



Credits and deposits market development in April 2013

The volume of *new granted credits in national currency* increased by MDL 84.8 million or by 6.1 percent in April 2013 as compared to the same period of the last year, constituting MDL 1481.0 million. The average weighted interest rate on credits granted during the reporting period was 12.40 percent, decreasing by 1.85 percentage points (Table no.1).

Table no. 1. Volume and average rate on credits granted by banks in national currency

	April 2012		March 2013		April 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	256.73	16.76	19.83	15.05	24.99	13.74
<i>From 1 month to 3 months</i>	121.70	14.60	76.28	13.11	9.08	13.33
<i>From 3 months to 6 months</i>	46.13	14.41	77.27	13.11	39.83	12.82
<i>From 6 months to 12 months</i>	212.38	13.63	192.42	12.94	277.31	12.39
<i>Over 12 months</i>	759.21	13.50	1081.99	12.65	1129.78	12.35
Total amount	1396.15		1447.79		1480.99	
Average rate on banking system		14.25		12.77		12.40

The insignificant increase in the volume of lending in April 2013 was conditioned by methodological changes at the determination and calculation of interest rates applied by Moldovan banks, operated since July 2012¹.

As compared to March 2013, the volume of new granted credits in national currency increased by MDL 33.2 million or by 2.3 percent, while the average weighted interest rate on granted credits decreased by 0.37 percentage points.

The credits granted with terms over 12 months continued to be the most attractive, their share being of 76.3 percent of the total volume of credits in national currency in April 2013, being extended at an average interest rate of 12.35 percent (decreasing by 0.30 percentage points as compared to the previous month).

The credits granted to legal entities held the largest share in the new granted credits in national currency, which represent 72.7 percent of total credits in MDL and were granted at an average rate of 11.74 percent, while the average rate on credits granted to individuals amounted to 14.16 percent.

In April 2013, the volume of *new granted credits in foreign currency* (expressed in MDL) increased by MDL 465.4 million or by 56.5 percent as compared to the same period of the previous

¹ Including the new credits granted to the banking sector with an interest rate higher than "0", according to the *Instruction on interest rates applied by banks in the Republic of Moldova*, approved by the Decision of the Council of Administration of the National Bank of Moldova no.304 of December 22, 2011, including further amendments and completions.



year, accounting for MDL 1289.0 million. The average weighted interest rate on credits granted during the reporting period was 7.27 percent, decreasing by 1.33 percentage points (Table no.2).

Table no. 2. Volume and average interest rate on credits granted by banks in foreign currency

	April 2012		March 2013		April 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	100.10	12.93	0.57	15.00	0.43	14.93
<i>From 1 month to 3 months</i>	24.90	8.72	1.13	9.52	0.66	7.13
<i>From 3 months to 6 months</i>	16.03	7.87	10.87	7.64	14.73	7.16
<i>From 6 months to 12 months</i>	42.90	8.07	134.77	7.65	390.34	8.17
<i>Over 12 months</i>	639.68	7.97	587.56	8.12	882.83	6.88
Total amount	823.61		734.90		1288.99	
Average rate on banking system		8.60		8.03		7.27

The volume of credits granted in foreign currency increased by MDL 554.1 million or by 75.4 percent as compared to the previous month, being mainly represented by the credits granted to legal entities with an average rate of 7.26 percent, holding a share of 98.2 percent of total credits in foreign currency.

The evolution of the average rates on new granted credits in foreign currency recorded a tempering tendency, decreasing by 0.76 percentage points as compared to March 2013, up to the level of 7.27 percent in April 2013. The credits in foreign currency with the maturity of over 12 months were the most attractive, being granted at an average rate of 6.88 percent.

In April 2013, the volume of *term deposits in national currency* decreased by MDL 202.9 million or by 12.0 percent as compared to the same period of the previous year, amounting to MDL 1495.2 million (Table no.3).

Table no. 3. Volume and average rate on term deposits in national currency

	April 2012		March 2013		April 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	208.54	2.85	15.71	4.98	28.32	8.05
<i>From 1 month to 3 months</i>	143.62	3.93	111.13	4.46	162.86	2.11
<i>From 3 months to 6 months</i>	696.59	6.77	305.14	7.93	287.75	7.56
<i>From 6 months to 12 months</i>	417.20	9.40	703.80	7.97	801.01	7.55
<i>Over 12 months</i>	232.13	10.68	240.96	10.35	215.21	10.07
Total amount	1698.08		1376.74		1495.15	
Average rate on banking system		7.23		8.06		7.33



The downward dynamics of the volume of term deposits in national currency in April 2013 has been also determined by the methodological changes made starting with July 2012 at the determination and calculation of the interest rates applied by the banks from the Republic of Moldova².

As compared to March 2013, the volume of term deposits attracted in national currency increased by MDL 118.4 million (8.6 percent). The average interest rate of term deposits in national currency was 7.33 percent, decreased by MDL 0.73 percentage points in the respective period.

The deposits with the terms from 6 to 12 months held the largest share (53.6 percent) of total term deposits in national currency, which were attracted at an average interest rate of 7.55 percent.

The share of term deposits in national currency attracted from individuals during the reporting period was 57.3 percent of total term deposits attracted in national currency, decreasing by 11.0 percentage points as compared to the previous month. The average weighted interest rate of term deposits in national currency attracted from individuals was 8.94 percent.

The *volume of term deposits in foreign currency* (expressed in MDL) was MDL 959.0 million in April 2013, decreasing by MDL 320.1 million or by 25.0 percent as compared to the same period of the previous year.

The average weighted rate of term deposits in foreign currency (expressed in MDL) was 4.22 percent during the reporting period (Table no.4).

Table no. 4. Volume and average rate of term deposits in foreign currency

	April 2012		March 2013		April 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	84.94	1.04	69.38	1.45	48.79	1.40
<i>From 1 month to 3 months</i>	80.16	1.97	30.94	1.42	46.99	1.43
<i>From 3 months to 6 months</i>	492.65	4.11	271.85	4.23	283.94	4.23
<i>From 6 months to 12 months</i>	410.96	4.42	466.49	4.76	447.00	4.57
<i>Over 12 months</i>	210.37	4.39	146.02	5.61	132.28	5.03
Total amount	1279.08		984.68		959.00	
Average rate on banking system		3.92		4.40		4.22

As compared to March 2013, the volume of term deposits attracted in foreign currency in April 2013 decreased by MDL 25.7 million (2.6 percent), while the average interest rate of term deposits decreased by 0.18 percentage points.

² Including the term deposits with an interest rate higher than "0" attracted in the banking sector, according to the *Instruction on the reporting of interest rates applied by banks in the Republic of Moldova*, approved by the Decision of the Council of Administration of the National Bank of Moldova no.304 of December 22, 2011, including further amendments and completions.



Term deposits with terms from 6 to 12 months held the largest share (46.6 percent) of total term deposits in foreign currency, which were attracted at an average interest rate of 4.57 percent, decreasing by 0.19 percentage points as compared to the previous month.

Banking margin on operations in national currency was 5.07 percentage points in April 2013, increasing by 0.36 percentage points as compared to the previous month level.

Banking margin on operations in foreign currency amounted to 3.05 percentage points in the analyzed month, decreasing by 0.58 percentage points as compared to March 2013.