



National Bank of the Republic of Macedonia Statistics Department

Skopje, 21 March 2017

PRESS RELEASE

Monetary developments in the Republic of Macedonia: February 2017

- In February, **broad money (monetary aggregate M4¹)** registered a slight decline of 0.3%, mainly as a result to the decrease in short-term deposits. Broad money increased by 5.1% on an annual basis, where demand deposits² had the largest contribution to the growth, followed by long-term and short-term deposits.
- In February, **total deposits** registered a decrease of 0.4% on a monthly basis, under the influence of the reduced deposits of the corporate sector. Deposits register an increase of 5.0% on an annual basis, which is explained by the increase of deposits in the corporate sector and in households.
- This month, **total loans** registered a monthly and annual decline of 0.5% and 0.3%, respectively, in conditions when the decreased lending to the corporate sector exceeds the increased lending to the 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 is stable and in February amounted to 5.8%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	12.2015 ¹⁾	3.2016	6.2016	9.2016	12.2016 ¹⁾	1.2017	2.2017	1.2017	2.2017
Broad Money (M4)	331,007	330,713	322,156	329,379	351,222	346,957	345,899	6.8	6.2	2.5	4.0	6.1	6.7	5.1	-1.2	-0.3
Total Deposits	304,552	304,820	296,027	302,828	321,888	319,772	318,594	6.5	6.2	2.3	4.0	5.7	6.7	5.0	-0.7	-0.4
of which:																
Corporations	77,034	75,742	73,011	76,062	87,377	83,915	81,773	13.0	16.0	5.6	11.3	13.4	15.9	9.0	-4.0	-2.6
Households	212,056	213,661	206,118	209,734	217,394	218,035	218,788	4.1	3.1	0.2	1.2	2.5	2.9	2.8	0.3	0.3
Total Loans	279,871	280,023	274,453	275,096	282,461	278,007	276,721	9.5	8.4	3.5	2.5	0.9	0.6	-0.3	-1.6	-0.5
of which:																
Corporations	157,834	154,987	149,131	147,535	151,905	147,055	145,268	7.1	5.1	-0.5	-1.2	-3.8	-4.4	-5.9	-3.2	-1.2
Households	120,832	123,887	124,192	126,505	129,321	129,723	130,238	12.9	13.0	8.8	7.3	7.0	7.1	6.7	0.3	0.4

1) Data in accordance with the final balance sheets submission

Source: NBRM.

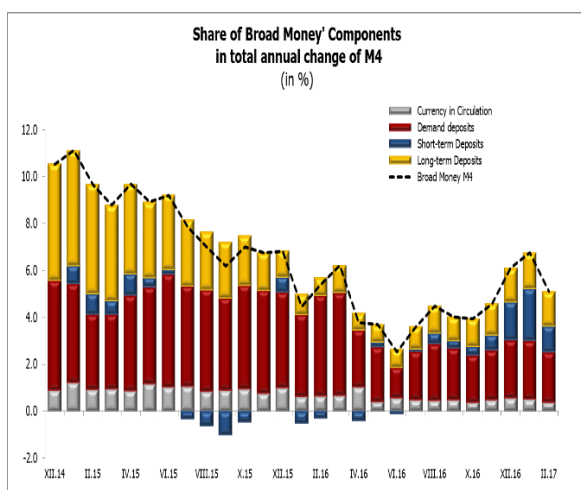
¹Monetary aggregate M1 includes currency in circulation and demand deposits. Monetary aggregate M2 is composed of the monetary aggregate M1 and short-term deposits, whereas the monetary aggregate M4 (broad money) despite the monetary aggregate M2 also includes the long-term deposits. For more details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

²The 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.

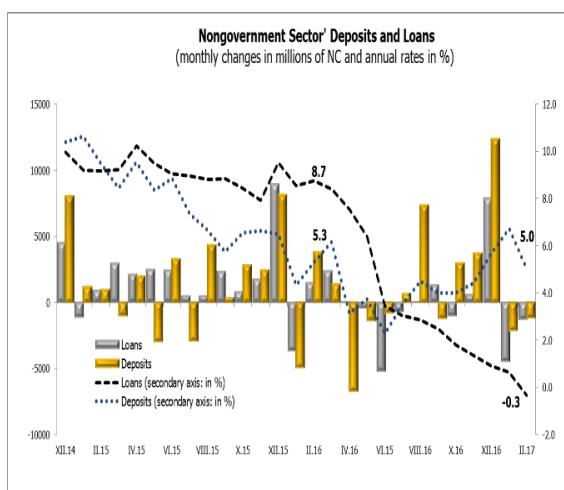
³On 17 December 2015, the National Bank Council adopted the Decision on amending the Decision on credit risk management, which requires from banks to transfer all claims that have been fully provisioned for more than two years from the on-balance sheet to the off-balance sheet record (and continue to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



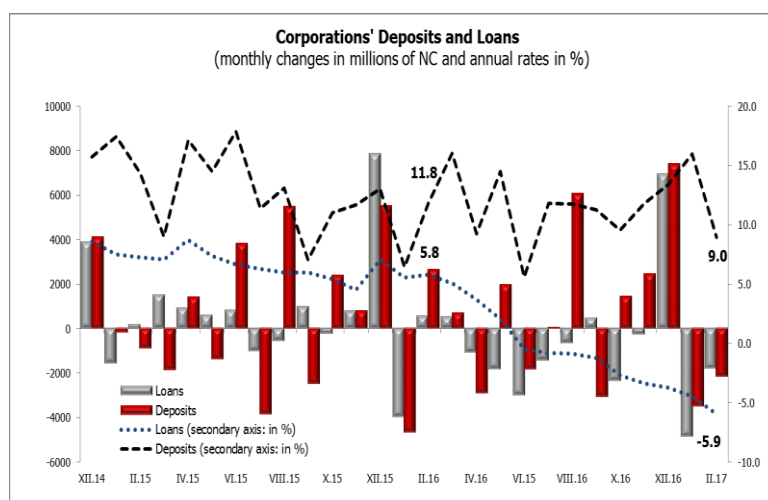
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Source: NBRM.



1. Deposits and loans of the corporate sector⁴



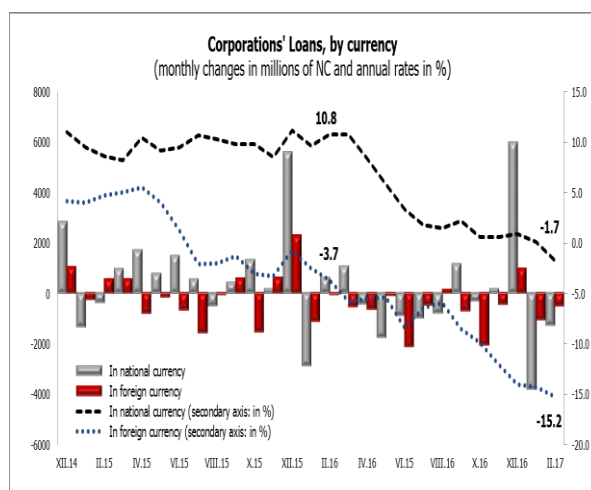
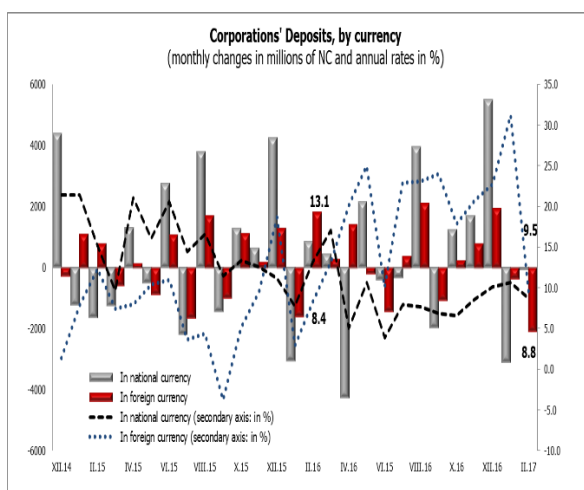
Source: NBRM.

- Total **deposits** of the corporate sectors in February registered a downward monthly change of 2.6%, almost entirely due to the reduction of short-term deposits in foreign currencies. On the other hand, corporate deposits registered an annual growth of 9.0%, with a more significant contribution of Denar deposits in the annual change.
- In February, total **loans** of the corporate sector registered a monthly decline of 1.2%, mostly determined by the influence of Denar loans. Compared annually, a loan decrease of 5.9% is recorded, which mostly arises from loans approved in foreign currencies. 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 2.1% in February.

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

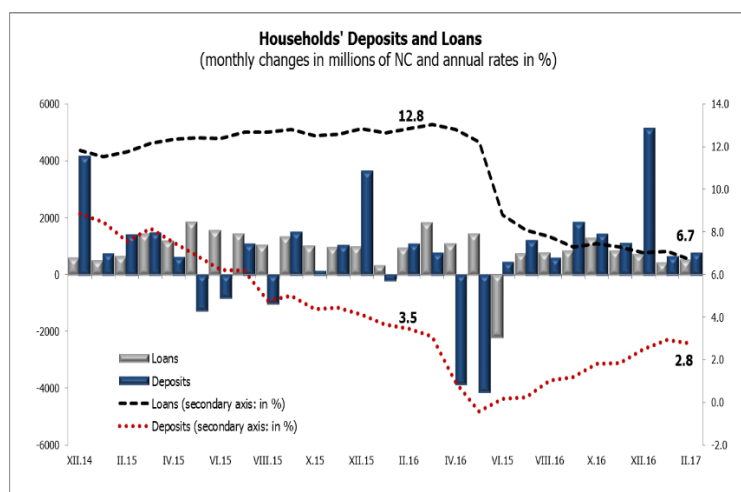


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Source: NBRM.

2. Deposits and loans of the households⁵



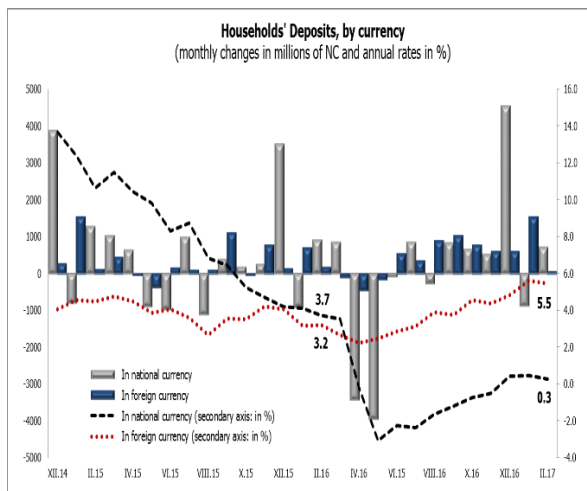
Source: NBRM.

- In February, total household **deposits** registered a monthly growth of 0.3% (similar as the previous month), whereas annually the deposit growth amounts to 2.8%. Thus, the monthly increase dominantly arises from the increase of Denar deposits of the households, whereas the annual growth change from the household deposits in foreign currencies.
- This month, total household **loans** registered a monthly and annual growth by 0.4% and 6.7%, respectively. Also, the monthly and annual upward changes are due to the increased Denar placements of banks and saving 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 February, households would equal 10.6%.

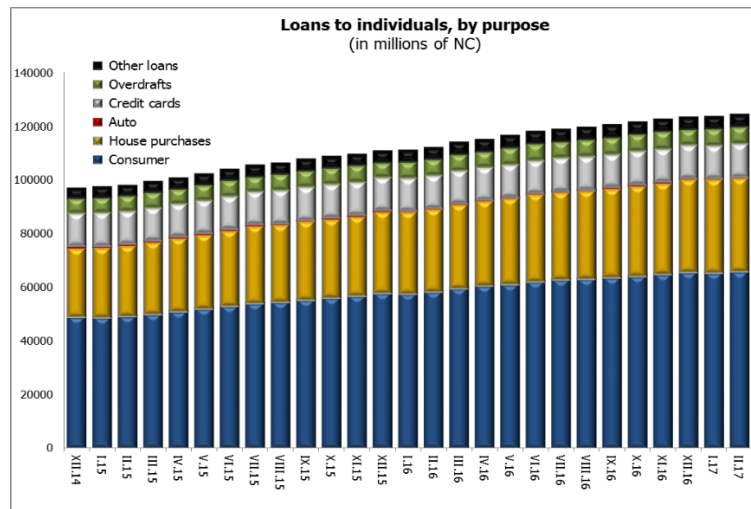
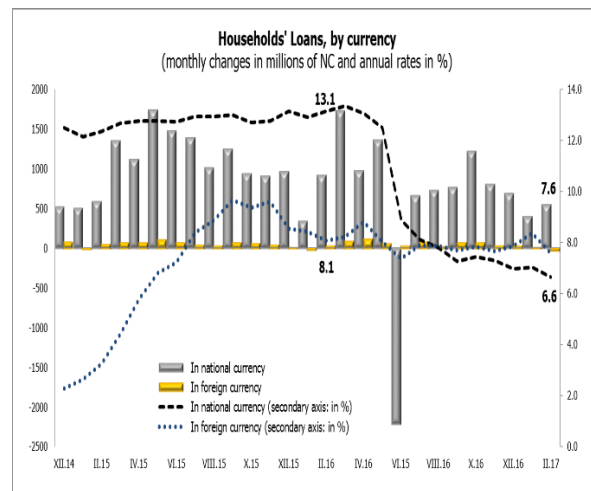
⁵For the needs of this press release, households refer to individuals and self-employed professionals.



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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	12.2015 ¹⁾	3.2016	6.2016	9.2016	12.2016 ¹⁾	1.2017	2.2017	1.2017	2.2017
Consumer loans	57,730	59,413	62,069	63,519	65,438	65,274	65,778	18.2	18.8	17.4	14.8	13.4	13.4	13.0	-0.3	0.8
House purchases loans	30,287	31,259	32,404	33,123	34,608	34,701	34,848	17.9	16.8	14.9	13.8	14.3	14.1	13.4	0.3	0.4
Auto loans	399	379	348	325	323	317	309	-41.7	-36.5	-31.7	-27.2	-19.1	-16.4	-16.9	-1.9	-2.5
Credit cards	12,348	12,237	12,344	12,469	12,380	12,324	12,286	-0.5	0.0	0.4	0.4	0.3	0.6	0.6	-0.5	-0.3
Overdrafts	5,592	6,112	6,281	6,276	5,795	6,228	6,305	5.0	5.4	6.4	3.5	3.6	4.3	4.3	7.5	1.2
Other loans	4,273	4,317	4,498	4,556	4,585	4,588	4,597	9.4	10.0	11.1	10.4	7.3	8.2	8.2	0.1	0.2

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 February, the most significant categories – **consumer and housing loans** registered a monthly increase of 0.8% and 0.5%, respectively, amid annual growth of 13.0 and 13.4%, respectively. In **car loans**, the downward trend and decrease of the credit activity continues both on a monthly (by 2.5%) and annual basis (by 16.9%). Loans approved on the basis of **credit cards** register a monthly decrease of 0.3%, compared to the annual growth of 0.6% (similar as in January). This month, increase is registered in **overdrafts** and loans approved on **other basis** on a monthly level of 1.2% and 0.2%, respectively, whereas the annual growth rates are similar to the previous month and amount to 4.3% and 82%, respectively.

Supporting information

Time series of data: Balance sheets and list of deposit institutions monthly data

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

Methodological explanations: <http://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 April 2017 (reference period as of March 2017).

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).