

## Interbank Market of Credit Resources

(March 2017)

In the reporting period, the average daily level of excess liquidity of commercial banks decreased by 9.5 percent and amounted to KGS 1.2 billion in the interbank market against the previous month.

Like in the previous month, standard transactions in the national currency and repo transactions were carried out at the domestic interbank credit market. At the same time, these transactions were carried out at the weighted average rate of 1.63 percent per annum (+0.13 percentage points) and 1.64 percent per annum (+0.10 percentage point) respectively. In the reporting period, the volume of standard transactions in the national currency decreased by 35.7 percent in the domestic market to make KGS 70.5 million. The volume of repo transactions increased by 35.3 percent – up to KGS 89.9 million.

The demand for “overnight” credits of the National Bank of the Kyrgyz Republic in the reporting period was absent. At the same time, the National Bank continued to allocate funds of the commercial banks on deposits based on “overnight” conditions in the amount of KGS 224.8 billion (-10.9 percent).

The reporting period was characterized by an increase in the concentration index of creditors by 0.05 to 0.36, and the concentration index of debtors – by 0.39 to 0.74. The values of these indexes indicate a high level of market concentration and correspond to the presence of three principle creditors and one debtor in the market.

In the reporting period, the volume of credit transactions in foreign currency with non-resident banks increased to KGS 6.0 billion. The weighted average interest rate on credit transactions with non-resident banks decreased by 7.7 percentage points compared to the previous month to make 0.9 percent.

**Graph 1. The dynamics of the transactions and the interest rates in the domestic interbank credit market**



