Belarus Economy Monitor: trends, attitudes and expectations

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Q1-2025

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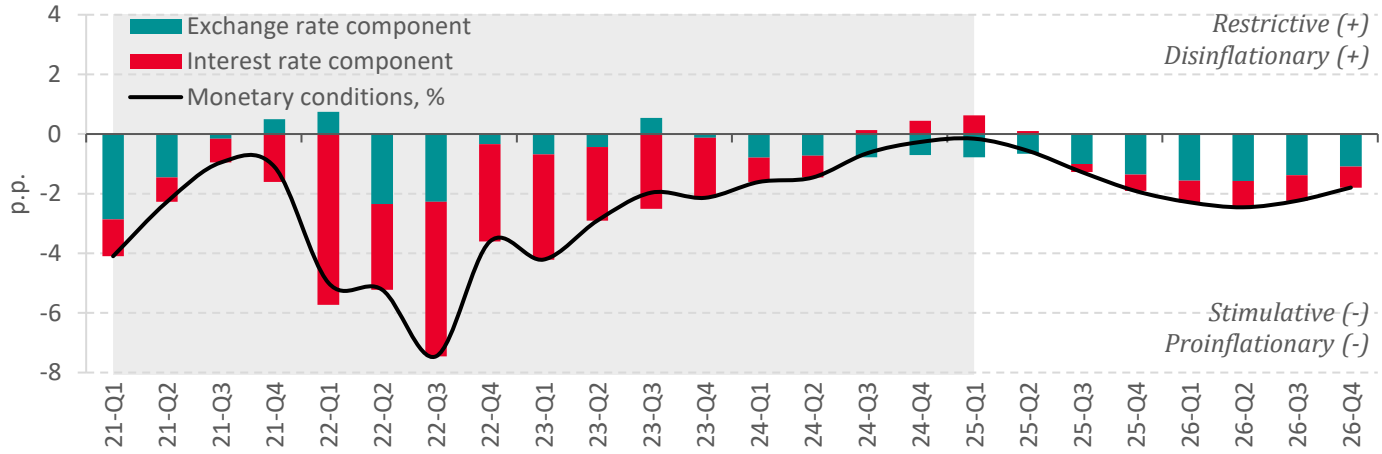
Monetary conditions were neutral in Q1-2025, but monetary policy became resistant to tightening

Interest rates on loans and deposits exceeded their neutral levels in Q1-2025 (Fig. 1). However, the extent of this excess was modest and, amid strong domestic demand, the contractionary impact of rates on lending activity was muted. As a result, money supply continued to grow at a pace outstripping GDP growth, indicating substantial excess demand in the economy and insufficient monetary policy tightness. The Belarusian ruble was estimated to be moderately undervalued by around 1.6% in Q1-2025 (Fig. 1).

In the second half of 2025, monetary conditions are expected to become moderately loose due to a shift in the National Bank's monetary policy approach. The central bank has shifted its focus toward credit support for the economy, while price stability has become a secondary objective. This pro-cyclical monetary policy and growing dependence of the National Bank on the executive branch weaken macroeconomic stabilization institutions and raise the risk of heightened volatility in the event of a sharp deterioration in external conditions.

Figure 1. The nature of monetary conditions in the Belarusian economy



Source: calculations are based on the Quarterly Projection Model (QPM) for Belarus.

Note: monetary conditions are estimated as a combination of deviations of real interest rates on the Belarusian ruble assets and of the real effective Belarusian ruble exchange rate from their equilibrium levels. Positive monetary condition values indicate their restraining-economic-activity and disinflationary nature, and negative monetary condition values indicate their stimulating and pro-inflationary nature. We use one of the ways to assess monetary conditions, the results of which depend on the chosen type of the macroeconomic model (QPM) and its specification. We are aware of the limitations of the approach applied.

The Monetary Environment Review Bulletin presents an expert analysis of the monetary and foreign exchange rate policies and the resulting monetary conditions in the Belarusian economy. The bulletin reviews the actions under the monetary and exchange rate policies, their impact on the economy, the nature of monetary conditions, and provides their short-term forecast. The methodological basis for the analysis is the Quarterly Projection Model (QPM) for the Belarusian economy.

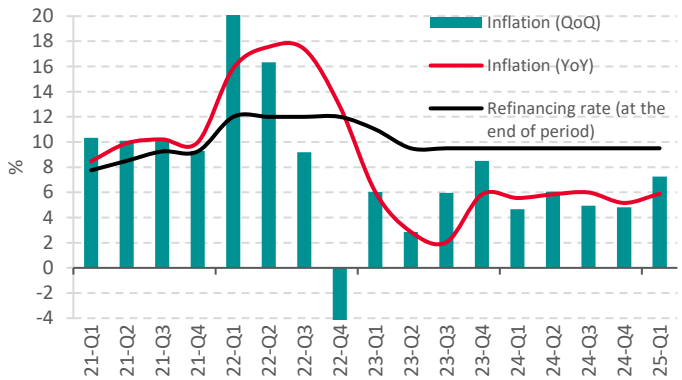
1 Monetary policy: measures, direction, nature

Monetary policy remained accommodative in Q1-2025

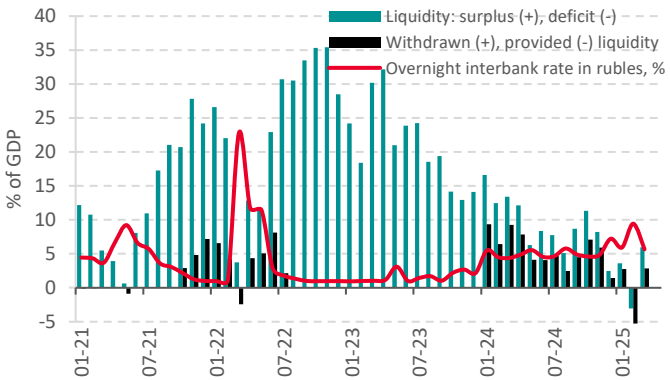
The National Bank maintained the refinancing rate at 9.5% in Q1-2025 (Fig. 2.a). No auction-based liquidity operations were conducted. Banking system liquidity was volatile early in the year, largely due to unsterilized interventions by the National Bank in the foreign exchange market. In February, banks experienced a temporary liquidity shortage resulting from the National Bank's large-scale foreign currency purchases in November 2024 – January 2025, which withdrew Belarusian rubles from the system (Fig. 2.b). At certain points in February, the interbank market loans rate (IBL) exceeded the overnight credit rate, potentially indicating temporary constraints on banks' access even to standing facilities. In March, liquidity returned to a structural surplus, and the IBL fell toward the lower bound of the National Bank's interest rate corridor (Fig. 2.b). As a result, the average IBL for Q1-2025 stood at 7%. **In real terms, the IBL remained below its neutral level, indicating that monetary policy continued to be accommodative** (Fig. 2.c).

Figure 2. Dynamics of monetary policy indicators

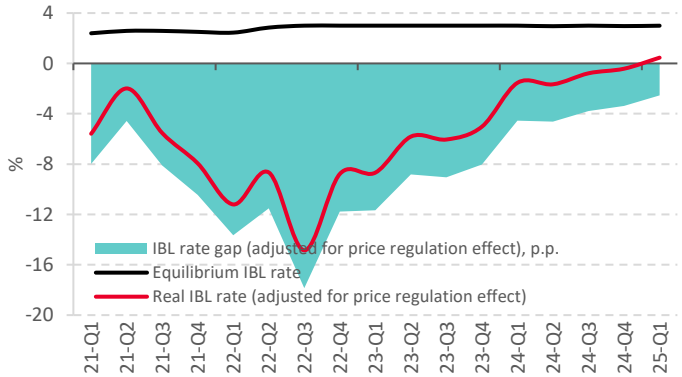
a) refinancing rate and inflation



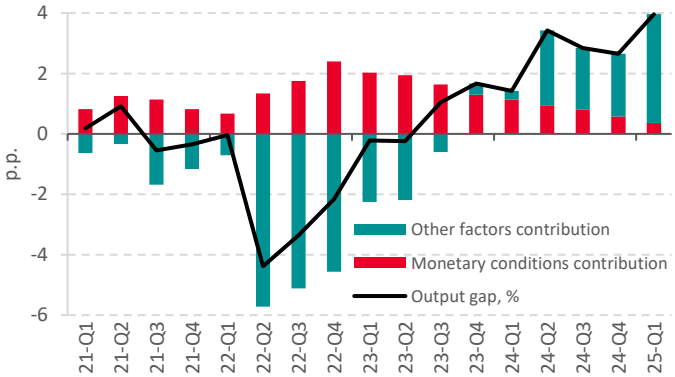
b) banking system liquidity (monthly average)



c) real and equilibrium interbank rate[i] (quarterly average; QPM-based)



d) contribution of monetary conditions to the output gap (QPM-based)



Source: calculations based on the data by Belstat, National Bank of Belarus, QPM.

Note: hereinafter, YoY is the growth rate in the last month of the quarter versus the last month of the corresponding quarter of the previous year; QoQ is the annualized growth rate in the last month of the quarter versus the last month of the previous quarter, seasonally adjusted.[ii]

The National Bank, under new leadership, is prioritizing credit support to firms while showing greater tolerance toward elevated inflation and economic overheating

Since 2020, the National Bank operated under limited autonomy, having to navigate between government pressure for accommodative credit conditions and the need to contain inflation. Although belated and insufficient, the National Bank did respond to rising economic overheating and inflation risks: monetary stimulus was gradually reduced from late 2023 through early 2025 (Fig. 2.d). Recent public statements by the Bank's new leadership, the decision not to raise the estimated values of standard risk (EVSR) in March and even slightly lower them on average in April, and the communication of specific lending targets to banks indicate a clear shift toward prioritizing credit expansion. The Bank is transitioning to a policy that promotes long-term lending to firms, both by influencing interest rates on such loans and through directives on lending volumes for banks. As a result, smoothing the economic cycle and maintaining price stability have become secondary objectives. **This shift weakens key stabilization institutions and renders monetary policy procyclical.**

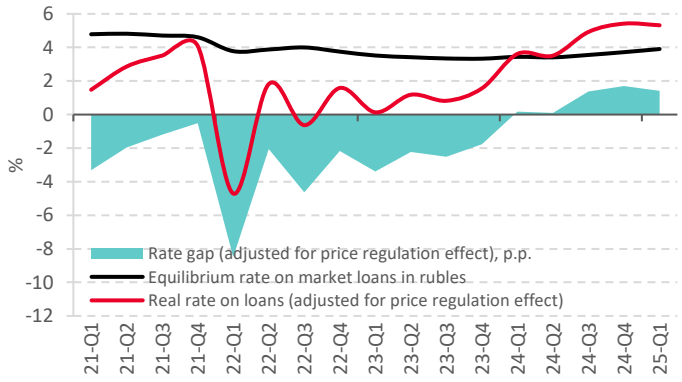
Interest rates on ruble loans and deposits increased in Q1-2025 largely due to the influence of high rates in Russia

The average nominal rate on new term ruble deposits increased by 1.4 p.p. to 10.8% in Q1-2025,[iii] while the rate on new market ruble loans rose by 0.5 p.p. to 11.9% (Fig. 4.a).[iv] The increase in rates was driven by the persistence of elevated interest rates in the Russian credit and deposit market (Fig. 4.a), as well as a reduction in the liquidity surplus of banks.

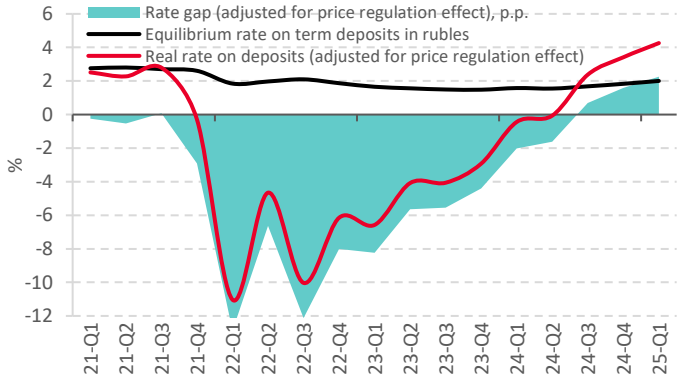
Deposit yields rose more significantly compared to loan rates, resulting in the interest rate spread narrowing to 1.1 p.p. in Q1-2025 (Fig. 4.a). For comparison, it averaged 3.5 p.p. over the past five years and 4.2 p.p. on average in 2023–2024. The level of EVSRs limited loan rates and prevented them from rising proportionally to deposit rates. The National Bank's decisions not to raise EVSRs in March and to reduce them for long-term corporate loans in April under such conditions appear counterintuitive and indicate a shift in the regulator's priorities.

Figure 3. The nature of real interest rates on Belarusian ruble loans and fixed-term deposits of banks

a) average rate on new market Belarusian ruble loans (quarterly average)



b) average rate on new fixed-term Belarusian ruble deposits (quarterly average)



Source: calculations are based on QPM.
Note: real interest rates have been calculated based on average nominal interest rates for businesses and households (according to the National Bank data) and the expected annual inflation in the next quarter (QPM-based).

In real terms, loan and deposit rates exceeded neutral levels in Q1-2025

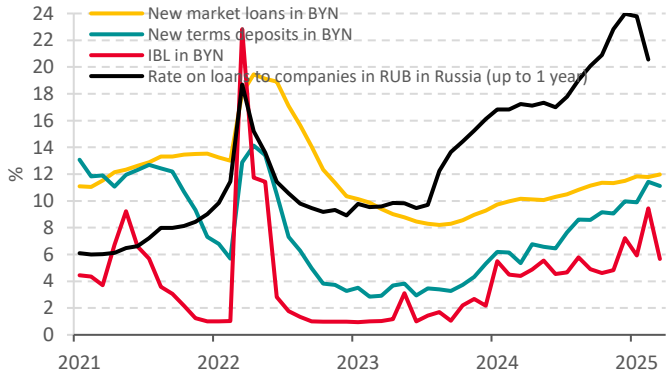
The extent of deviation from equilibrium values remained not big (Fig. 3). Given the prolonged impact of low rates in 2023 and the first half of 2024 on economic activity, they continued to support excess demand and overheating of the economy (Fig. 2.d). At the same time, the scale of monetary stimulus gradually declined, including due to increased household saving activity amid higher deposit rates. Thus, the inflow of term ruble deposits from households relative to their income reached a ten-year high and was estimated at about 1.6% in Q1-2025.

Significantly higher interest rates in Russia pose risks of capital outflow from Belarus, but statistical data do not confirm an intensification of this process at the end of last year – beginning of this year

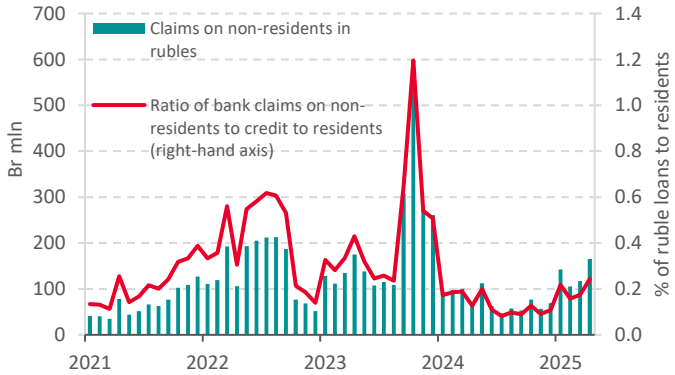
Available data on lending to non-residents by Belarusian banks did not record a significant increase in borrowings in Belarusian rubles last year or at the beginning of this year (Fig. 4.b). The volume of ruble loan debt of non-residents to Belarusian banks was negligible – equivalent to approximately 0.2% of residents' loan debt. There was also no unusual surge in ruble lending to resident private businesses (Fig. 9.a). Net foreign currency purchases by resident firms declined at the beginning of this year, while non-residents increased purchases at the end of last year as part of Belarusian Eurobond redemption schemes (Fig. 7.b). Banking system liquidity temporarily declined in February due to the withdrawal of Belarusian rubles as a result of foreign currency sales by the National Bank in December 2024 – January 2025, largely of a seasonal nature. In March, liquidity recovered, and the IBL rate on average remained well below the refinancing rate (Fig. 2.b). All this indicates that if carry-trade operations due to interest rate differentials between Belarusian and Russian rubles did occur, their volume was limited. Nevertheless, the risks of such operations intensifying remain high.

Figure 4. Dynamics of nominal interest rates and lending to non-residents

a) nominal interest rates (monthly average)



b) ruble claims of banks on non-residents (at the end of the period)



Source: calculations based on the data by Belstat, National Bank of Belarus, QPM.

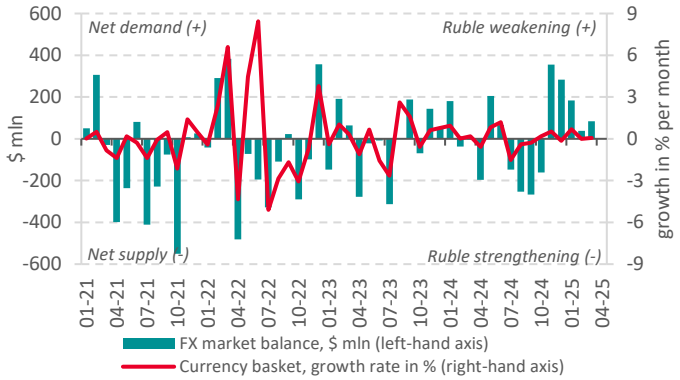
2 Exchange rate policy: measures, direction, nature

The Belarusian ruble slightly weakened in Q1-2025

On average, the value of the three-currency basket (Russian ruble, US dollar, and Chinese yuan) increased by 0.8% in Q1-2025 compared to Q4-2024 (Fig. 6.b). Fluctuations in exchange rates against individual foreign currencies were mainly determined by cross-currency dynamics in global markets: on average in Q1-2025, the Belarusian ruble weakened by 3.4% against the Russian ruble and strengthened by 2.3% and 4.6% against the US dollar and Chinese yuan, respectively. **The national currency remained undervalued by ≈1.6% relative to the equilibrium level of the real effective exchange rate (REER) in Q1-2025** (Fig. 6.a).

Figure 5. Dynamics of the foreign currencies basket and of gold and foreign exchange reserves

a) forex market and foreign currencies basket



b) reserve assets (at the end of the period)

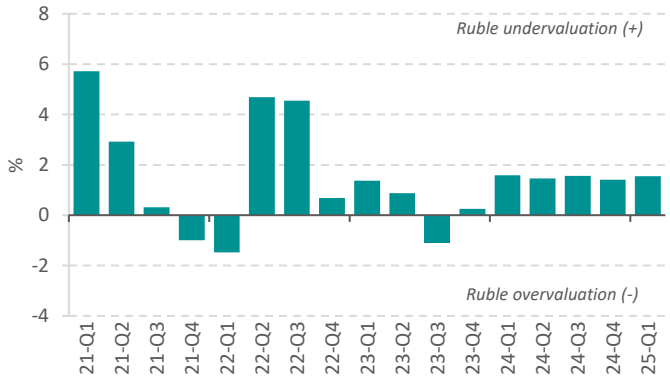
Source: calculations are based on the data by the National Bank of Belarus.
Note: figure 5.a illustrates the basket of 3 currencies (US dollar, euro and Russian ruble) from January 2019 to June 2022, and the basket of 4 currencies (US dollar, euro, Russian ruble, and Chinese yuan) from July 2022 to December 2022, and the basket of 3 currencies (US dollar, Russian ruble, and Chinese yuan) from January 2023 onwards.

The weakening of the Belarusian ruble in Q1-2025 was a result of net demand for foreign currency in the domestic market

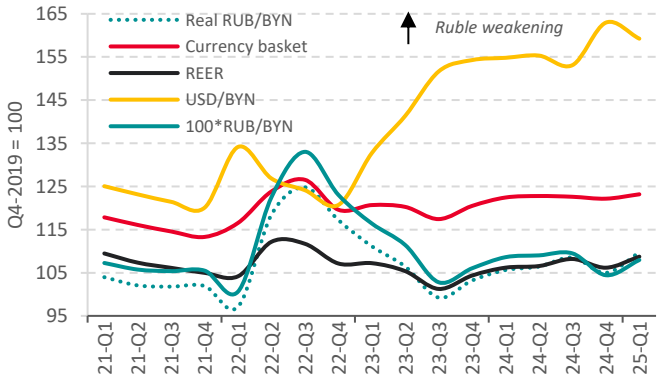
Market participants bought $305 million more foreign currency than they sold in Q1-2025 (Fig. 5.a). The National Bank balanced the market by selling foreign currency to the corresponding amount (net of the Ministry of Finance operations). Partially, the net demand for foreign currency in Q1-2025 was explained by the seasonal factor (Fig. 7.a). After removing seasonality, the net purchase is estimated at around $90 million in January – March of the current year.

Figure 6. Effective Belarusian ruble exchange rates and deviations of REER from the equilibrium level

a) REER gap (QPM-based)



b) Belarusian ruble exchange rates



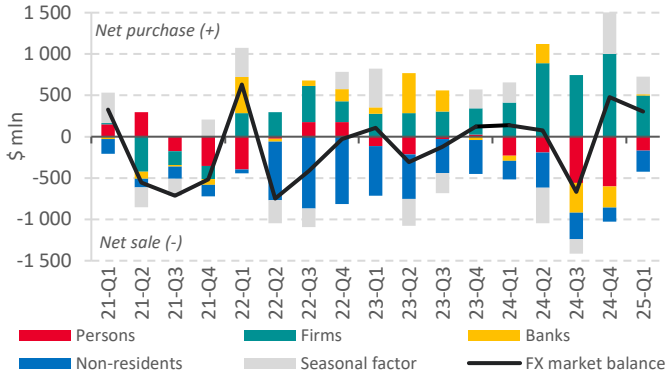
Source: calculations are based on the data of the National Bank of Belarus and QPM.
Note: REER is the Real Effective Exchange Rate.

The net demand for foreign currency in the domestic market was formed by the operations of firms

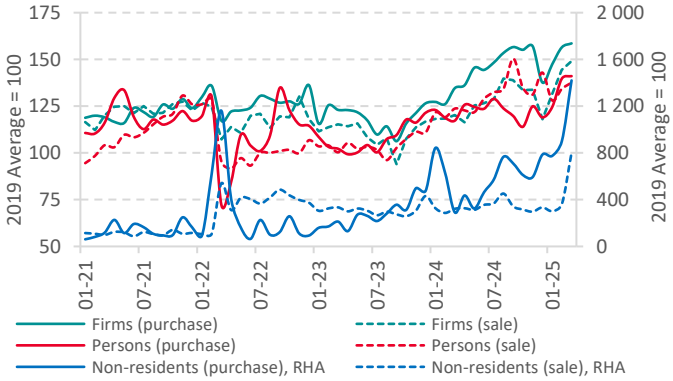
Organizations bought $0.5 billion more foreign currency than they sold (after removing seasonality) in Q1-2025. This is primarily explained by the trade deficit in goods and services. Despite the continued significant net demand for foreign currency from firms, its volume decreased in Q1-2025 (Fig. 7.a). This could have been facilitated by an improvement in the payment situation and a reduction in external receivables. Additionally, in February-March 2025, the Russian ruble strengthened against the dollar, which positively influenced the balance of foreign currency payments due to the export-to-import surplus with Russia.

Figure 7. State of the domestic foreign exchange market

a) foreign exchange market balance (seasonally adjusted segments)



b) dynamics of the foreign exchange market indicators (seasonally adjusted)



Source: calculations are based on the data by the National Bank of Belarus.
Note: the X13 procedure in the JDemetra+ app has been applied to make a seasonal adjustment. As new data are published, the dynamics of the indicators for the previous periods is updated.

The population and non-residents supported the foreign exchange market in Q1-2025

Individuals sold (net of purchases) about $0.17 billion in January-March 2025 (after removing seasonality). The increase in interest rates on ruble deposits and the significant inflow of funds into them remained a factor supporting the net sale of foreign currency by the population. At the same time, the volume of these sales significantly decreased in Q1-2025 (Fig. 7.a). This was due to an increase in the demand for foreign currency by individuals (Fig. 7.b), which may be explained by the increased attractiveness of purchasing dollars and euros in the context of a significant decrease in their exchange rates against the Belarusian ruble in Q1-2025 (Fig. 6.b). The continued substantial growth in wages and the saturation of consumer demand in an overheated environment created conditions for an increase in the demand for foreign currency by the population.

Non-residents sold about $0.25 billion on a net basis in Q1-2025 (after removing seasonality). The net supply of currency from their side significantly increased in March. It can be assumed that, in the context of difficulties with repatriating dividends abroad, the volume of converting profits within the country increased (Fig. 7.b). This could explain the strong increase in the net purchase of foreign currency by resident banks in March of this year, which brought their quarterly seasonally adjusted balance to equilibrium (Fig. 7.a).

International reserve assets (IRA) increased by $1.15 billion in Q1-2025 – reaching a historical maximum of nearly $10.1 billion as of April 1, 2025

The increase in reserves from January to March 2025 is primarily associated with the rise in the value of monetary gold, which increased by almost $0.9 billion amid its significant appreciation on the global market. Reserves in foreign currencies grew by $0.25 billion in Q1-2025. In the context of the National Bank's net foreign currency sales, this increase could be explained by the revaluation of part of the reserves in euros due to its strengthening against the dollar and interventions primarily in Russian rubles. The adequacy of the IRA significantly increased. By April 1, 2025, they covered nearly 2.4 months of imports of goods and services (Fig. 5.b), and the ratio of the IRA to the comprehensive risk-factor indicator of currency outflows (ARA-metric, considering capital flow restrictions) is estimated at about 95%, with a sufficiency threshold of 100%. A potential threat in the event of severe shocks in the foreign exchange market may arise from the structure of the reserves due to the dominance of less liquid gold: reserves in foreign currencies covered only 0.8 months of imports as of April 1, 2025.

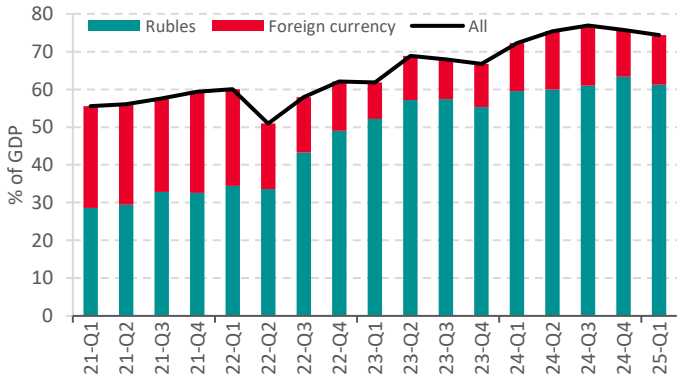
3 Impact of monetary conditions on the credit and deposit market

Lending activity remained high in Q1-2025, but its momentum weakened

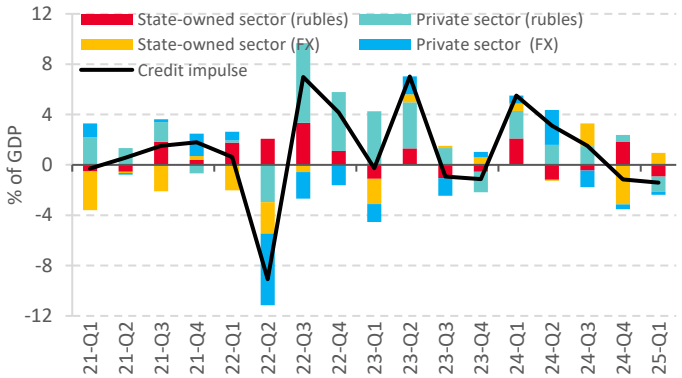
The volume of newly issued loans relative to GDP slightly declined compared to the levels of Q3–Q4 2024 (Fig. 8.b), but still remained significantly above pre-war values – over 74% of GDP in Q1-2025 versus an average of around 61% of GDP in 2017–2021 (Fig. 8.a). The growth of loan debt also slowed in Q1-2025, yet remained elevated relative to historical rates, especially in the public sector (Fig. 9). Rising interest rates had a restraining effect on lending activity. However, the scale of this impact was limited and insufficient to “cool down” the overheated domestic demand due to the small deviation of rates from neutral levels and the lingering effects of previously low rates on economic activity.

Figure 8. Dynamics of new loans issued and credit impulse

a) volume of new loans issued (seasonally adjusted)



b) credit impulse (QoQ, seasonally adjusted)

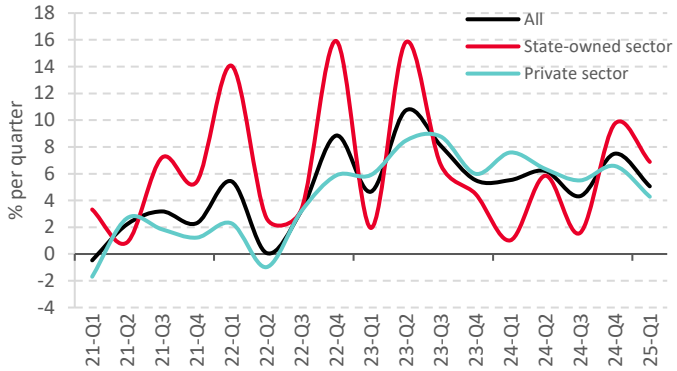


Source: calculations are based on the data by the National Bank of Belarus, Belstat.

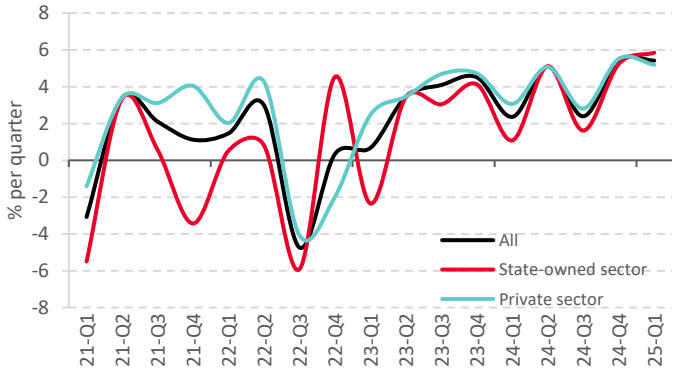
Note: the credit impulse has been calculated as follows: $ci_t = 100 * \left(\frac{cr_t}{ngdp_t} - \frac{cr_{t-1}}{ngdp_{t-1}}\right)$, where ci_t is the credit impulse during period t; cr_t is the seasonally adjusted scope of newly issued loans during period t; $ngdp_t$ is the seasonally adjusted volume of the nominal GDP during period t. The X13 procedure in the JDemetra+ app was applied to make a seasonal adjustment. The indicator dynamics updates once new data are published.

Figure 9. Dynamics of bank loans (quarterly growth, seasonality adjusted)

a) liabilities nominated in the Belarusian ruble



b) debt on all loans



Source: calculations are based on the data by the National Bank of Belarus.
Note: the indicator dynamics updates once new data are published.

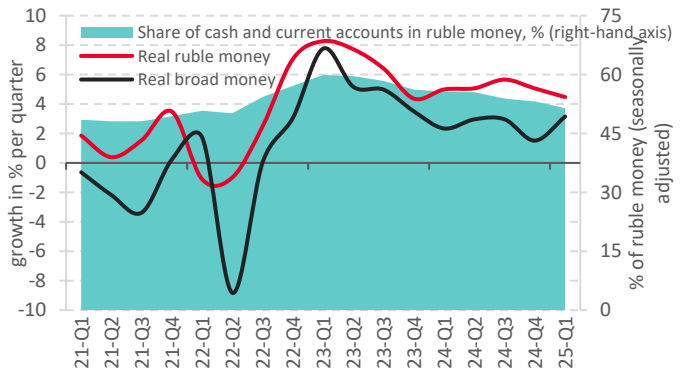
The money supply continued to grow at rates above balanced levels, signaling significant excess demand in the economy

Broad money supply (hereinafter – M3) increased by ≈4.7% in Q1-2025 in nominal terms (average for Q1-2025 vs. average for Q4-2024) or by ≈3.1% in real terms (all indicators are seasonally adjusted; Fig. 10.a). These growth rates correspond to approximately 20% and 13% QoQ on an annualized basis, which, with a balanced real GDP growth rate of 1.5–2% QoQ, indicates a strong excess of money demand over the economy's productive potential. The money supply continued to deviate upwards from the inflation-neutral level, increasing threats to price and financial stability in the event of significant shocks.

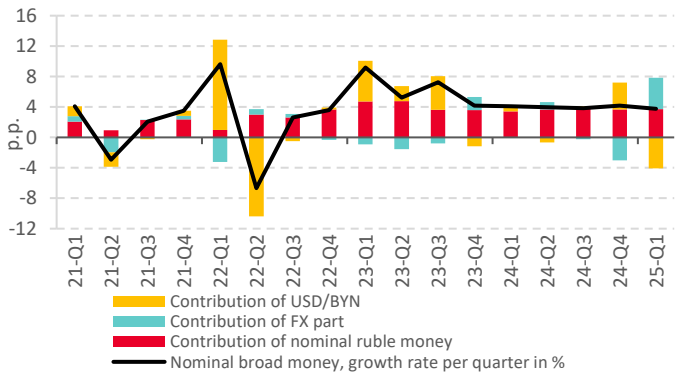
Broad money growth was driven by its Belarusian ruble component (Fig. 10.b). The ruble money supply (M2*) increased by ≈6.1% on average for Q1-2025 compared to the average for Q4-2024 in nominal terms or by ≈4.5% in real terms (all indicators are seasonally adjusted; Fig. 10.a). High credit activity and budget expenditures continued to drive the growth of M2*. The foreign currency component of M3 also grew in dollar terms in Q1-2025 (Fig. 10.b). Deposits from the population may have increased as a result of growing foreign currency purchases by individuals amid the strengthening of the Belarusian ruble against the dollar. The growth of corporate deposits was primarily related to the revaluation effect: due to the significant strengthening of the Russian ruble against the dollar, deposits in Russian rubles increased in dollar terms.

Figure 10. Average money supply dynamics (seasonally adjusted)

a) average real money supply



b) decomposition of nominal M3 growth



Source: calculations are based on the data by the National Bank of Belarus, Belstat.
Note: M3 is a broad money supply. The indicator dynamics updates once new data are published. Real money supply growth is estimated by deflating nominal growth (quarterly average versus previous quarterly average) by the change in the average quarterly consumer price index (seasonality adjusted).

4 Monetary conditions short-term forecast

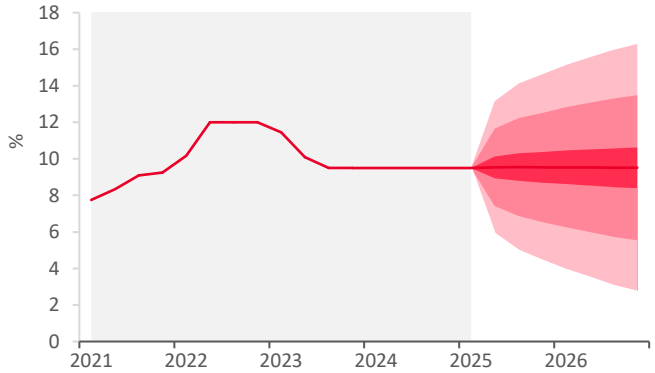
Monetary conditions will be softer compared to the previous forecast due to the shift in the National Bank's priorities in monetary policy

The National Bank will aim to increase credit support for firms while simultaneously limiting the growth of consumer lending. To achieve this, the estimated values of standard risk and directive guidelines for banks regarding volumes, directions, and costs of lending will be used. A reduction in the refinancing rate cannot be ruled out, but this scenario is less likely (Fig. 11.a). Since more than 80% of newly issued loans are directed to firms, such actions by the National Bank will lead to a general loosening of monetary conditions in the economy (Fig. 1).

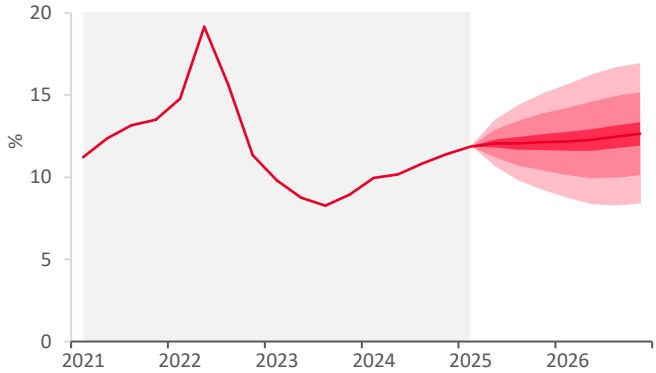
The average interest rate on loans will remain around 11.5-12% in 2025 (Fig. 11.b), **while rates on new term deposits will be around 10.5-11%.** Under the forecasted increase in inflation from 5.9% YoY in March to 7–9% YoY by the end of the year, such dynamics of nominal rates will mean a reduction in real terms. As a result, monetary conditions will take on a moderately soft nature. This could temporarily lead to higher GDP growth compared to the previous forecast, but at the cost of increased economic overheating, inflationary pressure, as well as rising risks of capital outflows and higher demand for foreign currency. It cannot be excluded that banks, in the context of high rates in Russia and the fluctuating policies of the National Bank, will attempt to offset lower interest income by increasing fees and/or finding ways to circumvent directive restrictions.

Figure 11. Interest rate forecast (QPM-based)

a) refinancing rate (quarterly average)



b) average interest rate on Belarusian ruble market loans (quarterly average)



Source: calculations are based on QPM.
Note: the ranges in the figure correspond to the 15%, 50% and 75% confidence intervals.

The effectiveness of the National Bank's new monetary policy tactics is questionable

Excessive investment growth driven by credit resources will translate into increased investment imports, as imports account for over 50% of firms' investments in the active part of fixed assets. Income from investments will be redistributed through wages, profits, and taxes, which will ultimately lead to the continued support of excessive consumer demand, even with the slowdown in consumer lending. Thus, despite the recovery growth of investments cumulatively by 26% in 2023-2024, the share of profits in GDP fell to a historical low of 35.3% in 2024 (the same level as in 2006), while the share of wages reached its highest level since 1993 – 51.2%.

Expanding credit through directive means cannot influence long-term economic growth rates

Monetary policy does not directly affect the fundamental growth factors – institutions and values. However, **pro-cyclical policies with a National Bank dependent on the executive branch weaken stabilization institutions, making the economy more vulnerable to shocks and increasing the likelihood of deep and prolonged recessions.** The National Bank can contribute to "healthy" economic growth, investment, and people's well-being by ensuring low and predictable inflation. Maintaining price stability by an independent central bank would reduce uncertainty, improve business planning, and create conditions for sustaining the availability of credit resources.

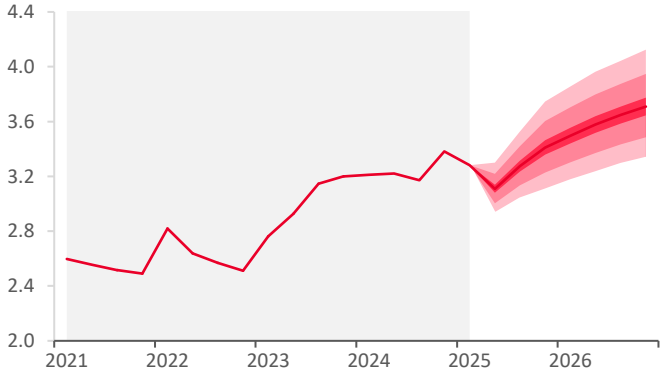
The deficit in the foreign trade of goods and services is expected to be around 2% of GDP or slightly higher in the current year, which will continue to put pressure on the currency market

This is higher than the previous forecast. The revision is related to the expected softer monetary policy and greater excess demand in the economy. Given the National Bank's increased inclination for "manual" monetary policy adjustments, it can be assumed that if pressure on the Belarusian ruble exchange rate intensifies, it will be partially mitigated by increasing foreign currency sales. The remaining undervaluation of the ruble and increased reserves enhance the attractiveness of such a tactic for the National Bank. Its negative consequence will be the reduced role of the exchange rate as an automatic stabilizer, which will hinder the recovery of the external trade position.

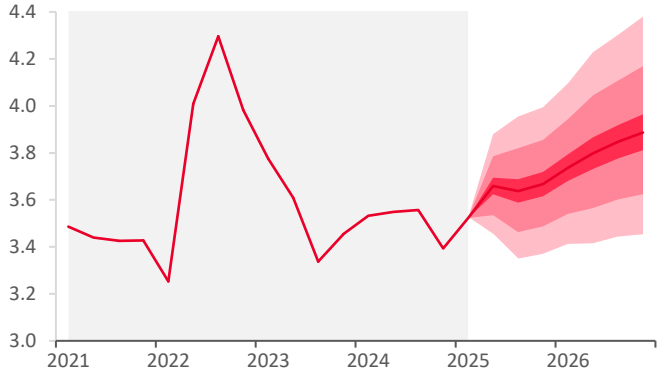
As a result, the Belarusian ruble may lose 4–6% of its value in terms of the currency basket in 2025. If the USD/RUB exchange rate moves to 90–95 Russian rubles per dollar, the USD/BYN exchange rate will reach 3.3–3.5 Belarusian rubles per dollar by the end of 2025 (Fig. 12.a). The RUB/BYN exchange rate is forecast to be around 3.6–3.7 Belarusian rubles per 100 Russian rubles in Q4-2025 (Fig. 12.b).

Figure 12. Belarusian ruble exchange rate forecast (QPM-based)

a) USD/BYN (quarterly average)



b) 100*RUB/BYN (quarterly average)



Source: calculations are based on QPM.
Note: the ranges in the figure correspond to the 15%, 50% and 75% confidence intervals.

Explainers

Quarterly Projection Model (QPM)

This is a semi-structural macroeconomic model based on the principles of new Keynesianism; it belongs to the class of dynamic stochastic general equilibrium models. Variables unobserved in the QPM (e.g., equilibrium (trendy) components of economic indicators) are estimated through the multivariate Kalman Filter. The QPM has been widely used for macroeconomic analysis, forecasting and monetary policy designs in central banks, including the National Bank of the Republic of Belarus.

QPM indicators

Monetary conditions

This is an indicator of the state of monetary conditions. It is a combination of gaps between the real effective exchange rate (with the opposite sign) and real interest rates. Positive values of monetary conditions indicate their constraining nature for economic activity, and their negative values indicate their stimulating nature for economic activity.

Output gap

This is a deviation of a real GDP from its potential value. A potential GDP is such a GDP value that leads neither to additional inflationary nor disinflationary pressures. A positive output gap indicates excess demand in the economy, and it is an indicator of inflationary pressure. The opposite is true for a negative output gap.

Interest rate gap

This is a deviation of the real interest rate from its neutral level. A positive gap in the interest rate indicates that the nature of the interest rate policy is restraining to economic activity, while a negative gap in the interest rate indicates that the nature of the interest rate policy is stimulating to economic activity.

Equilibrium (neutral) interest rate

This is the level of the real interest rate corresponding to the growth rate of the potential GDP and the equilibrium real effective exchange rate.

Real Effective Exchange Rate gap (REER gap)

This is a deviation of the real effective exchange rate of the Belarusian ruble from its equilibrium level. A positive real effective exchange rate gap indicates an undervaluation of the Belarusian ruble, while a negative real effective exchange rate gap indicates an overvaluation of the Belarusian ruble.

Equilibrium Real Effective Exchange Rate

This is the level of the Real Effective Exchange Rate (REER) that makes neither an additional pro-inflationary impact nor a disinflationary impact.

Notes

[i] Real interest rates are calculated by adjusting nominal rates for the projected annual inflation in the coming quarter estimated through the Quarterly Projection Model (QPM). Expert opinions were introduced into QPM in Q4-2022 and in Q1-Q4-2023 to correctly assess the deviation of real interest rates from their equilibrium (neutral) levels. This is because the introduction of a new price control system led to ad-hoc price reductions in Q4-2022, which significantly reduced rational inflation expectations estimated in QPM directly. Since rational expectations are used in the model to calculate real interest rates, their sharp decline has sharply increased the real interest rate estimates. Nonetheless, nominal interest rates on Belarusian ruble loans and deposits in the period under review rewrote their historical lows several times: lending was growing rapidly, and the share of "fast" money in the money supply structure reached its maximum for the first time in more than twenty years. To eliminate the ad-hoc impact of price declines on the estimates of the monetary conditions, the impact of the core inflation shock on the change in rational inflationary expectations in the period under review was evaluated and the estimates of the deviation of real interest rates from their equilibrium (neutral) levels were adjusted for the scale of this impact.

[ii] The X13 procedure in the JDemetra+ app was applied to make a seasonal adjustment. As new data are published, the indicator dynamics in previous periods can be updated. The annualized price increase is calculated as a seasonally adjusted price increase per quarter raised to the fourth power (an annual inflation equivalent).

[iii] The nominal average rate on new term Belarusian ruble deposits increased from 9.4% on average in Q4-2024 to 10.8% in Q1-2025, including interest rates on corporate deposits, which increased from 9.1% to 10.7%, and interest rates on retail deposits, which increased from 11.4% to 12.2%.

[iv] The nominal average interest rate on new market bank loans in Belarusian rubles increased from 11.4% on average in Q4-2024 to 11.9% in Q1-2025; in particular, interest rates on business loans increased from 11.6% to 12.0%, and interest rates on retail loans – from 10.1% to 10.6%.