the most popular loans under repo terms decreased by 1.0 percentage points to 3.5 percent. The rate on loans in foreign currency remained at 3.0 percent, and the value

of standard KGS loans was 7.7 percent. In this case, there was a sharp increase of terms of the credits in national currency that reached a monthly average of 161 days. The remaining types of loans in the interbank credit market are still committed to the relatively short period of time: four days in the case of transactions under repo terms and one day – on credit operations in foreign currency¹.

Graph 3. Dynamics of operations volume and interest rates in the interbank credit market on transactions in foreign currency with non-resident banks



Concentration index of creditors increased in December from 0.30 to 0.31, while concentration index of debtors constituted by results of the month 0.72 comparing to 0.51 in November 2012. The values of these indices indicate a continuing high level of concentration of the market and correspond to the presence of the three creditors and one borrower with equal shares on the market.

The volume of credit transactions in a foreign currency with non-resident banks constituted 426.6 million, calculated in the national currency (in November 2012 these transactions were not carried out). The only currency of loans was USD. The average weighted interest rate on credit operations with non-resident banks constituted 0.7 percent.

Table 1. Dynamics of interbank credits in national currency (in terms of urgency)

Period	Total			Including by terms																	
	Volume (mln.K G\$)	Quantity of transactions	Rate (%)	Up to 1 day		2-7 days		8-14 days		15-30 days		31-60 days		61-90 days		91-180 days		181-360 days		over 360 days	
				Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)
December 2011	61.0	2	11.3	-	-	40.0	12.0	21.0	10.0	-	-	-	-	-	-	-	-	-	-	-	-
January 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
February	40.0	1	10.0	-	-	40.0	10.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April	250.0	2	6.0	150.0	8.0	100.0	3.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	177.0	4	6.6	25.0	3.0	152.0	7.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	160.0	3	8.0	-	-	160.0	8.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July	150.0	3	7.8	-	-	100.0	7.8	50.0	8.0	-	-	-	-	-	-	-	-	-	-	-	-
August	100.0	2	8.0	-	-	50.0	8.0	50.0	8.0	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	480.6	11	7.7	75.0	4.0	-	-	23.5	9.0	22.4	9.0	80.2	10.1	-	-	120.8	9.6	69.0	6.5	89.7	6.5

Table 2. Repo operations of commercial banks (in terms of urgency)

Period	Total			Including by terms																	
	Volume (mln.K G\$)	Quantity of transactions	Rate (%)	Up to 1 day		2-7 days		8-14 days		15-30 days		31-60 days		61-90 days		91-180 days		181-360 days		over 360 days	
				Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)	Volume (mln.K G\$)	Rate (%)		
December 2011	460.4	15	11.8	-	-	408.0	11.9	52.4	10.3	-	-	-	-	-	-	-	-	-	-	-	-
January 2012	225.7	6	11.3	72.7	12.0	128.0	11.0	25.0	11.0	-	-	-	-	-	-	-	-	-	-	-	-
February	522.5	15	10.4	173.7	10.4	348.8	10.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March	525.9	19	9.3	95.2	9.0	430.7	9.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April	242.8	7	7.1	104.7	7.0	138.0	7.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	792.7	15	7.7	190.1	7.5	602.5	7.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	820.6	19	8.2	231.5	8.2	534.6	8.2	54.4	8.0	-	-	-	-	-	-	-	-	-	-	-	-
July	261.4	4	7.8	-	-	261.4	7.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
August	578.4	10	8.0	13.2	8.0	565.2	8.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
September	620.7	11	8.0	98.1	8.0	522.6	8.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	389.2	5	6.6	100.1	7.5	289.1	6.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	841.7	12	4.5	41.6	4.0	800.1	4.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	90.7	3	3.5	-	-	67.2	3.5	23.5	3.5	-	-	-	-	-	-	-	-	-	-	-	-

¹ Note: For comparison the average weighted terms in the month were taken.

Table 3. Dynamics of interbank credits in foreign currency between resident banks (in terms of urgency)

Period	Total			Including by terms																	
	Volume (mln.K GS)	Quantity of transactions	Rate (%)	Up tp 1 day		2-7 days		8-14 days		15-30 days		31-60 days		61-90 days		91-180 days		181-360 days		over 360 days	
				Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)	Volume (mln.K GS)	Rate (%)
December2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
January2012	9,5	3	3,0	9,5	3,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
February	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March	70,1	4	0,0	-	-	23,4	0,0	23,4	0,0	23,4	0,0	-	-	-	-	-	-	-	-	-	-
April	112,4	6	0,0	-	-	89,0	0,0	23,5	0,0	-	-	-	-	-	-	-	-	-	-	-	-
May	38,4	4	0,2	3,2	3,0	35,3	0,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	56,0	4	0,5	2,9	3,0	53,1	0,3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July	33,0	1	0,0	-	-	33,0	0,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
September	33,1	6	3,0	24,1	3,0	9,0	3,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	7,6	1	3,0	-	-	7,6	3,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	18,2	3	3,0	12,2	3,0	6,0	3,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	13,0	1	3,0	13,0	3,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-