



National Bank of the Republic of Macedonia Statistics Department

Skopje, 21 July 2017

Press Release

Monetary developments in the Republic of Macedonia: June 2017

- In June 2017, **broad money (monetary aggregate M4¹)** registered monthly growth of 1.0%, as a result of the growth in demand deposits², currency in circulation and short-term deposits. On an annual basis, all money supply components contributed to the growth of 7.8%, with the largest share of demand deposits, followed by long-term, short-term deposits and currency in circulation.
- In June, **total deposits** registered a monthly increase of 0.8% which mainly stems from the growth in household deposits, amid minimal growth in the corporate sector. On the other hand, the annual growth of total deposits of 7.6%, which is the highest annual deposit growth rate since June 2015, is partly a result of the low base effect. Both sectors made a contribution to the annual growth of deposits, more pronounced of the households sector.

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⁾	3.2017	5.2017	6.2017	12.2015 ¹⁾	3.2016	6.2016	9.2016	12.2016 ¹⁾	3.2017	5.2017	6.2017	5.2017	6.2017
Broad Money (M4)	331,007	330,713	322,156	329,379	351,222	344,729	343,607	347,157	6.8	6.2	2.5	4.0	6.1	4.2	6.4	7.8	-0.3	1.0
of which:																		
Currency in Circulation	26,300	25,726	25,957	26,356	28,193	26,802	27,472	28,473	13.3	9.0	7.5	6.2	7.2	4.2	6.4	9.7	-1.0	3.6
Total Deposits	304,552	304,820	296,027	302,828	321,888	317,720	315,932	318,426	6.5	6.2	2.3	4.0	5.7	4.2	6.4	7.6	-0.3	0.8
of which:																		
Corporations	77,034	75,742	73,011	76,062	87,377	82,420	80,745	80,885	13.0	16.0	5.6	11.3	13.4	8.8	7.9	10.8	-1.1	0.2
Households	212,056	213,661	206,118	209,734	217,394	217,554	216,932	219,505	4.1	3.1	0.2	1.2	2.5	1.8	5.5	6.5	0.0	1.2
Total Loans	279,871	280,023	274,453	275,096	282,461	280,157	283,934	286,408	9.5	8.4	3.5	2.5	0.9	0.0	1.5	4.4	0.8	0.9
of which:																		
Corporations	157,834	154,987	149,131	147,535	151,905	146,851	147,807	149,179	7.1	5.1	-0.5	-1.2	-3.8	-5.2	-2.8	0.0	0.3	0.9
Households	120,832	123,887	124,192	126,505	129,321	132,080	134,896	136,034	12.9	13.0	8.8	7.3	7.0	6.6	6.7	9.5	1.4	0.8

1) Data in accordance with the final balance sheets submission

Source: NBRM.

- During June, **total loans** registered a monthly increase of 0.9% in conditions of increased lending to both the corporate sector and households. On an annual basis, the growth rate of loans is 4.4%, which is the highest annual growth rate since May last year. The growth is mainly determined by the increased 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 total annual loan growth in June amounted to **5.8%^{3,4}**.

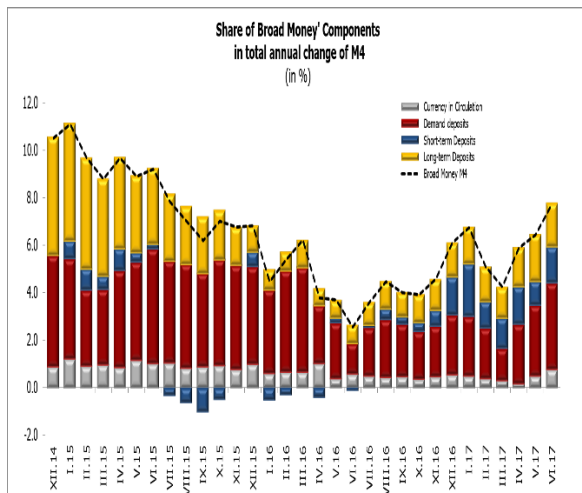
¹ Monetary aggregate M1 includes currency in circulation and demand deposits. Monetary aggregate M2 is composed of the monetary aggregate M1 and short-term deposits, whereas the monetary aggregate M4 (broad money) despite the monetary aggregate M2 also includes the long-term deposits. For more details see the methodology at: <http://www.nbrm.mk/ns-newsarticle-bilansi-i-pregledi-na-depozitni-institucii-en.nsp>

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.

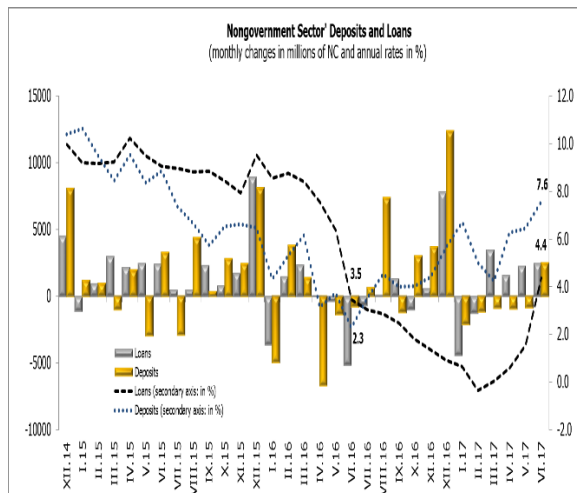
³ On 17 December 2015, the National Bank Council adopted the Decision on amending the Decision on credit risk management, which requires from banks to transfer all claims that have been fully provisioned for more than two years from the on-balance sheet to the off-balance sheet record (and to continue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



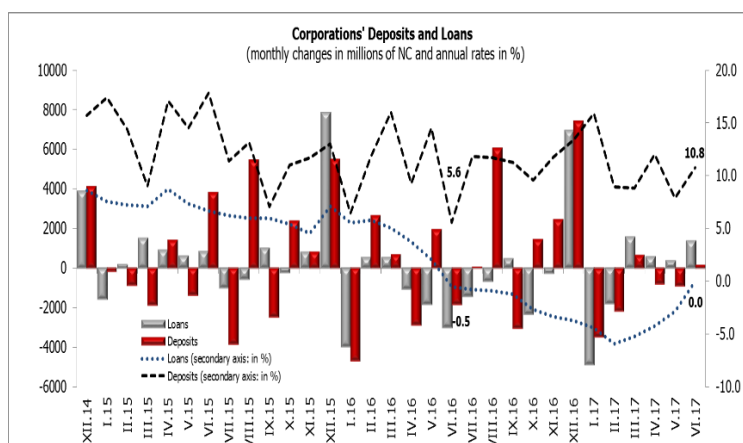
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Source: NBRM.



1. Deposits and loans of the corporate sector⁵



Source: NBRM.

- This month, total **deposits** of the corporate sector registered an upward monthly change of 0.2% in conditions of the increase in the short-term Denar deposits, which exceeds the fall in the foreign currency short-term deposits. Corporate deposits registered an annual growth of 10.8%, with a significant contribution of demand deposits and short-term foreign currency deposits to the annual change.
- In June, total **loans** to the corporate sector registered monthly growth of 0.9%, mainly in the form of denar lending. On the other hand, on an annual basis, lending to the corporate sector has remained at the same level, without any changes compared to June last year. If one excludes the effect of the transfer of doubtful and contested claims from

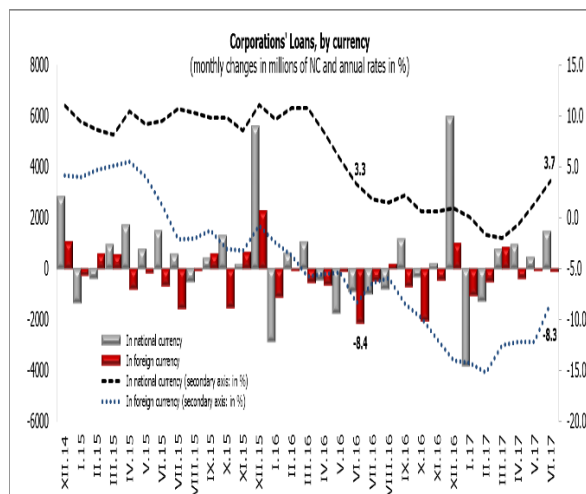
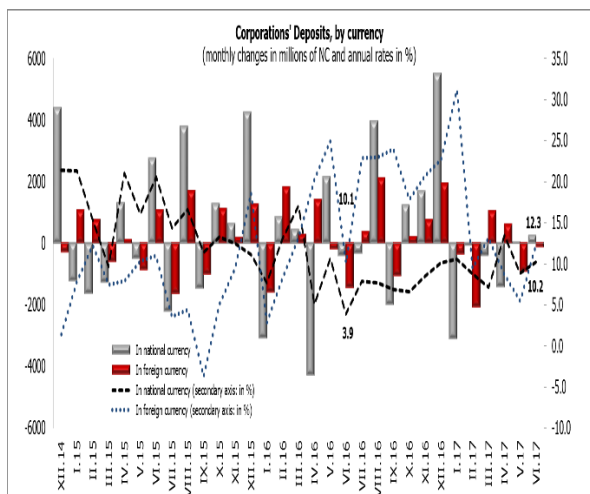
⁴ On 29 August 2017, a correction in the figure of the growth rate of loans has been made, which due to a technical error was 10.9% instead of 5.8%.

⁵ For the purposes of this press release, the corporate sector refers to public and other non-financial corporations.



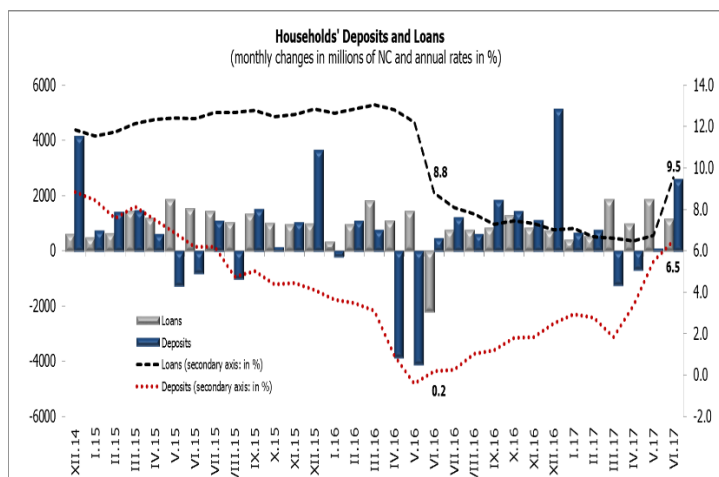
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the on-balance sheet to the off-balance sheet records, pursuant to the National Bank Decision, loans to the corporate sector registered annual growth of **2.5%**⁶ in June.



Source: NBRM.

2. Deposits and loans of the households⁷



Source: NBRM.

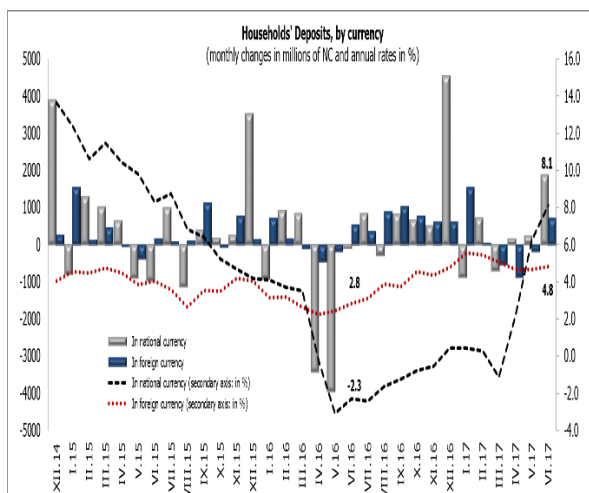
- In June, total **household deposits** registered a monthly increase of 1.2%, amid annual growth rate of 6.5%. The monthly and annual growth in this category is largely determined by the growth of deposits received in Denars (72.7% and 63.3%, respectively).

⁶ On 29 August 2017, a correction in the figure of the growth rate of loans has been made, which due to a technical error was 8.7% instead of 2.5%.

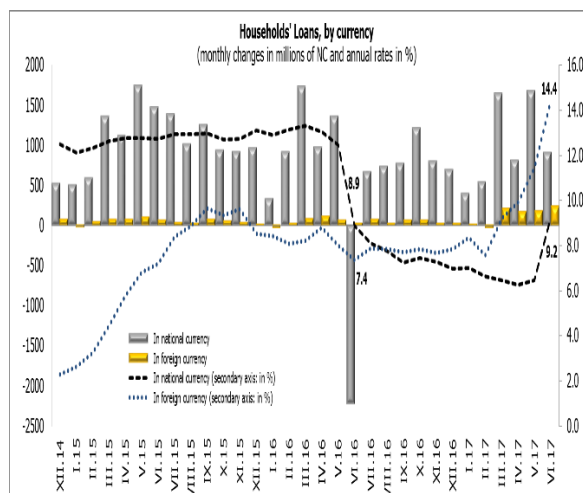
⁷ For the needs of this press release, households refer to the individuals and self-employed professionals.



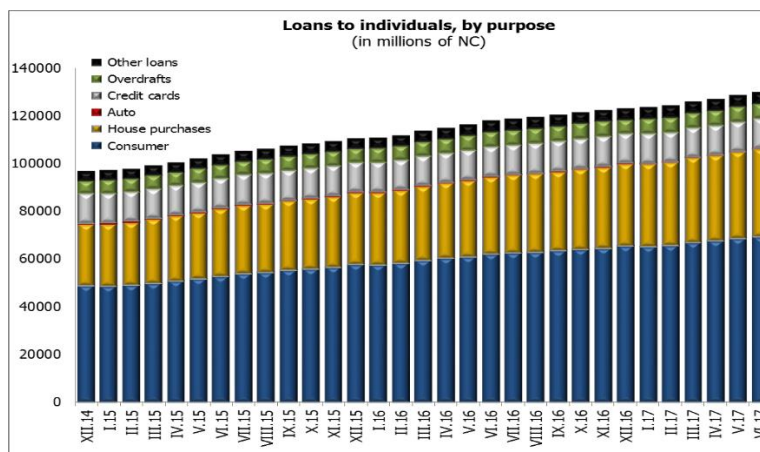
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Source: NBRM.



- In June, total **loans** to households registered monthly and annual increase of 0.8% and 9.5%, respectively. The monthly and annual increments are mainly a result of the increase in the Denar placements of the banks and savings houses in the households (79.1% and 91.3%, respectively). By excluding the effect of the transfer of doubtful and contested claims from the on-balance sheet to the off-balance sheet records, pursuant to the National Bank Decision, the annual loan growth in households would equal **9.9%**⁸ in June.



Source: NBRM.

⁸ On 29 August 2017, a correction in the figure of the growth rate of loans has been made, which due to a technical error was 13.6% instead of 9.9%.



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

	Stocks (in millions of MKD)								annual changes (in %)								monthly changes (in %)	
	12.2015 ¹⁾	3.2016	6.2016	9.2016	12.2016 ¹⁾	3.2017	5.2017	6.2017	12.2015 ¹⁾	3.2016	6.2016	9.2016	12.2016 ¹⁾	3.2017	5.2017	6.2017	5.2017	6.2017
Consumer loans	57,730	59,413	62,069	63,519	65,438	67,041	68,571	69,424	18.2	18.8	17.4	14.8	13.4	12.8	12.3	11.8	1.4	1.2
House purchases loans	30,287	31,259	32,404	33,123	34,608	35,448	36,330	36,815	17.9	16.8	14.9	13.8	14.3	13.4	13.8	13.6	1.4	1.3
Auto loans	399	379	348	325	323	309	307	307	-41.7	-36.5	-31.7	-27.2	-19.1	-18.5	-13.5	-11.9	-2.1	-0.2
Credit cards	12,348	12,237	12,344	12,469	12,380	12,294	12,284	12,295	-0.5	0.0	0.4	0.4	0.3	0.5	0.1	-0.4	0.0	0.1
Overdrafts	5,592	6,112	6,281	6,276	5,795	6,275	6,430	6,366	5.0	5.4	6.4	3.5	3.6	2.7	3.0	1.3	4.1	-1.0
Other loans	4,273	4,317	4,498	4,556	4,585	4,560	4,615	4,630	9.4	10.0	11.1	10.4	7.3	5.6	5.3	2.9	-0.3	0.3

1) Data in accordance with the final balance sheets submission

Source: NBRM.

- From the viewpoint of loan types granted to individuals, in June, the most common categories – **consumer and housing loans** registered monthly growth of 1.2% and 1.3%, respectively, which on annual basis is 11.8% and 13.6%, respectively. **Car loans** registered monthly and annual decrease of 0.2% and 11.9%, respectively, while loans granted on the basis of **credit cards** registered a minimal monthly growth of 0.1%, compared to the annual decline of 0.4%. This month, **overdrafts** register monthly drop of 1.0%, while annually, they increased by 1.3%. The loans granted on **other bases** registered monthly and annual growth of 0.3% and 2.9%, respectively.

Supporting information

Time series of data: Balance sheets and list of depository institutions, monthly data
<http://www.nbrm.mk/ns-newsarticle-bilansi-i-pregledi-na-depozitni-institucii-en.nspix>

Methodological explanations:

<http://www.nbrm.mk/ns-newsarticle-bilansi-i-pregledi-na-depozitni-institucii-en.nspix>

Next publication: Advance Release Calendar

http://nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix

Monetary developments in the Republic of Macedonia: 21 August 2017 (reference period as of July 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 at: contact.statistika@nbrm.mk or on the telephone number 02 3215 181 extension 116 (or 110/108).