

Deposits (12 months 2014)

In January-December 2014, there was an increase of the depositary base in the market of commercial banks' deposits as compared to the similar period of 2013, which was mainly due to the growth of the deposits in foreign currency.

The indicators of the interest rates on the deposits accepted over the year in the national and foreign currency did not experience significant changes.

By the end of the reporting period, the volume of the depositary base of the commercial banks constituted KGS 82.5 billion, having increased from the beginning of the year by 22.6 percent. At the same time, the increase was due to the growth of the deposits in foreign currency by 41.6 percent, up to KGS 46.5 billion. The deposits in the national currency increased by 4.5 percent, up to KGS 36.0 billion.

According to the results of 2014, the dollarization of the depositary base, taking into account changes in the exchange rate, increased by 4.1 percentage points, up to 51.9 percent.

In the reporting period, there was an increase in the share of the fixed-term deposits in the time structure of the depositary base up to 44.9 percent (+5.9 percentage points). The share of the deposits on demand of the banks' clients, on the contrary, decreased down to 21.9 percent (-3.4 percentage points), the share of funds on the settlement accounts decreased down to 33.2 percent (-2.5 percentage points).

The index of market concentration remained at the level of 0.10, which corresponds to the average level of concentration and is an equivalent to the presence of ten participants in the market with an equal share.

Chart 1. Dynamics of deposits, accepted by the commercial banks over a period

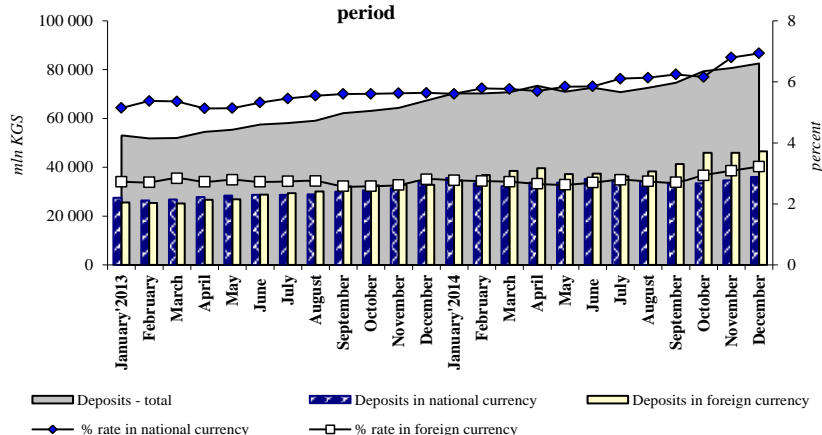
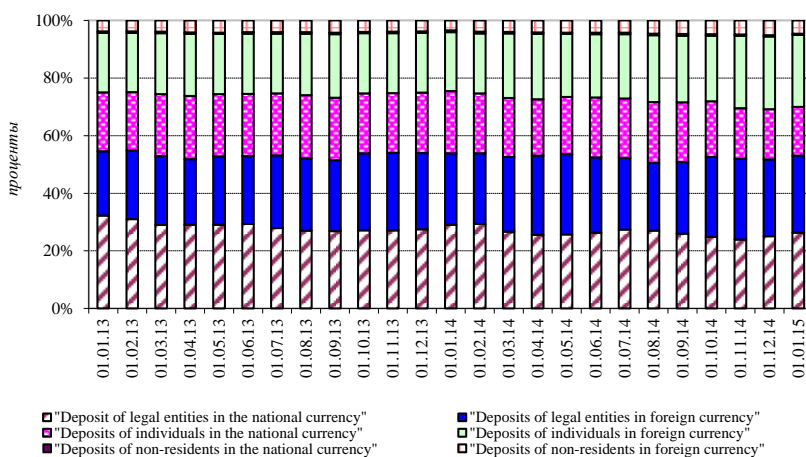


Chart 2. Deposit structure by depositors



In the reporting period, there was an increase in the inflow of the deposits to the commercial banks. The volume of the newly accepted deposits in January-December 2014¹ constituted KGS 392.8 billion, having increased by 36.5 percent as compared to the similar indicator of 2013. The volume of the newly accepted deposits in the national currency constituted KGS 179.5 billion (+22.8 percent), in foreign currency – 213.2 billion in KGS equivalent (+50.7 percent).

By structure, an increase of the newly accepted deposits was due to the growth of the deposits on demand by 34.7 percent and the fixed-term deposits by 50.3 percent. At the same time, the share of the deposits on demand decreased from 88.4 to 87.3 percent with the proportional increase in the share of the fixed-term deposits (from 11.6 to 12.7 percent) mainly due to the growth in the volume of the fixed-term deposits.

The weighted average interest rate on the newly accepted deposits in the national currency constituted 2.50 percent, having increased by 0.17 percentage points as compared with the similar indicator of 2013. At the same time, the weighted average interest rate on the fixed-term deposits in the national currency constituted 10.96 percent (+1.42 percentage points), and on the deposits on demand – 1.38 percent, having decreased by 0.04 percentage points as compared to the similar period of 2013.

The weighted average interest rate on the newly accepted deposits in foreign currency was 0.88 percent (+0.12 percentage points). At the same time, the weighted average interest rate on the deposits on demand in foreign currency increased up to 0.12 percent (+0.01 percentage point), the rate on the fixed-term deposits in foreign currency decreased down to 5.86 percent (-0.08 percentage points).

Chart 2. Average level of interest rates on new deposits in national currency by term categories

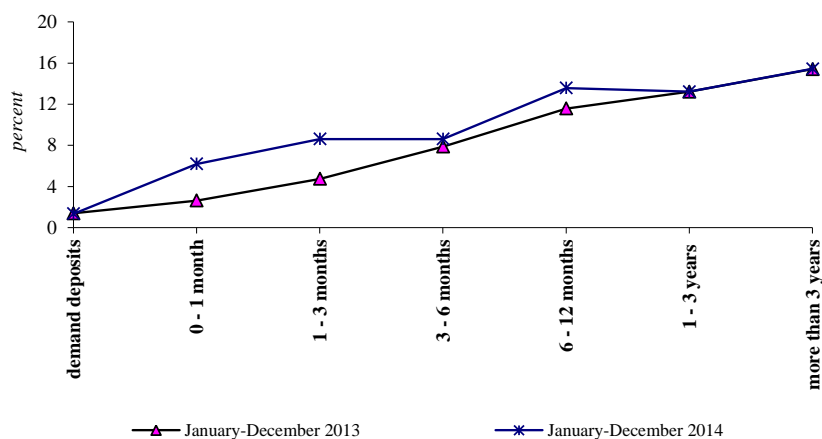
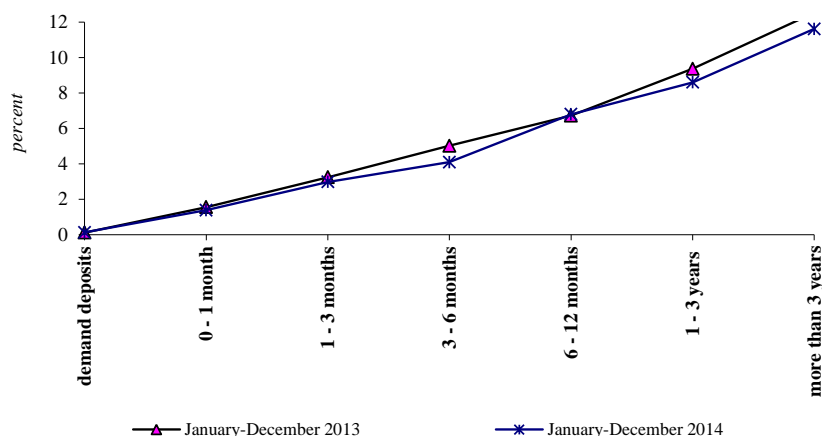


Chart 4. Average level of interest rates on new deposits in foreign currency by term categories



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