

DEPOSITS

(January-March 2013)

At the end of the first three months of 2013, growth of the depositary base was observed in the commercial banks which adjusted the circumstances of slight decrease in the aggregate funds balances on the bank accounts in the previous quarter. The major reason for growth was expansion of the foreign currency component in the depositary base, while the volume of deposits in the national currency decreased due to outflow of the funds from the accounts of legal entities in two banks – large market participants. The current situation resulted in the increase of the average weighted interest rate on the deposits in the national currency against retaining index on the foreign currency deposits.

As of the end of the reviewed period, the depositary base of commercial banks constituted KGS 52.0 billion having increased by 2.7 percent since the beginning of the year.

In particular, the foreign currency component of the depositary base increased by 6.2 percent, the national currency deposits decreased by 0.5 percent (the depositary base increased by 2.1 percent excluding USD strengthening). As a result, the level of dollarization of depositary base increased by 1.6 percentage points, to 48.5 percent as of the end of March.

Due to positive trend of growth in the volume of population deposits, their share in the structure of depositary base increased from 41.1 to 43.6 percent (see Chart 2).

Chart1. Dynamics of deposits of the operating commercial banks (at period's end)

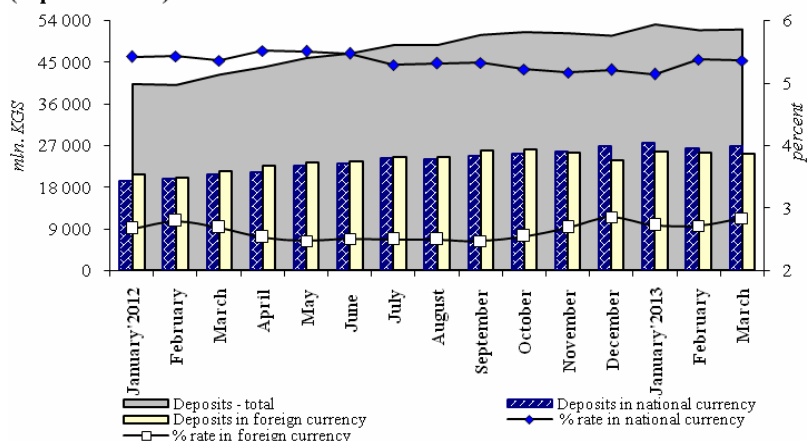


Chart 2. Structure of deposits by depositors

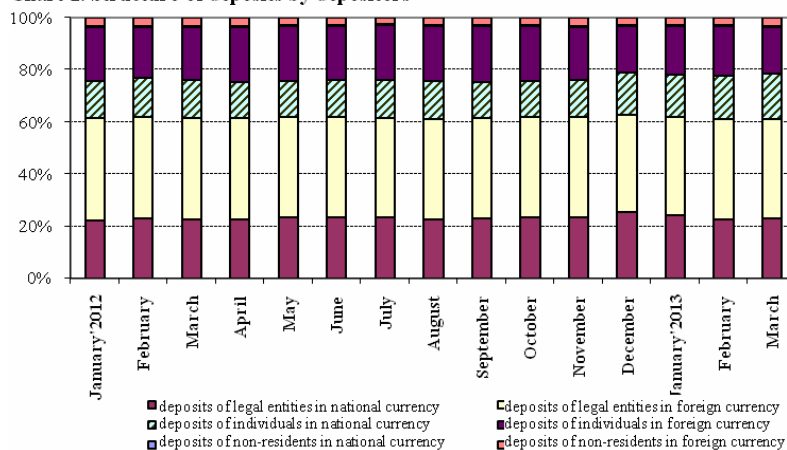


Table 1. Dynamics of deposits in the operating commercial banks

Period	Balance of deposits					Accepted deposits				
	Total (ths. KGS)	In national currency		In foreign currency		Total (ths. KGS)	In national currency		In foreign currency	
		Volume (ths. KGS)	Rate (%)	Volume (ths. KGS)	Rate (%)		Volume (ths. KGS)	Rate (%)	Volume (ths. KGS)	Rate (%)
January 2012 r.	40 216 565,4	19 390 990,2	5,4	20 825 575,2	2,7	15 541 023,2	7 176 265,3	2,0	8 364 757,9	0,8
February	40 008 706,2	19 904 894,5	5,4	20 103 811,7	2,8	16 955 350,4	8 493 410,3	2,3	8 461 940,1	0,8
March	42 242 058,6	20 707 237,5	5,4	21 534 821,1	2,7	17 424 527,5	9 099 666,9	2,1	8 324 860,6	0,8
Total for Q1 2012	42 242 058,6	20 707 237,5	5,4	21 534 821,1	2,7	49 920 901,1	24 769 342,5	2,1	25 151 558,6	0,8
January 2013 r.	53 081 595,6	27 498 043,5	5,1	25 583 552,1	2,7	15 962 274,6	8 358 158,2	2,4	7 604 116,4	0,9
February	51 840 342,8	26 407 198,6	5,4	25 433 144,2	2,7	17 552 034,2	9 632 231,9	2,2	7 919 802,3	0,7
March	52 003 870,6	26 806 295,7	5,4	25 197 574,9	2,8	19 400 670,0	10 421 769,1	2,2	8 978 900,9	0,8
Total for Q1 2013	52 003 870,6	26 806 295,7	5,4	25 197 574,9	2,8	52 914 978,8	28 412 159,2	2,3	24 502 819,6	0,8
Change over a period	1 352 545,0	-121 304,4	0,1	1 473 849,4	0,0	2 994 077,7	3 642 816,7	0,1	-648 739,0	0,0
Increase rate	2,7%	-0,5%		6,2%		6,0%	14,7%		-2,6%	

Table 2. Change of depositary base for January-March 2013 by term categories

ths. KGS

	Total	Including							
		Settlement accounts	Demand accounts	0 - 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1-3 years	More than 3 years
Overall change	1 352 545	-22 047	477 531	158 463	423 835	149 051	-307 869	466 170	7 410
including:									
on deposits of individuals	1 844 094	-87 649	1 001 397	168 917	303 106	121 745	52 551	273 427	10 601
in national currency	1 074 141	-74 978	623 492	58 303	147 255	161 731	15 163	128 204	14 972
in foreign currency	769 952	-12 671	377 905	110 614	155 852	-39 987	37 387	145 223	-4 372
on deposits of legal entities	-712 962	-103 704	-531 253	16 992	98 147	-68 552	-251 364	129 772	-3 000
in national currency	-1 203 341	-1 209 720	1 485	128 754	119 887	-76 280	-152 795	-11 672	-3 000
in foreign currency	490 379	1 106 016	-532 738	-111 761	-21 740	7 728	-98 569	141 444	0
on deposits of non-residents	221 413	169 306	7 387	-27 447	22 582	95 859	-109 056	62 972	-190
in national currency	7 895	4 679	-6 551	1 936	5 596	2 287	2 011	-1 970	-92
in foreign currency	213 518	164 627	13 938	-29 383	16 986	93 572	-111 066	64 942	-98

In the first quarter of 2013, increase in the maturity of the attracted resources was observed in the depositary base term structure. The share of funds on the settlement accounts decreased from 40.6 to 39.5 percent, the share of fixed deposits increased from 34.6 to 35.5 percent. At that, the volume of balances on the accounts of the demand deposits belonged to the banks' clients increased by 3.8 percent, as a result, their share increased from 24.8 to 25.1 percent within one quarter. The structure of fixed deposits changed to the direction of increase in the share of long-term deposits (more than one year) by 0.7 percentage points, to 9.8 percent in the total volume of the depositary base (or 27.8 percent in the volume of fixed deposits), while the share of short-term deposits increased by 0.2 percentage points, to 25.6 percent. As a result, the fixed deposits duration slightly decreased since the beginning of the year from 13.0 to 12.9 months, whereas the duration of the total depositary base increased from 4.5 to 4.6

Chart 3. Dynamics of deposits, accepted by the commercial banks over a period

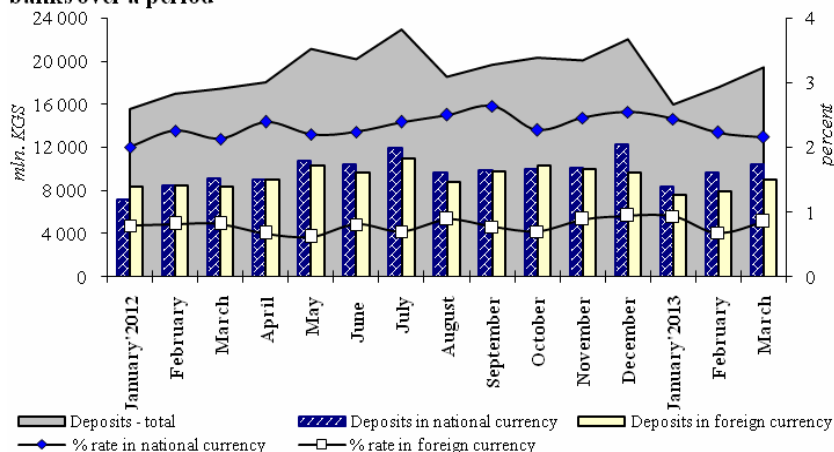


Chart 4. Structure of deposits, accepted in national currency

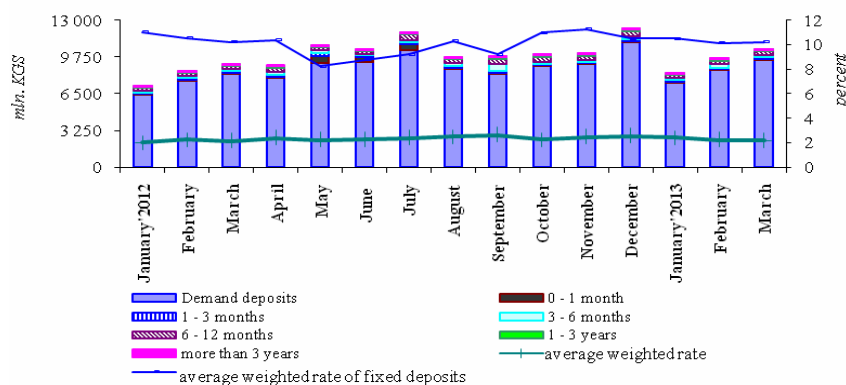
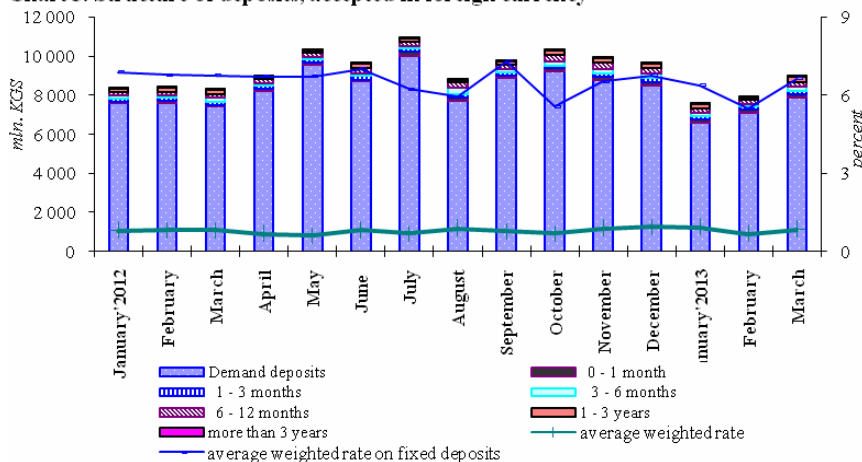


Chart 5. Structure of deposits, accepted in foreign currency



months.

Table 3. Change in the deposit flow for January-March 2013 in comparison with January-March 2012 by term categories

ths. KGS

	TOTAL	Including						
		Demand deposits	0 - 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1-3 years	More than 3 years
Overall changes	2 994 078	2 222 689	234 693	-31 274	227 904	145 098	199 615	-4 648
including:								
on deposits of individuals	5 431 022	4 668 038	73 415	109 053	179 736	256 083	149 422	-4 723
in national currency	4 235 341	3 736 101	-6 028	79 338	126 689	196 648	103 920	-1 327
in foreign currency	1 195 681	931 937	79 442	29 715	53 047	59 434	45 502	-3 397
on deposits of legal entities	-942 585	-951 263	164 606	-127 776	37 094	-124 539	59 153	140
in national currency	-652 980	-515 640	-7 973	-108 306	58 172	-101 530	22 156	140
in foreign currency	-289 605	-435 623	172 579	-19 469	-21 078	-23 010	36 997	0
on deposits on non-residents	-1 494 360	-1 494 085	-3 328	-12 552	11 075	13 555	-8 959	-65
in national currency	60 456	52 096	-3 730	-908	-236	10 370	2 937	-73
in foreign currency	-1 554 815	-1 546 181	401	-11 644	11 311	3 185	-11 896	9

Market concentration index constituted 0.10 corresponding to the average level of concentration and equivalent to the market sharing among ten banks with equal shares.

Increase of the deposits inflow in the commercial banks was observed in the reviewed period. In the first quarter 2013, the volume of newly accepted deposits¹ constituted KGS 52.9 billion having increased by 6.0 percent compared to the corresponding period of 2012.

The volume of newly accepted deposits in the national currency constituted KGS 28.4 billion (+14.7 percent), newly accepted deposits in the national currency constituted KGS 24.5 billion (-2.6 percent).

In the structure of deposits, increase of newly accepted deposits was generally provided by growth of demand deposits, the volume thereof increased by 4.9 percent within the period. At that, the share of demand deposits decreased from 90.3 to 89.4 percent with proportional expansion of the share of fixed deposits due to growth of short-term component (excluding deposits with the period of maturity from 1 to 3 months). As a result, the duration of fixed deposits decreased from 11.6 to 11.4 months compared to the corresponding period of 2012, however, the average duration index of newly accepted deposits increased from 1.1 to 1.2 months.

Chart 6. Average level of interest rates on new deposits in national currency by term categories

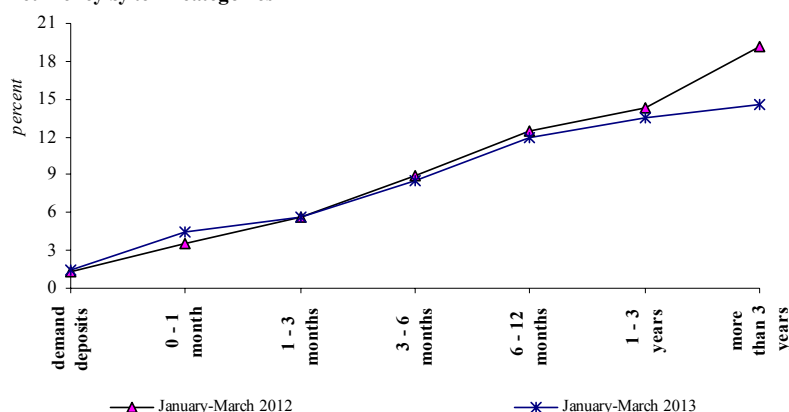
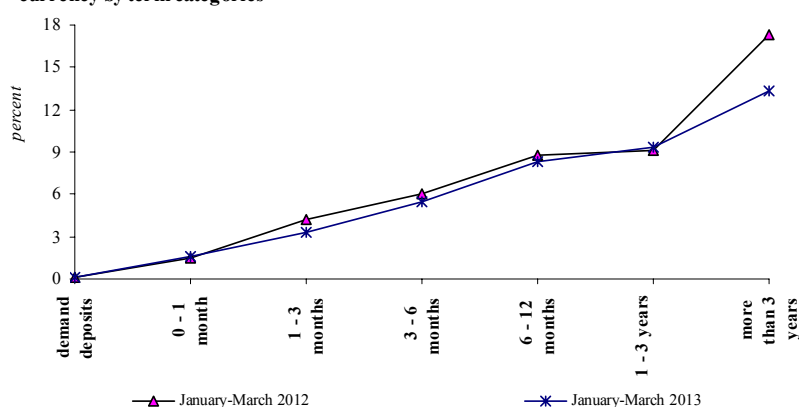


Chart 7. Average level of interest rates on new deposits in foreign currency by term categories



¹ Settlement accounts of the clients are not considered in the volume of newly accepted deposits.

The average weighted interest rate on newly accepted deposits in the national currency constituted 2.3 percent, having increased by 0.1 percentage points at an annual rate due to increase in the share of fixed deposits. The average weighted interest rate on these deposits amounted to 10.3 percent (-0.3 percentage points), the rate on the demand deposits increased by 0.2 percentage points, to 1.4 percent.

In the structure of deposits by the banks, the average level of interest rates on newly accepted fixed deposits in the national currency increased in 6 of 23² commercial banks, in one of the operating financial institutions the rate was retained, the rates of other financial institutions decreased. In the first quarter of 2013, the average value of real interest rate on fixed deposits in the national currency constituted 9.1 percent compared to 9.7 percent on the corresponding period in the previous year.

The rate on newly accepted deposits in the foreign currency remained the same compared to the corresponding period of 2012 and constituted 0.8 percent. At that, the corresponding index of demand deposits was retained, whereas the average weighted interest rate on fixed deposits in the foreign currency decreased to 6.2 percent (-0.7 percentage points).

In the structure of deposits by the banks, the average level of interest rates on newly accepted fixed deposits in the foreign currency decreased in 11 of 23 banks possessing license for attracting deposits in the foreign currency, the interest rates of other banks increased.

² In the total amount of operating banks, 6 banks did not attract deposits in the national currency in the reviewed period, 4 banks did not attract deposits in the foreign currency.