

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

The volume of *new granted credits in national currency*<sup>1</sup> increased by MDL 249.5 million or by 18.8 percent in August 2013 as compared to the same period of the last year, totaling MDL 1574.2 million. The average weighted interest rate on credits granted during the reporting period was 12.09 percent, decreasing by 0.73 percentage points (Table no.1).

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

	August 2012		July 2013		August 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	71.60	13.66	134.86	13.72	137.38	13.59
<i>From 1 month to 3 months</i>	34.64	14.02	39.78	12.61	29.57	13.09
<i>From 3 months to 6 months</i>	22.10	14.05	57.99	12.44	32.56	13.28
<i>From 6 months to 12 months</i>	161.76	12.74	412.38	11.59	349.23	11.74
<i>Over 12 months</i>	1034.57	12.71	1300.32	11.99	1025.43	11.94
<b>Total amount</b>	<b>1324.68</b>		<b>1945.33</b>		<b>1574.17</b>	
<b>Average rate on banking system</b>		<b>12.82</b>		<b>12.05</b>		<b>12.09</b>

As compared to July 2013, the volume of new granted credits in national currency decreased by MDL 371.2 million or by 19.1 percent, while the average weighted interest rate on granted credits increased by 0.04 percentage points.

The credits granted with terms over 12 months continued to be the most attractive, their share being of 65.1 percent of the total volume of credits in national currency in August 2013, being extended at an average interest rate of 11.94 percent (decreasing by 0.05 percentage points as compared to the previous month).

The credits granted to legal entities at an average rate of 11.64 percent held the largest share in the new granted credits in national currency, representing 76.8 percent of total credits in MDL. At the same time, the average rate on credits granted to individuals amounted to 13.59 percent.

In August 2013, the volume of *new granted credits in foreign currency* (expressed in MDL) decreased by MDL 206.7 million or by 25.0 percent as compared to the same period of the previous year, accounting for MDL 620.6 million. The average weighted interest rate on credits granted during the reporting period was 7.45 percent, decreasing by 0.19 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

	August 2012		July 2013		August 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	0.23	15.18	0.37	15.01	19.27	9.64
<i>From 1 month to 3 months</i>	7.17	9.64	3.32	6.44	4.81	8.64
<i>From 3 months to 6 months</i>	8.32	9.10	11.28	6.38	5.35	8.61
<i>From 6 months to 12 months</i>	101.26	7.46	85.15	7.28	130.73	7.06
<i>Over 12 months</i>	710.34	7.63	502.06	7.41	460.48	7.45
<b>Total amount</b>	<b>827.32</b>		<b>602.18</b>		<b>620.64</b>	
<b>Average rate on banking system</b>		<b>7.64</b>		<b>7.37</b>		<b>7.45</b>

The volume of credits granted in foreign currency increased by MDL 18.5 million or by 3.1 percent as compared to the previous month, being mainly represented by the credits granted to legal entities with an average rate of 7.45 percent, holding a share of 95.3 percent of total credits in foreign currency.

The average rate on new granted credits in foreign currency on the banking sector has increased by 0.08 percentage points as compared to July 2013, up to the level of 7.45 percent in August 2013. The credits in foreign currency with the maturity of over 12 months were the most attractive, being granted at an average rate of 7.45 percent.

In August 2013, the volume of *term deposits in national currency*<sup>2</sup> decreased by MDL 213.3 million or by 11.2 percent as compared to the same period of the previous year, amounting to MDL 1686.0 million. The weighted average rate was 7.18 percent and increased by 0.03 percentage points (Table no. 3).

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

	August 2012		July 2013		August 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	225.14	4.19	41.70	5.41	78.80	7.26
<i>From 1 month to 3 months</i>	280.66	3.73	213.00	1.90	16.06	2.18
<i>From 3 months to 6 months</i>	539.82	6.83	324.08	6.97	382.51	6.54
<i>From 6 months to 12 months</i>	534.36	8.88	1033.61	7.69	848.74	6.77
<i>Over 12 months</i>	319.34	9.86	340.45	9.26	359.87	9.05
<b>Total amount</b>	<b>1899.32</b>		<b>1952.84</b>		<b>1685.98</b>	
<b>Average rate on banking system</b>		<b>7.15</b>		<b>7.16</b>		<b>7.18</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 July 2013, the volume of term deposits in national currency decreased by MDL 266.9 million (13.7 percent). The average interest rate of term deposits in national currency was 7.18 percent, increasing by 0.02 percentage points in the respective period.

Term deposits with terms from 6 to 12 months held the largest share (50.3 percent) of total term deposits in national currency, which were attracted at an average interest rate of 6.77 percent.

The share of term deposits in national currency attracted from individuals during the reporting period was 73.1 percent of total term deposits attracted in national currency, increasing by 12.4 percentage points as compared to the previous month. The average weighted interest rate of term deposits in national currency attracted from individuals was 8.16 percent.

The *volume of term deposits in foreign currency* (expressed in MDL) was MDL 1920.2 million in August 2013, increasing by MDL 162.8 million or by 9.3 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 4.64 percent during the reporting period (Table no.4).

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

	August 2012		July 2013		August 2013	
	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)	Amount (million, MDL)	Average rate (%)
<i>Up to 1 month</i>	104.47	1.64	63.27	1.73	33.96	1.66
<i>From 1 month to 3 months</i>	54.25	2.08	48.84	1.13	31.81	1.38
<i>From 3 months to 6 months</i>	568.85	4.29	250.10	4.07	331.52	3.96
<i>From 6 months to 12 months</i>	548.57	4.75	519.92	4.67	1288.15	4.91
<i>Over 12 months</i>	481.24	5.46	192.85	5.16	234.72	4.99
<b>Total amount</b>	<b>1757.38</b>		<b>1074.98</b>		<b>1920.16</b>	
<b>Average rate on banking system</b>		<b>4.53</b>		<b>4.29</b>		<b>4.64</b>

As compared to July 2013, the volume of term deposits in foreign currency increased by MDL 845.2 million (78.6 percent) and the average interest rate of term deposits increased by 0.35 percentage points.

Term deposits with terms from 6 to 12 months held the largest share (67.1 percent) of total term deposits in foreign currency, which were attracted at an average interest rate of 4.91 percent, increasing by 0.24 percentage points as compared to the previous month.

*Banking margin on operations in national currency* was 4.91 percentage points in August 2013, increasing by 0.02 percentage points as compared to the previous month level.



*Banking margin on operations in foreign currency* amounted to 2.81 percentage points in the analyzed month, decreasing by 0.27 percentage points as compared to July 2013.