



National Bank of the Republic of Macedonia Statistics Department

Skopje, 21 December 2016

PRESS RELEASE

Monetary developments in the Republic of Macedonia: November 2016

- In November 2016, **the broad money (monetary aggregate M4¹)** registers monthly increase of 1.0%, while the increase on annual basis equals 4.6%. Compared to October 2016, an increase was recorded primarily in short-term and long-term deposits, and to a lesser extent in demand deposits², opposed to the minimal decline of currency in circulation. On annual basis, all the components of the broad money increase, due to the demand deposits followed by the long-term deposits.
- Total **deposits**, registered a monthly and annual increase of 1.2% and 4.4%, respectively. The growth in corporate deposits explains almost two thirds of the total growth in deposits on monthly and annual basis.
- **The total loans** in November registered a mild monthly increase of 0.2%, while annually, the growth rate equals 1.3%, given intensified lending to households. It should be taken into account that the annual changes in loans reflect the effects of the National Bank Decision with respect to the non-performing loans, whereby without this effect the annual loan growth in November amounted to 6.8%³.

Table 1 Total deposits and loans of the non-government sector

	(Stocks, in millions of NC)						annual changes						monthly changes	
	12.2015	3.2016	6.2016	9.2016	10.2016	11.2016	12.2015	3.2016	6.2016	9.2016	10.2016	11.2016	10.2016	11.2016
							in %						in %	
Broad Money (M4)	331,007	330,713	322,156	329,379	332,187	335,644	6.8	6.2	2.5	4.0	3.9	4.6	0.9	1.0
Total Deposits	304,552	304,820	296,027	302,828	305,817	309,505	6.5	6.2	2.3	4.0	4.0	4.4	1.0	1.2
<i>of which:</i>														
Corporations	77,034	75,742	73,011	76,062	77,504	79,960	13.0	16.0	5.6	11.3	9.6	11.8	1.9	3.2
Households	212,056	213,661	206,118	209,734	211,155	212,262	4.1	3.1	0.2	1.2	1.8	1.8	0.7	0.5
Total Loans	279,871	280,023	274,453	275,096	274,068	274,629	9.5	8.4	3.5	2.5	1.8	1.3	-0.4	0.2
<i>of which:</i>														
Corporations	157,834	154,987	149,131	147,535	145,195	144,949	7.1	5.1	-0.5	-1.2	-2.7	-3.3	-1.6	-0.2
Households	120,832	123,887	124,192	126,505	127,784	128,609	12.9	13.0	8.8	7.3	7.5	7.3	1.0	0.6

Source: NBRM.

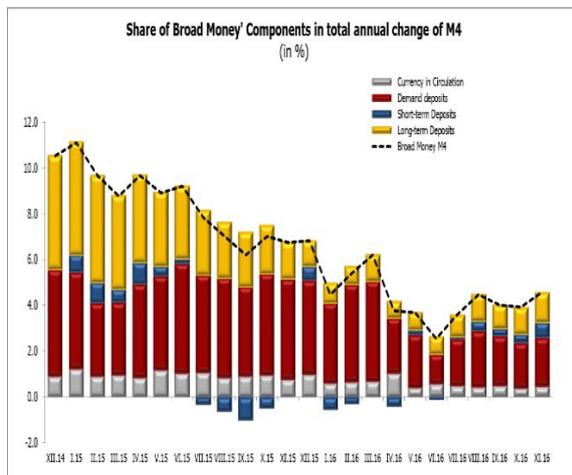
¹ Monetary aggregate M1 includes currency in circulation and demand deposits. Monetary aggregate M2 is composed of the monetary aggregate M1 and short-term deposits, whereas the monetary aggregate M4 (broad money) despite the monetary aggregate M1 also includes the long-term deposits. For more detailed explanation see methodology: http://www.nbrm.mk/WBStorage/Files/Statistika_metodologija_monetarna_statistika_05_2015_mak.pdf

² The demand deposits refer to the current accounts with the banks and savings houses and the current accounts of other financial corporations with the National Bank.

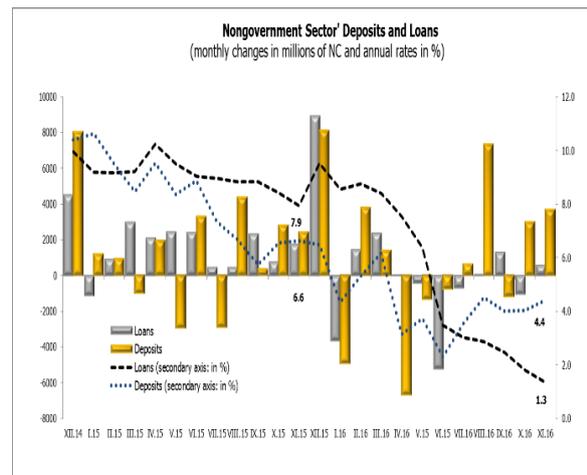
³ On 17 December 2015, the National Bank Council adopted the Decision on amending the Decision on credit risk management, which requires from banks to transfer all claims that have been fully provisioned for more than two years from the on-balance sheet to the off-balance sheet record by 30 June 2016, i.e. where the bank has identified and fully covered the risk of default at least two years before. Despite the transfer of these claims to the off-balance sheet record, the banks reserve the right for their collection.



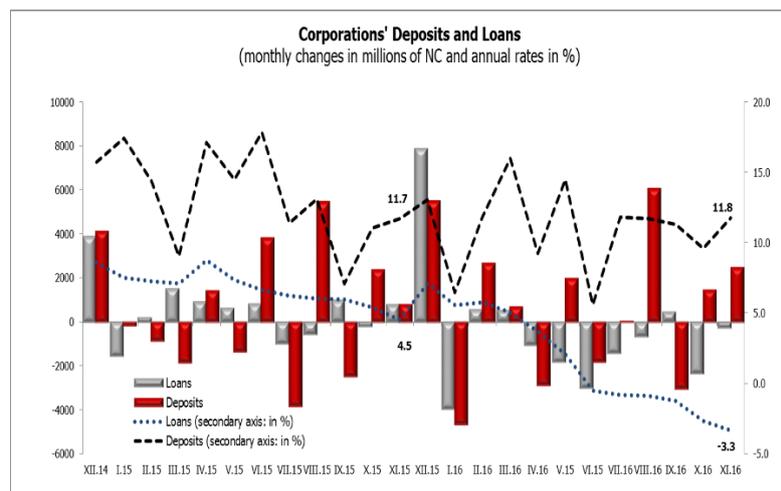
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Source: NBRM.



1. Deposits and loans of the corporate sector⁴



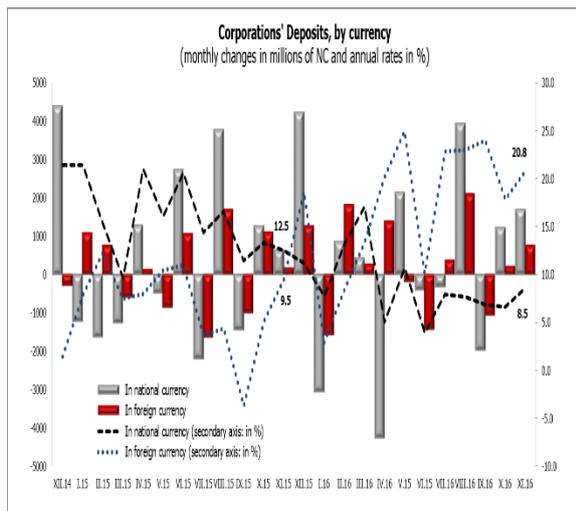
Source: NBRM.

- In total **deposits** of the corporate sector, in November, both monthly and annual increase of 3.2% and 11.8%, respectively, was registered. Thus, the monthly increase is mostly due to the denar deposits, while deposits in denars and foreign currency made an almost equal contribution to the annual growth.
- In total **loans** of the corporate sector, a monthly decline of 0.2% is registered for two consecutive months, which on an annual basis equals 3.3%. However, if one excludes the effect of the transfer of suspicious and contested claims from the on-balance sheet to the off-balance sheet record, pursuant to the National Bank Decision, the annual growth of loans of the corporate sector would equal 3.5%.

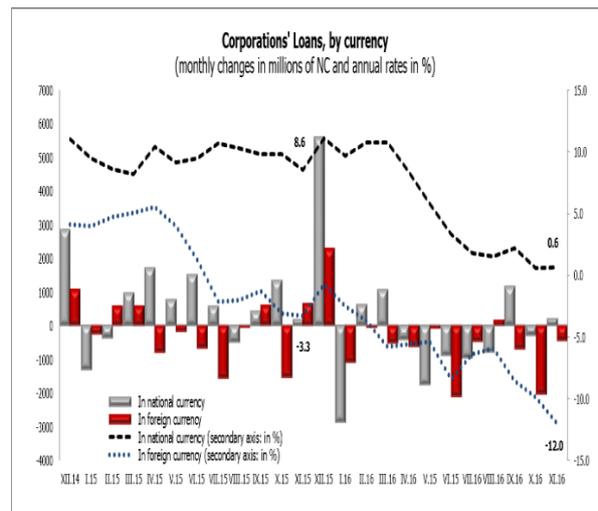
⁴ For the purposes of this press release, the corporate sector refers to public and other non-financial corporations.



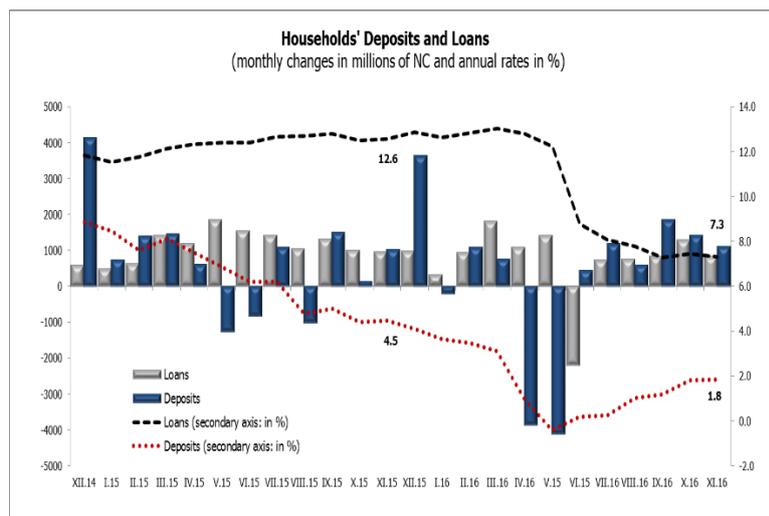
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Source: NBRM.



2. Deposits and loans of the households⁵



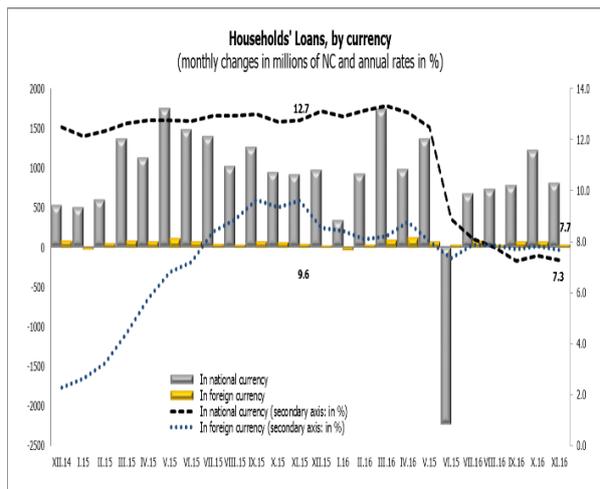
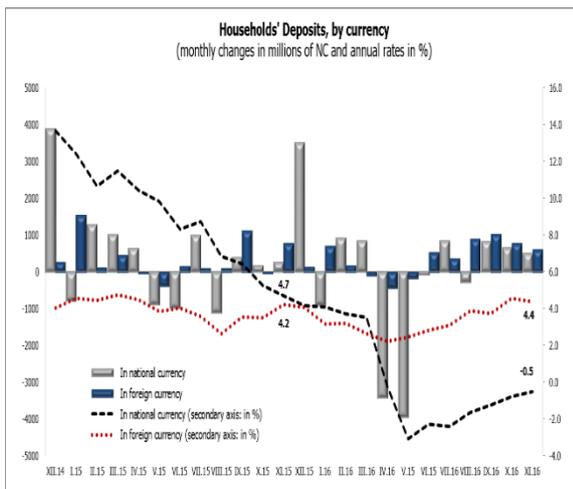
Source: NBRM.

- In total household **deposits**, monthly growth of 0.5% was registered, while on an annual basis equals 1.8% (similar as the previous month). The annual growth stems from household deposits in foreign currency, whereas the growth on a monthly basis is due to the foreign currency and denar deposits (even though the contribution of the foreign currency is higher).
- In total household **loans**, the monthly increase equals 0.6%, whereas the annual growth rate mildly decelerates and equals 7.3%. By excluding the effect of the transfer of suspicious and contested claims from the on-balance sheet to the off-balance sheet record, pursuant to the National Bank Decision, the annual loan growth in households would equal 11.2%.

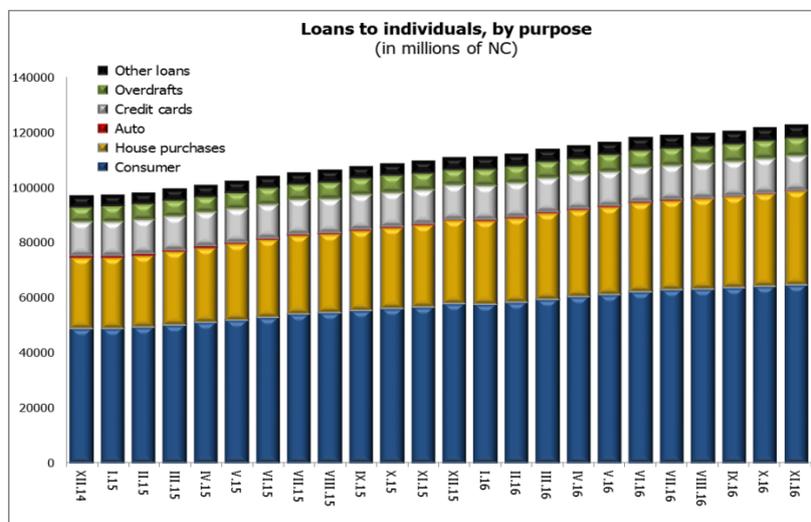
⁵ For the needs of this press release, households refer to the individuals and self-employed professionals.



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Source: NBRM.



Source: NBRM.

- From the viewpoint of loan types, the **consumer and housing loans** extended to individuals registered a monthly growth of 1.0% and 0.9%, respectively, amid similar annual growth of 14.2%. In **car loans**, a decline of the credit activity is registered both on monthly (by 1.3%) and annual basis (by 21.6%). The loans approved on the basis of **credit cards** in November, register a minimal monthly decline of 0.2%, opposed to the annual growth of 0.7% whereas the **overdrafts** register a monthly and annual growth of 0.5% and 5.1%, respectively. The loans approved on **other bases** register monthly increase of 0.4%, while annually, they increased by 9.9%.



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Supporting information

Time series data: Balance sheets and surveys of deposit institutions monthly data
(<http://www.nbrm.mk/?ItemID=4FCA40FAB7051A45B6C93DE5D8FB661D>)

Methodological explanations:

(http://www.nbrm.mk/WBStorage/Files/Statistika_metodologija_monetarna_statistika_05_2_015_mak.pdf)

Next publication: Advance release calendar

(<http://nbrm.mk/?ItemID=7B1CC2F73E9A3641B2F05235A02C8BDC>)

Monetary developments in the Republic of Macedonia: 20 January 2017 (reference period as of December 2016).

For any questions, we kindly ask journalists to contact the Governor's Office.

For more detailed information regarding the disseminated statistical data, please contact us on: contact.statistika@nbrm.mk or on the telephone number 02 3215 181 extension 116 (or 110/108).