

Interbank Market of Credit Resources

(May 2017)

In the reporting period, the average monthly level of excess liquidity of commercial banks decreased by 5.9 percent and amounted to KGS 1.3 billion owing to increase of activity of market participants in the interbank market. Thus, in the reporting period, the volume of repo transactions increased 2.1 times, up to KGS 466.0 million at a weighted average rate of 1.4 percent (+0.3 percentage points). Standard transactions in the national and foreign currencies were not carried out at the interbank market of credit resources in the reporting period.

“Overnight” credits of the National Bank of the Kyrgyz Republic were not requested by commercial banks in the reporting period. At the same time, commercial banks continued to allocate funds in the National Bank on deposits based on “overnight” conditions in the amount of KGS 164.3 billion (-11.5 percent). The National Bank conducted credit auctions to refinance banks. At the same time, the total volume of allocation reached KGS 1.5 billion, which was 2.1 times higher than a month earlier, at a weighted average rate of 5.0 percent.

The reporting period was characterized by some decrease in the concentration index of creditors by 0.11, to 0.17, and the concentration index of debtors – also by 0.11, to 0.18. The values of these indexes indicate a medium level of market concentration and correspond to the presence of six general creditors and five debtors in the market in the reporting period.

In the reporting period, the volume of credit transactions in foreign currency with non-resident banks decreased to some extent down to KGS 5.4 billion (-7.0 percent). The weighted average interest rate on credit transactions with non-resident banks made 0.8 percent, having increased by 0.2 percentage points compared to the previous month.

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



