

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

The volume of *new granted credits in national currency*¹ increased by MDL 448.8 million or by 37.66 percent in November 2013 as compared to the same period of the last year, totaling MDL 1642.6 million. The average weighted interest rate on credits granted during the reporting period was 12.10 percent, decreasing by 0.58 percentage points (Table no.1).

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

	November 2012		October 2013		November 2013	
	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)
<i>Up to 1 month</i>	93.67	12.52	12.98	15.43	81.38	13.45
<i>From 1 month to 3 months</i>	22.28	13.42	73.47	12.46	15.26	13.26
<i>From 3 months to 6 months</i>	104.12	12.93	249.81	12.80	42.75	13.00
<i>From 6 months to 12 months</i>	194.63	12.10	500.62	11.80	181.45	11.39
<i>Over 12 months</i>	779.11	12.79	1301.22	11.76	1321.77	12.07
Total amount	1193.80		2138.10		1642.61	
Average rate on banking system		12.68		11.94		12.10

As compared to October 2013, the volume of new granted credits in national currency decreased by MDL 495.5 million or by 23.2 percent, while the average weighted interest rate on granted credits increased by 0.16 percentage points.

The credits granted with terms over 12 months continued to be the most attractive, their share being of 80.5 percent of the total volume of credits in national currency in November 2013, being extended at an average interest rate of 12.07 percent (increasing by 0.31 percentage points as compared to the previous month).

The credits granted to legal entities at an average rate of 11.89 percent held the largest share in the new granted credits in national currency, representing 78.3 percent of total credits in MDL. At the same time, the average rate on credits granted to individuals amounted to 12.85 percent.

In November 2013, the volume of *new granted credits in foreign currency* (expressed in MDL) increased by MDL 36.0 million or by 5.0 percent as compared to the same period of the previous year, accounting for MDL 762.3 million. The average weighted interest rate on credits granted during the reporting period was 7.74 percent, increasing by 0.01 percentage points (Table no.2).

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.



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

	November 2012		October 2013		November 2013	
	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)
<i>Up to 1 month</i>	1.37	10.61	1.85	9.96	0.57	13.87
<i>From 1 month to 3 months</i>	7.59	9.15	6.22	7.63	1.08	8.86
<i>From 3 months to 6 months</i>	152.14	7.09	12.05	8.41	149.98	9.29
<i>From 6 months to 12 months</i>	79.71	7.63	34.66	7.87	26.76	8.18
<i>Over 12 months</i>	485.49	7.92	426.96	7.24	583.91	7.31
Total amount	726.30		481.74		762.29	
Average rate on banking system		7.73		7.33		7.74

The volume of credits granted in foreign currency increased by MDL 280.6 million or by 58.2 percent as compared to the previous month, being mainly represented by the credits granted to legal entities with an average rate of 7.73 percent, holding a share of 97.8 percent of total credits in foreign currency.

The average rate on new granted credits in foreign currency on the banking sector has increased by 0.41 percentage points as compared to October 2013, up to the level of 7.74 percent in November 2013. The credits in foreign currency with the maturity of over 12 months were the most attractive, being granted at an average rate of 7.31 percent.

In November 2013, the volume of *term deposits in national currency*² decreased by MDL 185.9 million or by 10.3 percent as compared to the same period of the previous year, amounting to MDL 1622.9 million. The weighted average rate was 6.35 percent and decreased by 1.61 percentage points (Table no. 3).

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

	November 2012		October 2013		November 2013	
	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)
<i>Up to 1 month</i>	82.29	5.11	20.95	4.74	20.39	4.10
<i>From 1 month to 3 months</i>	108.25	3.19	140.29	2.31	71.26	2.94
<i>From 3 months to 6 months</i>	482.73	7.48	583.03	6.14	387.21	6.18
<i>From 6 months to 12 months</i>	747.39	7.77	862.00	6.77	854.53	5.89
<i>Over 12 months</i>	388.14	10.85	284.75	8.91	289.48	8.91
Total amount	1808.80		1891.03		1622.87	
Average rate on banking system		7.96		6.54		6.35

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.



As compared to October 2013, the volume of term deposits in national currency decreased by MDL 268.2 million (14.2 percent). The average interest rate of term deposits in national currency decreased by 0.19 percentage points in the respective period.

Term deposits with terms from 6 to 12 months held the largest share (52.7 percent) of total term deposits in national currency, which were attracted at an average interest rate of 5.89 percent.

The share of term deposits in national currency attracted from individuals during the reporting period was 66.9 percent of total term deposits attracted in national currency, increasing by 1.1 percentage points as compared to the previous month. The average weighted interest rate of term deposits in national currency attracted from individuals was 7.69 percent.

The *volume of term deposits in foreign currency* (expressed in MDL) was MDL 1115.8 million in November 2013, decreasing by MDL 159.2 million or by 12.5 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

	November 2012		October 2013		November 2013	
	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)	Amount (MDL, million)	Average rate (%)
<i>Up to 1 month</i>	77.10	1.98	56.21	1.85	48.26	1.42
<i>From 1 month to 3 months</i>	226.10	3.66	24.61	1.31	21.59	1.23
<i>From 3 months to 6 months</i>	290.17	4.52	354.63	3.88	318.38	3.98
<i>From 6 months to 12 months</i>	430.36	4.88	541.18	4.42	428.09	4.63
<i>Over 12 months</i>	251.28	5.99	206.51	4.91	299.52	4.82
Total amount	1275.01		1183.15		1115.84	
Average rate on banking system		4.62		4.16		4.29

As compared to October 2013, the volume of term deposits in foreign currency decreased by MDL 67.3 million (5.7 percent), while the average interest rate of term deposits increased by 0.13 percentage points.

Term deposits with terms from 6 to 12 months held the largest share (38.4 percent) of total term deposits in foreign currency, which were attracted at an average interest rate of 4.63 percent, increasing by 0.21 percentage points as compared to the previous month.

Banking margin on operations in national currency was 5.75 percentage points in November 2013, increasing by 0.35 percentage points as compared to the previous month level.

Banking margin on operations in foreign currency amounted to 3.45 percentage points in the analyzed month, increasing by 0.28 percentage points as compared to October 2013.