

20.09.2017

## Monetary indicators in August 2017

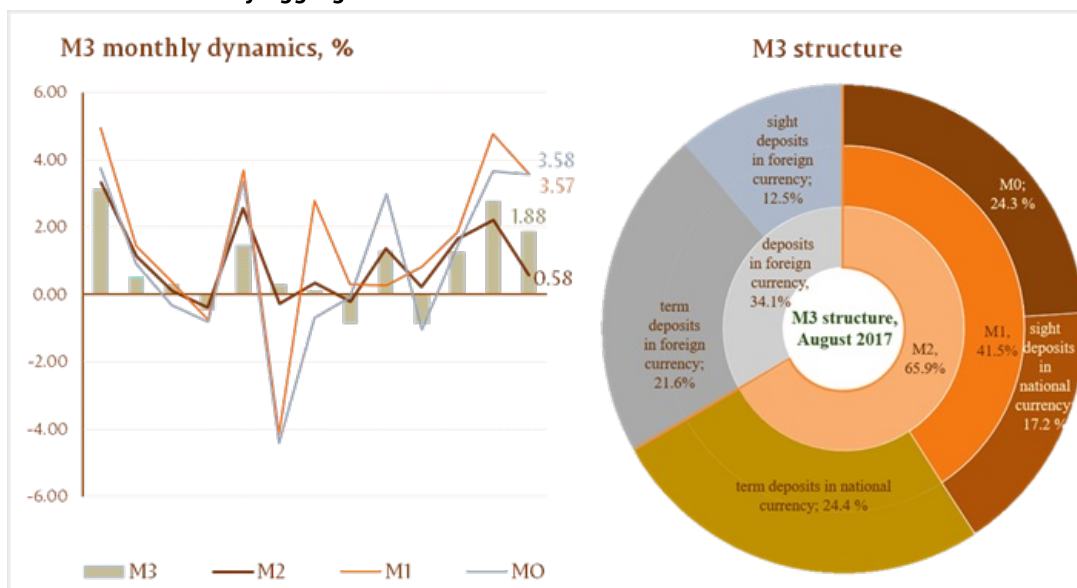
In August 2017, **monetary base** The monetary base includes money in circulation (outside banking system), banking reserves (banks' reserves in MDL on correspondent accounts maintained at the National Bank of Moldova and cash in banks), deposits at sight of other organizations with the National Bank of Moldova, "overnight" deposits of banks and required reserves in foreign currency. increased by MDL 388.0 million (1.1 percent) compared to the previous month and accounted for MDL 36321.9 million. The increase of the monetary base was determined by the increase of its counterparties: net foreign assets by MDL 172.0 million (0.4 percent) and net domestic assets by - MDL 216.0 million (7.4 percent).

**Money supply M2** Money supply M2 includes money in circulation (M0), deposits of residents in MDL and money market instruments. increased by MDL 281.7 million, or by 0.6 percent compared to July 2017 and accounted for MDL 49243.1 million, increasing by 9.7 percent compared to the same period of the last year.

**Money supply M3** Money supply M3 includes money supply M2 and deposits of residents in foreign currency expressed in MDL. increased during the reference period by MDL 1379.7 million (1.9 percent), by 8.0 percentage points higher to that of August 2016.

The analysis of the components of Money supply (M3) shows that this increase was driven by the increase of the balance of **Money in circulation M0** Money in circulation M0 represent cash put into circulation by the National bank of Moldova, except for cash in banks and NBM vault. by MDL 626.5 million and of the total balance of deposits by MDL 753.2 million in August 2016 (chart no.1). It should be mentioned that the Money in circulation (M0) and **Money supply (M1)** Money supply M1 includes money in circulation and sight deposits of residents in MDL. increased compared to August 2016 by 8.7 and 15.8 percentage points, respectively.

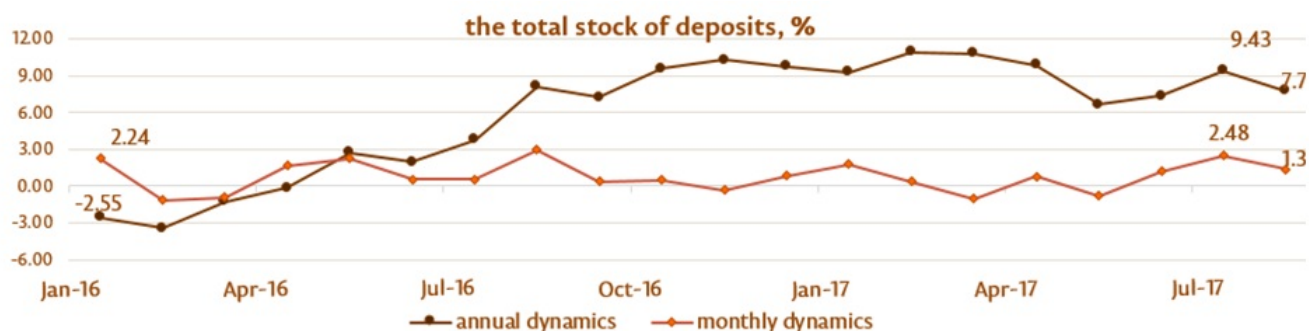
Chart no. 1. Monetary aggregate M3



The balance of deposits in national currency decreased by MDL 344.8 million and accounted for MDL 31049.3 million, representing a share of 54.9 percent of total deposits and the balance of deposits in foreign currency (recalculated in MDL)

increased by MDL 1098.0 million and accounted for MDL 25507.3 million (with a share of 45.1 percent) (Chart no.2).

**Chart no. 2. Deposits** Deposits are classified by institutional sectors , according to the Instruction on filling out by the licensed banks of the Report on monetary statistics (Official Monitor of the Republic of Moldova no.206-215 of December 2, 2011). dynamics, %

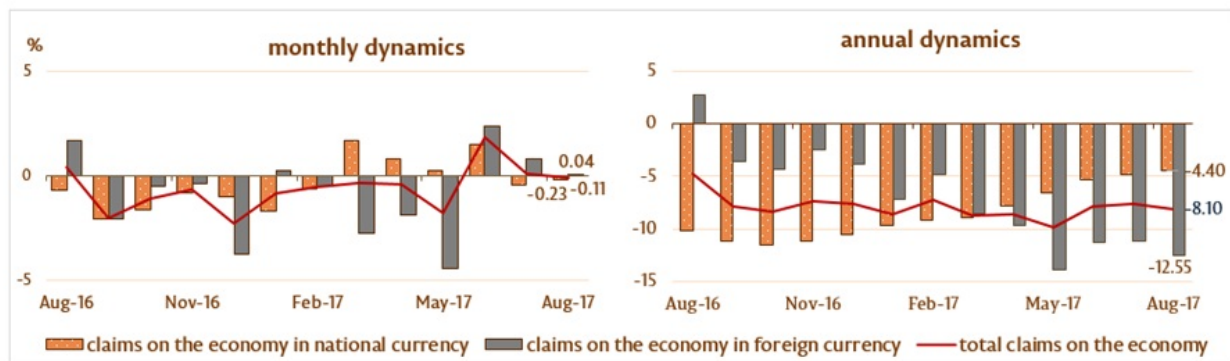


in national currency		The modification compared to	in foreign currency	
previous month	same period, 2016		previous month	same period, 2016
-1.10	+10.35	Total	+4.50	+4.80
-7.75	+26.26	Non-banking financial companies	-0.29	-6.06
+1.22	+6.37	Non-financial companies' sector, which majority ownership is public	-1.42	-20.77
-4.05	+34.52	Non-financial companies' sector, which majority ownership is private	+15.89	+23.60
+0.11	+3.16	Other resident sectors	+1.37	+0.79

The increase of money supply M3 in the reporting period as regards to its counterparts was determined by the increase in net foreign assets of the banking system by MDL 1267.6 million (2.0 percent) and by the increase in net domestic assets by MDL 112.1 million (1.3 percent).

**Balance of credits in economy** 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). decreased by MDL 43.8 million (0.1 percent) in August 2017 at the expense of the decrease of claims on the economy in national currency by MDL 50.8 million (0.2 percent), while those in foreign currency (expressed in MDL) increased by MDL 7.0 million (0.04 percent) (Chart no.3).

**Chart no. 3. The dynamics of the claims on the economy**



in national currency		The modification compared to	in foreign currency	
previous month	same period, 2016		previous month	same period, 2016
-0.23	-4.40	Total	+0.04	-12.55
+2.30	-6.66	Non-banking financial companies	-2.40	-19.11
-1.22	-7.31	Non-financial companies' sector, which majority ownership is public	-1.84	-26.58
-1.73	-13.28	Non-financial companies' sector, which majority ownership is private	+0.27	-11.23
+1.97	+13.46	Other resident sectors	-0.79	-26.42
+2.37	+21.28	Consumer loans	-8.89	-59.40
+2.51	+10.07	Real estate loans	-0.39	-28.87

It should be mentioned that the claims on the economy in foreign currency, expressed in USD, have increased during the reporting period by USD 12.9 million.

The negative evolution of the balance of claims on the economy in national currency was influenced by the decrease of the following components: balance of claims on the non-financial companies' sector, which majority ownership is private - by MDL 211.0 million (1.7 percent) and non-financial companies sector, which majority ownership is public - by MDL 12.9 million (1.2 percent), respectively.

At the same time, the balance of claims on the non-banking financial sector and that of other resident sectors (including individuals) increased by MDL 16.3 million (2.3 percent) and by MDL 156.8 million (2.0 percent), respectively.

At the same time, the increase in balance of claims on the economy in foreign currency (expressed in MDL) was determined by the increase of the balance of claims on the non-financial companies' sector, which majority ownership is private - by MDL 40.3 million (0.3 percent).

At the same time, the balance of claims on the non-banking financial sector, that of non-financial sector, which majority ownership is public and the other resident sectors (including individuals) decreased by MDL 20.4 million (2.4 percent), MDL 10.9 million (1.8 percent) and MDL 2.0 million (0.8 percent), respectively.

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