

## Deposits (12 months of 2015)

In January-December 2015, there was growth of the commercial banks depositary base in the market of bank deposits as compared to the similar period of 2014, which was mainly due to the growth of funds in the individuals and legal entities currency accounts of the principal market participants.

The indicators of the interest rates on the accepted deposits for twelve months in the national and foreign currency did not experience significant changes, generally, having remained at the level of the similar period in the previous year.

In the structural sector the increasing tendency of changes in the depositary base was due to the increase in the balance of funds in the accounts of entities as well as the growth of deposits on demand and fixed-term deposits of the population.

By the end of the reporting period, the volume of the depositary base of commercial banks constituted KGS 102.9 billion, having increased from the beginning of the year by 24.6 percent. At the same time, the increase was due to the growth of the currency component in the depositary base by 45.1 percent, up to KGS 67.5 billion. Deposits in KGS were on the contrary decreased by 1.8 percent, down to KGS 35.4 billion.

According to the results of January-December 2015, the dollarization of the depositary base increased, taking into account changes in the exchange rate, by 7.8 percentage points, up to 59.7 percent, due to the higher growth rates in the volume of currency deposits.

In the reporting period, there was an increase in the share of funds on the deposits on demand of the bank's clients in the time structure of the depositary base from 23.6 to 24.4 percent. The share in the settlement accounts also increased from 31.3 to 31.6 percent. The share of the fixed-term deposits of the depositary base, on the contrary, decreased from 45.1 to 44.0 percent.

The index of market concentration remained at the level of 0.11, which corresponds to the average level of concentration and is an equivalent to the presence of nine participants in the market with an equal share.

Chart 1. Dynamics of Depositary Base

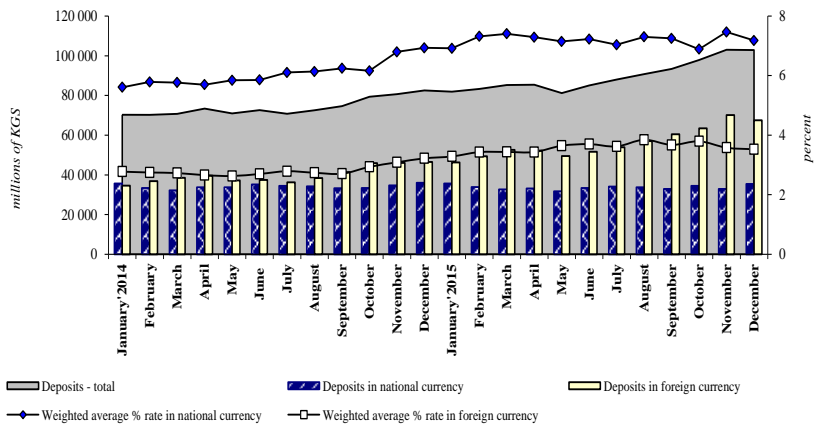
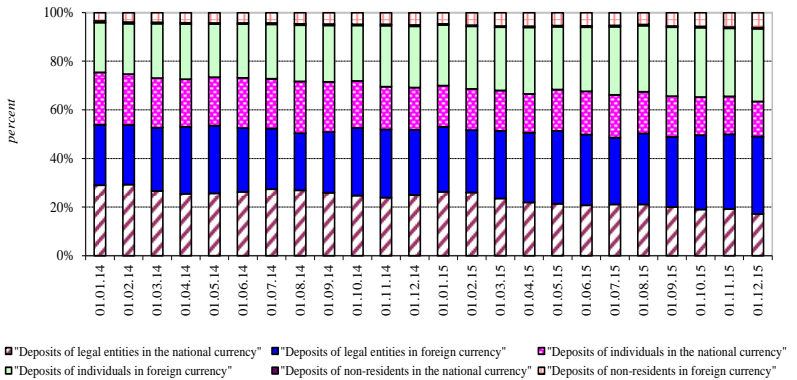


Chart 2. Deposit Structure by Depositors



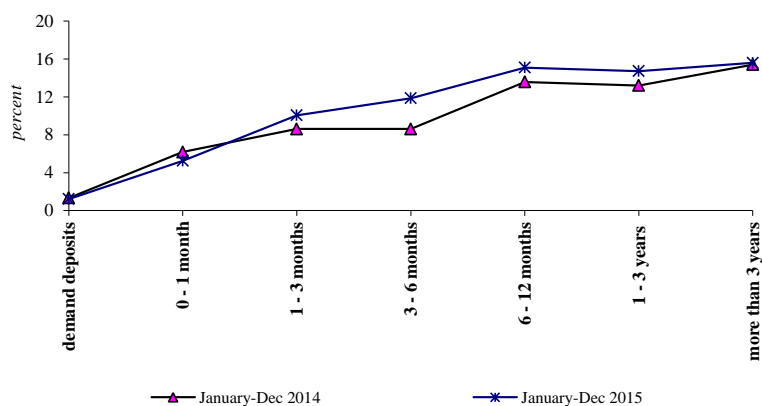
In the reporting period there was an increase in the inflow of deposits to the commercial banks. The volume of the newly accepted deposits in 2015<sup>1</sup> constituted KGS 400.2 billion, having increased by 1.9 percent as compared to the similar indicator of 2014. The volume of the newly accepted deposits in the national currency constituted KGS 190.1 billion (+5.9 percent), in foreign currency – 210.1 billion in KGS equivalent (-1.5 percent).

By structure, increase of the newly accepted deposits was mainly due to the growth in the fixed-term deposits, the volume of the latter increased by 11.9 percent within the reporting period. At the same time, the share of the deposits on demand decreased from 87.3 to 86.0 percent with the proportional enhancement in the share of fixed-term deposits (from 12.7 to 14.0 percent) due to the growth of their long-term component.

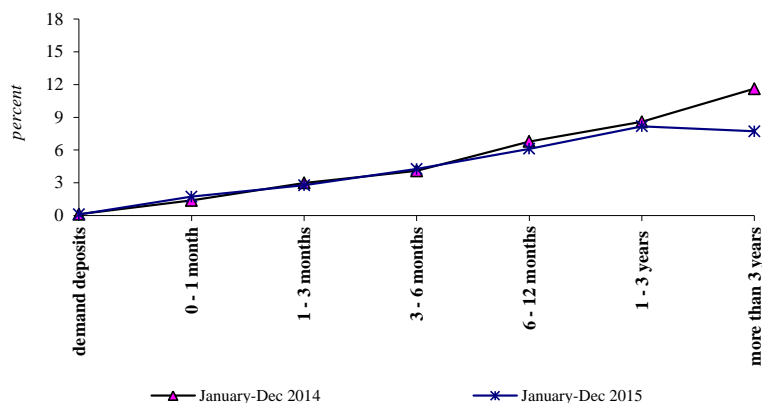
The average weighted interest rate on the newly accepted deposits in the national currency constituted 2.50 percent, having remained the same as compared with the similar indicator of 2014. At the same time, the average weighted interest rate on the fixed-term deposits in the national currency constituted 13.09 percent (+2.14 percentage points), and on the deposits on demand – 1.22 percent, having decreased by 0.12 percentage points as compared with the similar period of 2014.

The rate on the newly accepted deposits in foreign currency was 1.07 percent (+0.19 percentage point). At the same time, the average weighted interest rate on the deposits on demand in foreign currency decreased to 0.11 percent (-0.01 percentage points), on the fixed-term deposits in foreign currency the rate decreased by 0.03 percentage points and constituted 5.83 percent.

**Chart 3. Average Level of Interest Rates on New Deposits in the National Currency by Term Categories**



**Chart 4. Average Level of Interest Rates on New Deposits in Foreign Currency by Term Categories**



<sup>1</sup> In the volume of the newly accepted deposits the settlement accounts of the bank's clients are not taken into account.