



National Bank of the Republic of Macedonia Statistics Department

Skopje, 21 April 2017

Press Release

Monetary developments in the Republic of Macedonia: March 2017

- In March, **broad money (monetary aggregate M4¹)**, is lower by 0.3% compared to the previous month, mostly due to the monthly reduction of demand deposits², and to a lesser extent, of long-term deposits, despite the minimal growth in short-term deposits. Broad money increased by 4.2% on an annual basis, amid almost equal contribution of demand deposits, short-term and long-term deposits to the annual growth.
- This month, **total deposits** register downward monthly change of 0.3%, in conditions when the reduction in household deposits exceeds the growth of the corporate deposits. The annual growth of total deposits equals 4.2%, amid growth of deposits of both sectors, more pronounced on the corporate sector side.
- In March, **total loans** registered a monthly increase of 1.2%, amid monthly credit growth in both sectors, slightly more pronounced in the households sector. The annual credit growth stagnated, but 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 March amounted to 6.3%³.

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

	Stocks (in millions of NC)								annual changes (in %)							monthly changes (in %)		
	12.2015 ¹⁾	3.2016	6.2016	9.2016	12.2016 ¹⁾	1.2017	2.2017	3.2017	12.2015 ¹⁾	3.2016	6.2016	9.2016	12.2016 ¹⁾	1.2017	2.2017	3.2017	2.2017	3.2017
Broad Money (M4)	331,007	330,713	322,156	329,379	351,222	346,957	345,899	344,729	6.8	6.2	2.5	4.0	6.1	6.7	5.1	4.2	-0.3	-0.3
Total Deposits	304,552	304,820	296,027	302,828	321,888	319,772	318,594	317,720	6.5	6.2	2.3	4.0	5.7	6.7	5.0	4.2	-0.4	-0.3
<i>of which:</i>																		
Corporations	77,034	75,742	73,011	76,062	87,377	83,915	81,773	82,420	13.0	16.0	5.6	11.3	13.4	15.9	9.0	8.8	-2.6	0.8
Households	212,056	213,661	206,118	209,734	217,394	218,035	218,788	217,554	4.1	3.1	0.2	1.2	2.5	2.9	2.8	1.8	0.3	-0.6
Total Loans	279,871	280,023	274,453	275,096	282,461	278,007	276,721	280,157	9.5	8.4	3.5	2.5	0.9	0.6	-0.3	0.0	-0.5	1.2
<i>of which:</i>																		
Corporations	157,834	154,987	149,131	147,535	151,905	147,055	145,268	146,851	7.1	5.1	-0.5	-1.2	-3.8	-4.4	-5.9	-5.2	-1.2	1.1
Households	120,832	123,887	124,192	126,505	129,321	129,723	130,238	132,080	12.9	13.0	8.8	7.3	7.0	7.1	6.7	6.6	0.4	1.4

1) Data in accordance with the final balance sheets submission

Source: NBRM.

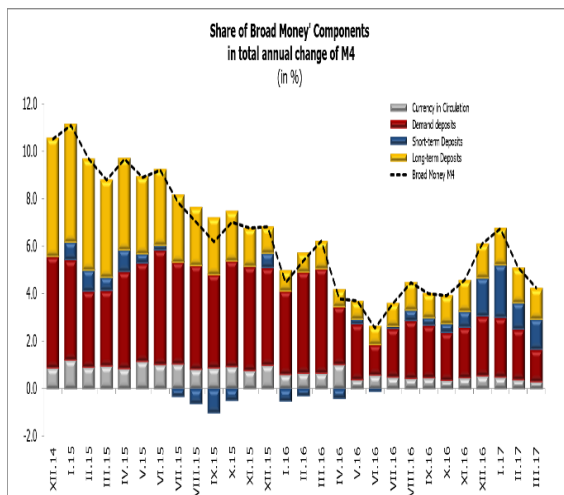
¹ Monetary aggregate M1 includes currency in circulation and demand deposits. Monetary aggregate M2 is composed of the monetary aggregate M1 and short-term deposits, whereas the monetary aggregate M4 (broad money) despite the monetary aggregate M2 also includes the long-term deposits. For more details see the methodology at: http://www.nbrm.mk/WBStorage/Files/Statistika_metodologija_monetarna_statistika_05_2015_eng.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.

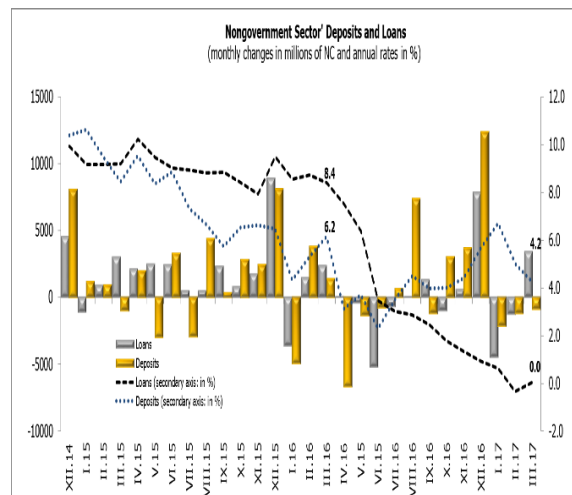
³ On 17 December 2015, the National Bank Council adopted the Decision on amending the Decision on credit risk management, which requires from banks to transfer all claims that have been fully provisioned for more than two years from the on-balance sheet to the off-balance sheet record (and to continue to transfer) 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.



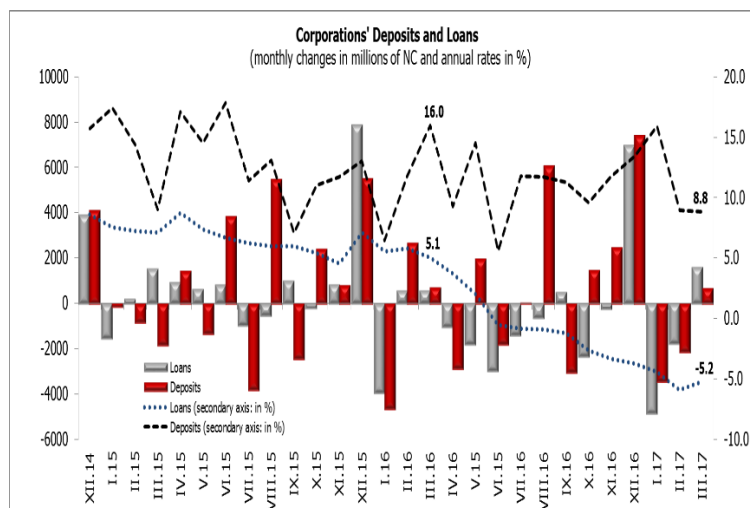
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Source: NBRM.



1. Deposits and loans of the corporate sector⁴



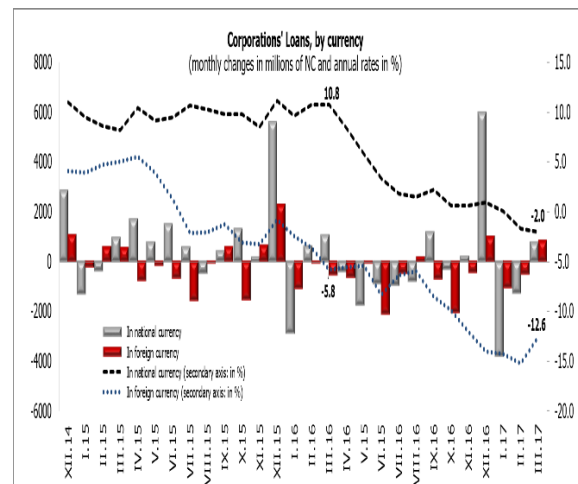
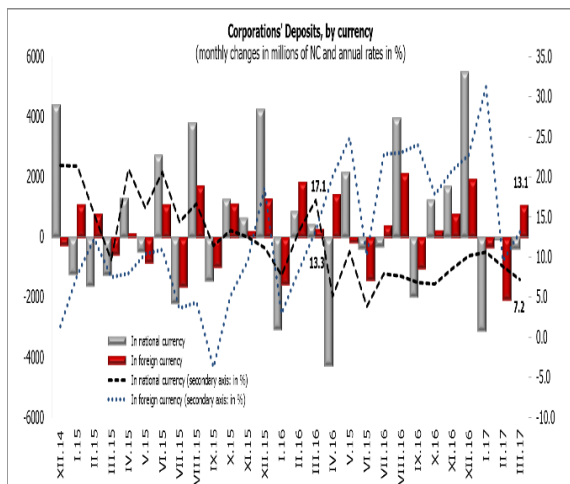
Source: NBRM.

- Total **deposits** of the corporate sector in March registered a monthly increase of 0.8%, entirely due to short-term deposits in foreign currency, amid reduction of Denar deposits (primarily demand deposits). On an annual basis, corporate deposits grew by 8.8%, with a contribution of Denar and foreign currency deposits of 59.2% and 40.8% respectively, to the annual change.
- In March, total **loans** of the corporate sector registered monthly growth of 1.1%, with almost identical contribution of Denar and foreign currency loans to the change. Compared annually, lending to the corporate sector decreased by 5.2%, largely due to loans approved in foreign currency. However, if one excludes the effect of the transfer of doubtful and contested claims from the on-balance sheet to the off-balance sheet record, pursuant to the National Bank Decision, loans of the corporate sector registered annual growth of 2.9% in March.

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

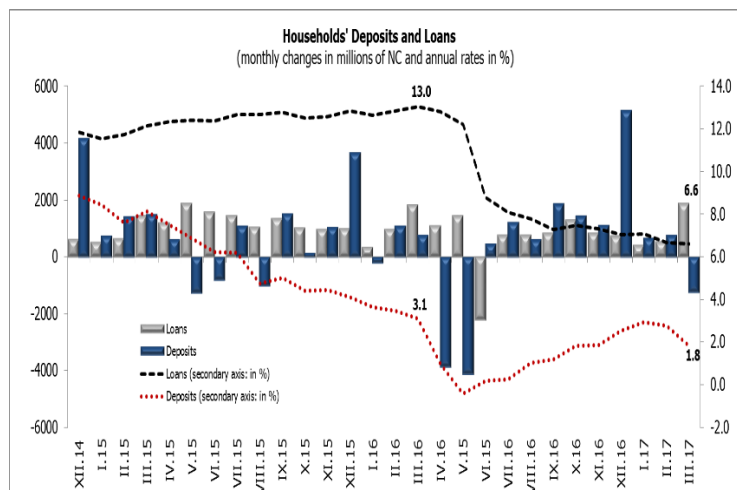


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Source: NBRM.

2. Deposits and loans of the households⁵



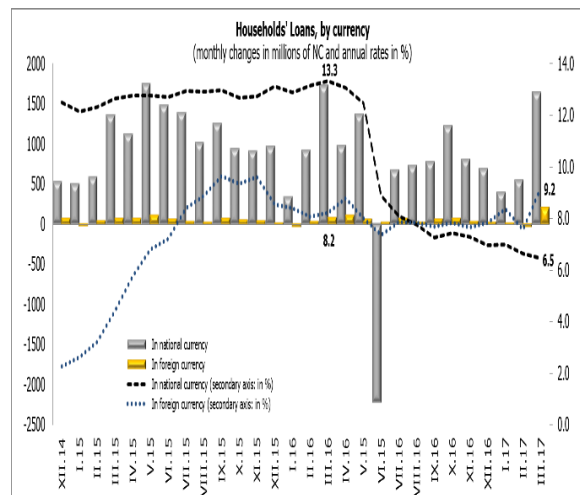
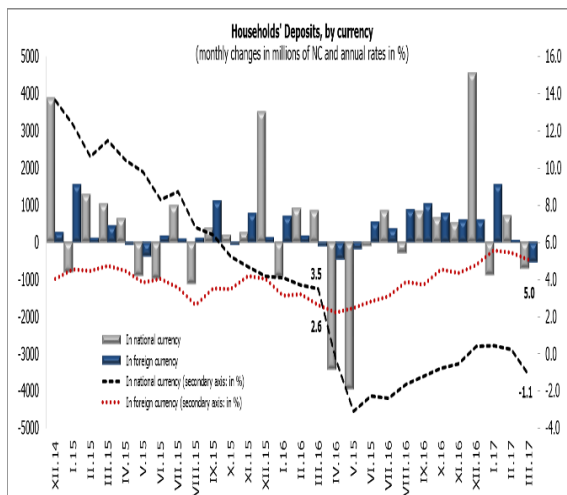
Source: NBRM.

- This month, total **household deposits** registered a monthly decrease of 0.6%, amid a monthly decline in both Denar and foreign currency deposits. On an annual basis, household deposits increased by 1.8%, which is entirely due to the increase in deposits in foreign currency, compared to the decrease in Denar deposits.
- In total household **loans**, in March, monthly and annual increase of 1.4% and 6.6%, respectively, was registered. The monthly and annual increases, the same as the previous month, are mainly due to the increase in Denar placements of banks and savings houses in households. By excluding the effect of the transfer of doubtful 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 March in households would equal 10.5%.

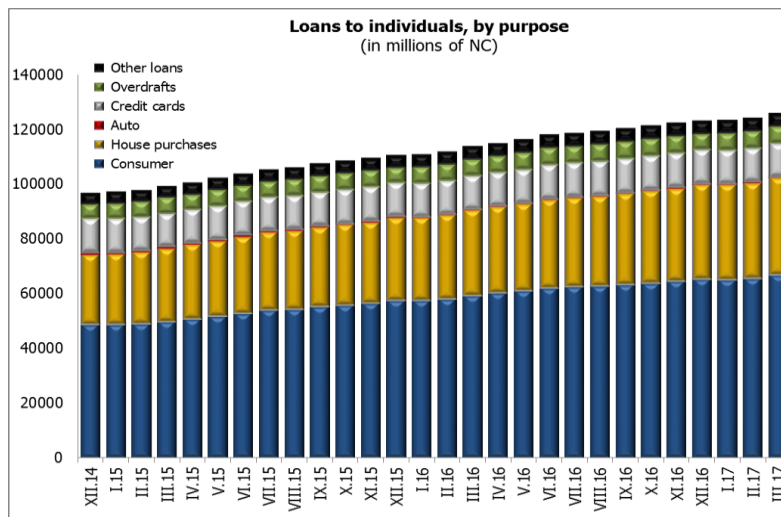
⁵ For the needs of this press release, households refer to the individuals and self-employed professionals.



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Source: NBRM.



Source: NBRM.

Table 2 Banks and savings houses loans granted to individuals, by purpose

	Stocks (in millions of NC)							annual changes (in %)							monthly changes (in %)			
	12.2015 ¹⁾	3.2016	6.2016	9.2016	12.2016 ¹⁾	1.2017	2.2017	3.2017	12.2015 ¹⁾	3.2016	6.2016	9.2016	12.2016 ¹⁾	1.2017	2.2017	3.2017	2.2017	3.2017
Consumer loans	57,730	59,413	62,069	63,519	65,438	65,274	65,778	67,041	18.2	18.8	17.4	14.8	13.4	13.4	13.0	12.8	0.8	1.9
House purchases loans	30,287	31,259	32,404	33,123	34,608	34,701	34,848	35,448	17.9	16.8	14.9	13.8	14.3	14.1	13.4	13.4	0.4	1.7
Auto loans	399	379	348	325	323	317	309	309	-41.7	-36.5	-31.7	-27.2	-19.1	-16.4	-16.9	-18.5	-2.5	0.1
Credit cards	12,348	12,237	12,344	12,469	12,380	12,324	12,286	12,294	-0.5	0.0	0.4	0.4	0.3	0.6	0.6	0.5	-0.3	0.1
Overdrafts	5,592	6,112	6,281	6,276	5,795	6,228	6,305	6,275	5.0	5.4	6.4	3.5	3.6	4.3	4.3	2.7	1.2	-0.5
Other loans	4,273	4,317	4,498	4,556	4,585	4,588	4,597	4,560	9.4	10.0	11.1	10.4	7.3	8.2	8.2	5.6	0.2	-0.8

1) Data in accordance with the final balance sheets submission

Source: NBRM.



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- From the viewpoint of loan types approved to individuals, in March, in the most common categories - **consumer and housing loans**, the positive trend of monthly growth of 1.9% and 1.7%, respectively, continues, which on an annual basis is 12.8% and 13.4%, respectively. **Car loans** register a minimal monthly increase of 0.1%, compared to the annual decline of 18.5%. This month, loans approved on the basis of **credit cards** registered monthly and annual growth of 0.1% and 0.5%, respectively. **Overdrafts** and loans approved on **other basis** registered a monthly decline in the credit activity of 0.5% and 0.8%, respectively, while annually they increased by 2.7% and 5.6%, respectively.

Supporting information

Time series of data: Balance sheets and list 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: 19 May 2017 (reference period as of April 2017).

We kindly ask journalists to contact the Governor's Office for any queries.

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).