



National Bank of the Republic of Macedonia Statistics Department

Skopje, 21 October 2016

PRESS RELEASE

Monetary developments in the Republic of Macedonia: September, 2016

- In September 2016, **the money supply (monetary aggregate M4¹)** is lower by 0,4% compared to the previous month, amid annual growth of 4.0%. The largest contribution to the monthly decline accounts for demand deposits² and short-term deposits, despite the small increase in long-term deposits. On the other hand, the largest contribution to the annual growth accounts for the components of the most liquid monetary aggregate M1.
- In September, **the total deposits** registered a decrease of 0.4% on a monthly basis, while annually they increased by 4.0%, mainly under the influence of the corporate deposits.
- **The total loans** in September increased by 0.5% on a monthly basis, while annually, the growth rate equals 2.5%, given larger contribution of 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 loans³.

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	8.2016	9.2016	12.2015	3.2016	6.2016	8.2016	9.2016	8.2016	9.2016
						in %					in %	
Broad Money (M4)	331,007	330,713	322,156	330,646	329,379	6.8	6.2	2.5	4.5	4.0	2.0	-0.4
Total Deposits	304,552	304,820	296,027	304,012	302,828	6.5	6.2	2.3	4.5	4.0	2.5	-0.4
<i>of which:</i>												
Corporations	77,034	75,742	73,011	79,102	76,062	13.0	16.0	5.6	11.7	11.3	8.3	-3.8
Households	212,056	213,661	206,118	207,896	209,734	4.1	3.1	0.2	1.0	1.2	0.3	0.9
Total Loans	279,871	280,023	274,453	273,814	275,096	9.5	8.4	3.5	2.9	2.5	0.0	0.5
<i>of which:</i>												
Corporations	157,834	154,987	149,131	147,059	147,535	7.1	5.1	-0.5	-0.9	-1.2	-0.4	0.3
Households	120,832	123,887	124,192	125,676	126,505	12.9	13.0	8.8	7.8	7.3	0.6	0.7

Source: NBRM.

¹ The money supply M4 includes the monetary aggregate M1 (currency in circulation and demand deposits), the monetary aggregate M2 (short-term deposits) and long-term deposits. For more detailed explanation see methodology:

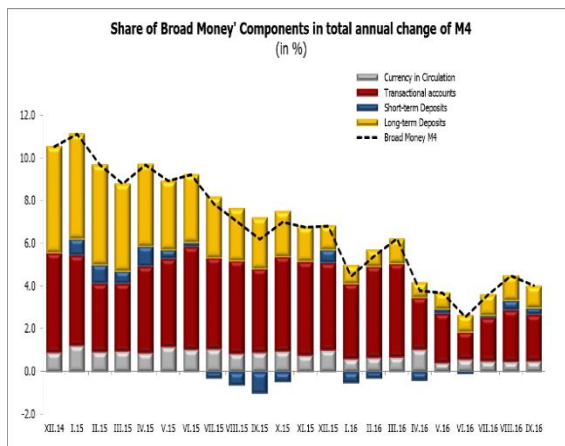
http://www.nbrm.mk/WBStorage/Files/Statistika_metodologija_monetarna_statistika_05_2015_mak.pdf

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

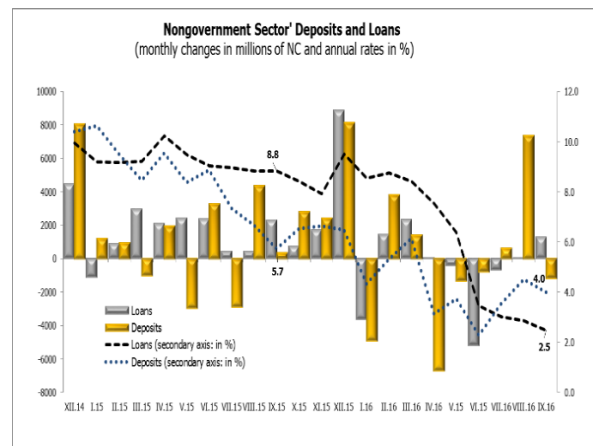
³ The annual credit growth, excluding the effect of transferring suspicious and contested claims based on claims from the on-balance sheet to the off-balance sheet record, equals 7.7%. Namely, on 17 December 2015, the National Bank Council adopted the Decision on amending the Decision on credit risk 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 credit 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.



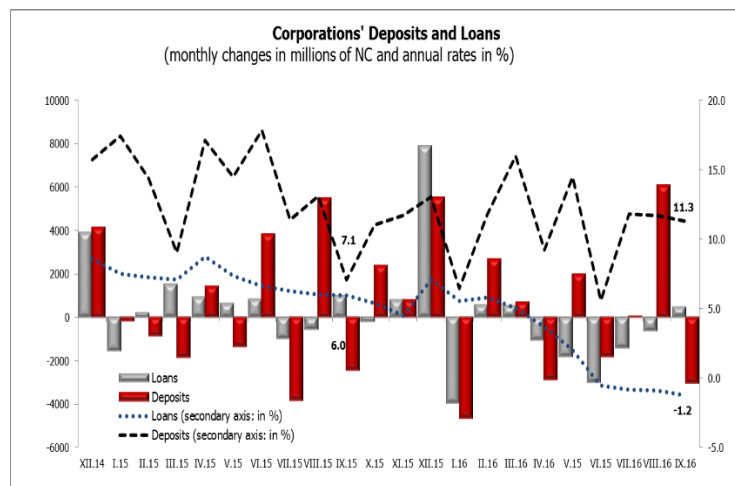
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Source: NBRM.



1. Deposits and credits of the corporate sector⁴



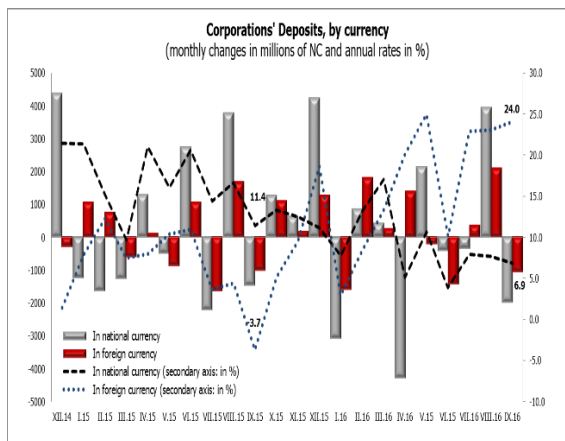
Source: NBRM.

- The total **deposits** of the corporate sector in September registered a decline of 3.8% on a monthly basis, while annually they increased by 11.3%.
- The total **loans** of the corporate sector recorded monthly increase of 0.3%, while annually, the loan growth is in the negative zone for the fourth consecutive month (-1.2% in September 2016). If the effect of the transfer of suspicious and contested claims from the on-balance sheet to the off-balance sheet record is excluded, pursuant to the National Bank Decision, the loan growth of the corporate sector would equal 5.3%.

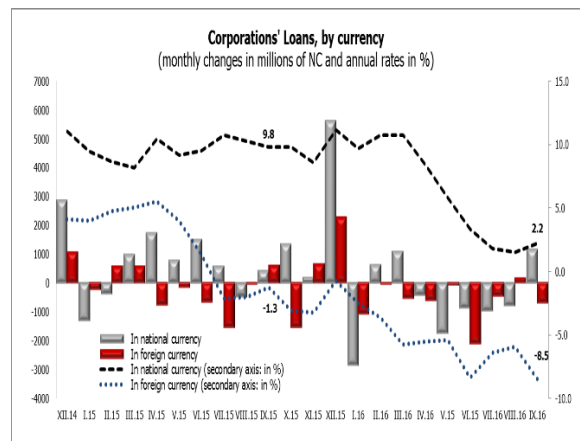
⁴ For the purposes of this press release, the corporate sector refers to public and other non-financial corporations.



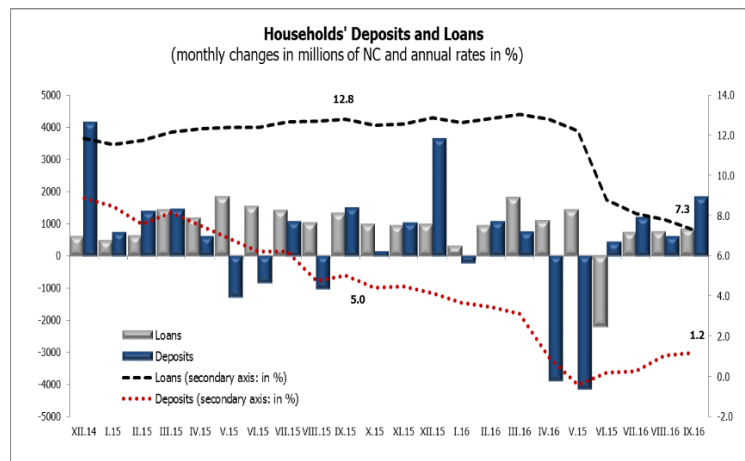
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Source: NBRM.



2. Deposits and household loans⁵



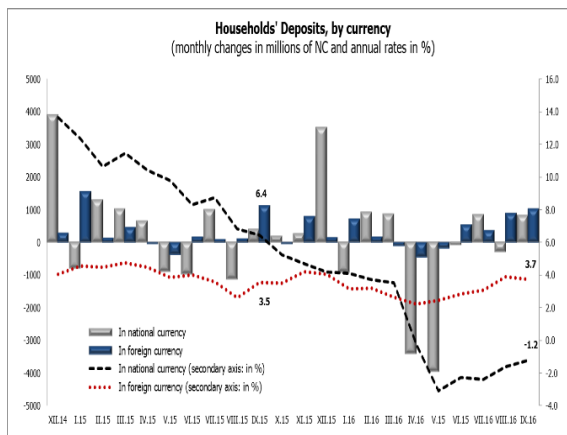
Source: NBRM.

- In total household **deposits**, in September, monthly and annual increase of 0.9% and 1.2%, respectively, was registered.
- In total household **loans**, this month monthly increase of 0.7% was registered, amid annual growth of 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 11.1%.

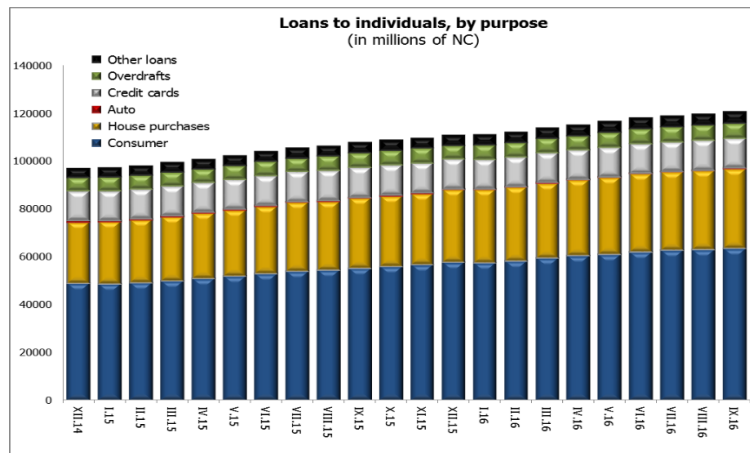
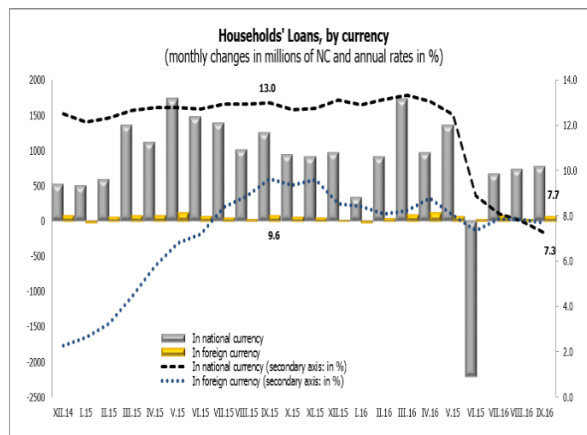
⁵ For the needs of this press release, households refer to the natural persons and self-employed professionals.



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Source: NBRM.



Source: NBRM.

- From the viewpoint of the loan types, the **consumer and housing loans** extended to natural persons recorded monthly growth of 0.9% and 0.8%, respectively, while the annual growth amounted to 14.8% and 13.8%, respectively. However, the credit activity for **car loans** reduced on both monthly (by 2.6%) and annual (by 27.2%) basis. The credits approved on the basis of **credit cards** register minimal monthly and annual rise, while **overdrafts** register monthly decline of 0.8%, despite the annual growth of 3.5%. The loans approved on **other bases** register monthly increase of 1.1%, while annually, they increased by 10.4%.

Supporting information

Time series 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)



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Next publication: Advance release calendar

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

Monetary developments in the Republic of Macedonia 21 November 2016 (reference period as of October 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).