

**Credits and deposits market development in July 2013**

The volume of *new granted credits in national currency*<sup>1</sup> increased by MDL 641.4 million or by 49.2 percent in July 2013 as compared to the same period of the last year, totaling MDL 1945.3 million. The average weighted interest rate on credits granted during the reporting period was 12.05 percent, decreasing by 1.33 percentage points (Table no.1).

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

	July 2012		June 2013		July 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	53.43	15.25	106.28	14.78	134.86	13.72
<i>From 1 month to 3 months</i>	92.43	15.30	53.11	12.74	39.78	12.61
<i>From 3 months to 6 months</i>	35.81	14.92	159.67	14.06	57.99	12.44
<i>From 6 months to 12 months</i>	212.29	12.86	227.20	11.91	412.38	11.59
<i>Over 12 months</i>	910.00	13.13	1629.86	11.64	1300.32	11.99
<b>Total amount</b>	<b>1303.96</b>		<b>2176.12</b>		<b>1945.33</b>	
<b>Average rate on banking system</b>		<b>13.38</b>		<b>12.03</b>		<b>12.05</b>

As compared to June 2013, the volume of new granted credits in national currency decreased by MDL 230.8 million or by 10.6 percent, while the average weighted interest rate on granted credits increased slightly by 0.02 percentage points.

The credits granted with terms over 12 months continued to be the most attractive, their share being of 66.8 percent of the total volume of credits in national currency in July 2013, being extended at an average interest rate of 11.99 percent (increasing by 0.35 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 79.5 percent of total credits in MDL and were granted at an average rate of 11.66 percent, while the average rate on credits granted to individuals amounted to 13.59 percent.

In July 2013, the volume of *new granted credits in foreign currency* (expressed in MDL) decreased by MDL 460.2 million or by 43.3 percent as compared to the same period of the previous year, accounting for MDL 602.2 million. The average weighted interest rate on credits granted during the reporting period was 7.37 percent, decreasing by 0.37 percentage points (Table no.2).

<sup>1</sup> 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.



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

	July 2012		June 2013		July 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	55.96	10.88	0.51	15.00	0.37	15.01
<i>From 1 month to 3 months</i>	25.92	10.31	7.04	6.97	3.32	6.44
<i>From 3 months to 6 months</i>	10.72	8.59	4.82	6.66	11.28	6.38
<i>From 6 months to 12 months</i>	134.30	7.57	182.40	8.59	85.15	7.28
<i>Over 12 months</i>	835.50	7.47	612.84	7.30	502.06	7.41
<b>Total amount</b>	<b>1062.40</b>		<b>807.61</b>		<b>602.18</b>	
<b>Average rate on banking system</b>		<b>7.74</b>		<b>7.59</b>		<b>7.37</b>

The volume of credits granted in foreign currency decreased by MDL 205.4 million or by 25.4 percent as compared to the previous month, being mainly represented by the credits granted to legal entities with an average rate of 7.37 percent, holding a share of 95.0 percent of total credits in foreign currency.

The average rate on new granted credits in foreign currency on the banking sector has decreased by 0.22 percentage points as compared to June 2013, up to the level of 7.37 percent in July 2013. The credits in foreign currency with the maturity of over 12 months were the most attractive, being granted at an average rate of 7.41 percent.

In July 2013, the volume of *term deposits in national currency*<sup>2</sup> increased by MDL 412.3 million or by 26.8 percent as compared to the same period of the previous year, amounting to MDL 1952.8 million. The weighted average rate was 7.16 percent and reduced by 0.24 percentage points (Table no. 3).

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

	July 2012		June 2013		July 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	306.65	2.65	184.18	3.35	41.70	5.41
<i>From 1 month to 3 months</i>	145.15	3.47	90.06	2.93	213.00	1.90
<i>From 3 months to 6 months</i>	417.68	8.14	251.57	7.14	324.08	6.97
<i>From 6 months to 12 months</i>	421.58	9.62	610.88	7.19	1033.61	7.69
<i>Over 12 months</i>	249.46	10.50	235.28	9.56	340.45	9.26
<b>Total amount</b>	<b>1540.52</b>		<b>1371.98</b>		<b>1952.84</b>	
<b>Average rate on banking system</b>		<b>7.40</b>		<b>6.79</b>		<b>7.16</b>

<sup>2</sup> 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.



As compared to June 2013, the volume of term deposits in national currency increased by MDL 580.9 million (42.3 percent). The average interest rate of term deposits in national currency was 7.16 percent, increasing by MDL 0.37 percentage points in the respective period.

Term deposits with terms from 6 to 12 months held the largest share (52.9 percent) of total term deposits in national currency, which were attracted at an average interest rate of 7.69 percent.

The share of term deposits in national currency attracted from individuals during the reporting period was 60.7 percent of total term deposits attracted in national currency, increasing by 2.1 percentage points as compared to the previous month. The average weighted interest rate of term deposits in national currency attracted from individuals was 8.74 percent.

The *volume of term deposits in foreign currency* (expressed in MDL) was MDL 1075.0 million in July 2013, decreasing by MDL 203.4 million or by 15.9 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 4.29 percent during the reporting period (Table no. 4).

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

	July 2012		June 2013		July 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	116.03	1.31	52.11	1.73	63.27	1.73
<i>From 1 month to 3 months</i>	73.57	2.01	40.97	1.15	48.84	1.13
<i>From 3 months to 6 months</i>	512.35	4.31	223.06	4.23	250.10	4.07
<i>From 6 months to 12 months</i>	384.71	4.74	404.18	4.36	519.92	4.67
<i>Over 12 months</i>	191.71	5.32	244.08	5.59	192.85	5.16
<b>Total amount</b>	<b>1278.37</b>		<b>964.40</b>		<b>1074.98</b>	
<b>Average rate on banking system</b>		<b>4.19</b>		<b>4.36</b>		<b>4.29</b>

As compared to June 2013, the volume of term deposits in foreign currency increased by MDL 110.6 million (11.5 percent), while the average interest rate of deposits decreased by 0.07 percentage points.

Term deposits with terms from 6 to 12 months held the largest share (48.4 percent) of total term deposits in foreign currency, which were attracted at an average interest rate of 4.67 percent, increasing by 0.31 percentage points as compared to the previous month.

*Banking margin on operations in national currency* was 4.89 percentage points in July 2013, decreasing by 0.35 percentage points as compared to the previous month level.



*Banking margin on operations in foreign currency* amounted to 3.08 percentage points in the analyzed month, decreasing by 0.15 percentage points as compared to June 2013.