



The evolution of monetary indicators in February 2013

In February 2013, the **monetary base**¹ increased by MDL 114.1 million (0.6 percent) compared to January 2013 and constituted MDL 19869.8 million. The increase of the monetary base was determined by the positive development in the net foreign assets and net domestic assets of the National Bank of Moldova, which increased by MDL 32.6 million and MDL 81.5 million respectively.

Money in circulation (M0)² increased from MDL 12772.2 million in January 2013 to MDL 12902.8 million in February 2013.

Money supply M2³ increased during the reporting period by MDL 68.6 million or by 0.2 percent, up to MDL 35189.5 million in February 2013. At the same time, **money supply M3**⁴ decreased by MDL 291.9 million or by 0.6 percent in February 2013.

The analysis of the passive components of money supply (**M3**) denotes the fact that this decrease was due to the decrease of the total balance of deposits by MDL 422.4 million as compared to the previous month. At the same time, the monetary aggregate (**M0**) – money in circulation – increased by MDL 130.6 million (Table no.1).

Table no.1. Passive components of money supply

| INDICATORS | Jan. 2013 | Feb. 2013 | Feb.2013/ Jan.2013 | Feb.2013/ Feb. 2012 |
|-------------------------------------|--------------|--------------|-----------------------|------------------------|
| | million, MDL | million, MDL | % | % |
| Money in circulation (M0) | 12772.21 | 12902.76 | 1.0 | 23.2 |
| Sight deposits in MDL | 7407.95 | 7280.34 | -1.7 | 22.4 |
| MONEY SUPPLY (M1) | 20180.16 | 20183.10 | 0.0 | 22.9 |
| Term deposits in MDL | 14940.65 | 15006.31 | 0.4 | 30.7 |
| Money market instruments | 0.12 | 0.12 | 0.0 | 0.0 |
| MONEY SUPPLY (M2) | 35120.93 | 35189.53 | 0.2 | 26.1 |
| Deposits in foreign currency | 14979.87 | 14619.40 | -2.4 | 11.9 |
| MONEY SUPPLY (M3) | 50100.80 | 49808.92 | -0.6 | 21.6 |

The balance of deposits in national currency constituted MDL 22286.7 million, which share equaled to 60.4 percent of total balance of deposits and the balance of deposits in foreign currency

¹ The monetary base includes cash in circulation (outside banking system), banking reserves (banks' reserves in MDL on correspondent accounts maintained at the National Bank of Moldova and cash in banks), deposits at sight of other organizations with the National Bank of Moldova, "overnight" deposits of banks and required reserves in foreign currency.

² Money in circulation M0 represents cash in circulation put by the National Bank of Moldova, except for cash in banks and NBM vault.

³ Money supply M2 includes currency in circulation (M0), deposits in MDL and money market instruments.

⁴ Money supply M3 includes broad money M2 and deposits in foreign currency of residents expressed in MDL.



(recalculated in MDL) constituted MDL 14619.4 million, which share amounted to 39.6 percent (Table no.2).

Tabelul nr.2. Deposits structure⁵

| INDICATORS | Jan. 2013 | Feb.2013 | Feb.2013/ Jan. 2013 | Feb.2013/ Feb. 2012 |
|--|-----------------|-----------------|------------------------|------------------------|
| | million, MDL | million, MDL | % | % |
| Deposits balance (total) | 37328.47 | 36906.05 | -1.1 | 21.1 |
| Including: | | | | |
| Deposits balance (in MDL) | 22348.60 | 22286.65 | -0.3 | 27.9 |
| The share in Deposits balance (total), % | <i>59.87</i> | <i>60.39</i> | | |
| Non-banking financial sector | 725.82 | 686.34 | -5.4 | 1.1 |
| Non-financial companies sector | 6162.38 | 6148.41 | -0.2 | 21.8 |
| Other resident sectors (individuals, etc.) | 15460.41 | 15451.90 | -0.1 | 32.1 |
| Deposits balance in foreign currency (expressed in MDL) | 14979.87 | 14619.40 | -2.4 | 11.9 |
| The share in Deposits balance (total), % | <i>40.13</i> | <i>39.61</i> | | |
| Non-banking financial sector | 458.90 | 486.87 | 6.1 | 14.2 |
| Non-financial companies sector | 2926.33 | 2836.65 | -3.1 | 19.9 |
| Other resident sectors (individuals, etc.) | 11594.65 | 11295.88 | -2.6 | 10.0 |

The decrease of money supply M3 in the reporting period was determined by the decrease in net foreign assets of the banking system by MDL 646.4 million (2.7 percent) while net domestic assets increased by MDL 354.5 million (1.4 percent) as compared to the previous month.

Domestic credit of the banking system increased by MDL 367.1 million (1.0 percent), up to the level of MDL 37504.6 million, its increase being mainly determined by the increase of net payments to the Government by MDL 245.6 million.

The balance of credits in economy⁶ increased by MDL 121.4 million in February 2013 at the expense of the increase of credits granted to the economy in national currency by MDL 111.1 million (0.5 percent) and credits granted to the economy in foreign currency (expressed in MDL) by MDL 10.3 million (0.1 percent) (Table no.3).

The positive dynamics of the balance of credits granted to the economy in MDL was influenced by the increase of the balance of credits granted to private sector by MDL 66.7 million (0.5 percent) and to individuals by MDL 49.5 million and (1.0 percent) and to state enterprises by MDL 6.4 million (0.8 percent). At the same time, the balance of credits granted to other organizations performing certain financial operations decreased by MDL 11.5 million (3.0 percent).

⁵ Structura depozitelor se grupează pe sectoare instituționale în conformitate cu Instrucțiunea cu privire la modul de completare de către băncile licențiate a Raportului privind statistica monetară (Monitorul Oficial al Republicii Moldova nr. 206-215 din 2 decembrie 2011).

⁶ According to the IMF methodology, the interbank credits and the credits granted to the Government are excluded from the total credits in the economy (including the interest calculated for credits and for credits of banks - in liquidation process).



Table no.3. Structure of credits granted to economy

| INDICATORS | Jan. 2013 | Feb.2013 | Feb.2013/ Jan.2013 | Feb.2013/ Feb. 2012 |
|--|-----------------|-----------------|-----------------------|------------------------|
| | million, MDL | million, MDL | % | % |
| CREDITS GRANTED TO ECONOMY | 35955.61 | 36077.05 | 0.3 | 12.7 |
| Including: | | | | |
| CREDITS GRANTED TO ECONOMY (in MDL) | 20428.48 | 20539.60 | 0.5 | 16.4 |
| The share of Credits granted to economy, % | 56.82 | 56.93 | | |
| State enterprises | 765.82 | 772.22 | 0.8 | 69.9 |
| Private sector | 14103.46 | 14170.18 | 0.5 | 13.8 |
| Other organizations performing certain financial operations | 380.60 | 369.14 | -3.0 | 18.4 |
| Other resident sectors (individuals, etc.) | 5178.60 | 5228.06 | 1.0 | 18.2 |
| including : Consumer loans | 2272.49 | 2276.70 | 0.2 | 30.3 |
| Real estate loans | 1395.03 | 1415.26 | 1.5 | 27.5 |
| CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY (equivalent in MDL): | 15527.13 | 15537.45 | 0.1 | 8.2 |
| The share of Credits granted to economy, % | 43.18 | 43.07 | | |
| State enterprises | 807.54 | 738.14 | -8.6 | 31.1 |
| Private sector | 13881.20 | 13973.54 | 0.7 | 6.5 |
| Other organizations performing certain financial operations | 560.41 | 547.82 | -2.2 | 20.4 |
| Other resident sectors (individuals, etc.) | 277.98 | 277.95 | 0.0 | 24.9 |
| including : Consumer loans | 2.71 | 3.50 | 29.0 | 0.0 |
| Real estate loans | 89.39 | 89.26 | -0.1 | 0.0 |

The development in the balance of credits granted to economy in foreign currency (expressed in MDL) were determined by the increase of the balance of credits granted to private sector – by MDL 92.3 million (0.7 percent). At the same time, the balance of credits granted to state enterprises decreased by MDL 69.4 million (8.6 percent), to other organizations performing certain financial operations by MDL 12.6 million (2.2 percent), while the balance of credits granted to individuals remained at the previous month level.