



National Bank of the Republic of Macedonia Statistics Department

Skopje, 21 September 2016

PRESS RELEASE

Monetary developments in the Republic of Macedonia: August, 2016

- In August 2016, **the money supply (monetary aggregate M4¹)** registers monthly increase of 2.0%, while the increase on annual basis equals 4.5%. The largest contribution in both monthly and annual increase accounts for the components of the most liquid monetary aggregate M1 (currency in circulation and denar deposits on the transaction accounts²).
- In August, **the total deposits** registered and increase of 2.5% on a monthly basis, and 4.5% annually, mainly as a result of the growth in the corporate deposits. The annual rate of deposit growth accelerates relative to the previous month by 1.0 p.p.
- **The total loans** in August remained unchanged on a monthly basis, while annually, the growth rate equals 2.9%³, given intensified lending to households. The annual rate of loan growth minimally decelerates compared to July rate (by 0.1 p.p.).

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	7.2016	8.2016	12.2015	3.2016	6.2016	7.2016	8.2016	7.2016	8.2016
						in %					in %	
Broad Money (M4)	331,007	330,713	322,156	324,122	330,646	6.8	6.2	2.5	3.6	4.5	0.6	2.0
Total Deposits	304,552	304,820	296,027	296,650	304,012	6.5	6.2	2.3	3.5	4.5	0.2	2.5
<i>of which:</i>												
Corporations	77,034	75,742	73,011	73,041	79,102	13.0	16.0	5.6	11.8	11.7	0.0	8.3
Households	212,056	213,661	206,118	207,306	207,896	4.1	3.1	0.2	0.2	1.0	0.6	0.3
Total Loans	279,871	280,023	274,453	273,756	273,814	9.5	8.4	3.5	3.0	2.9	-0.3	0.0
<i>of which:</i>												
Corporations	157,834	154,987	149,131	147,703	147,059	7.1	5.1	-0.5	-0.8	-0.9	-1.0	-0.4
Households	120,832	123,887	124,192	124,927	125,676	12.9	13.0	8.8	8.1	7.8	0.6	0.6

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:

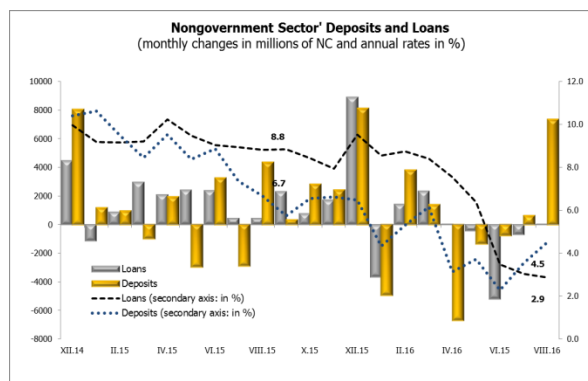
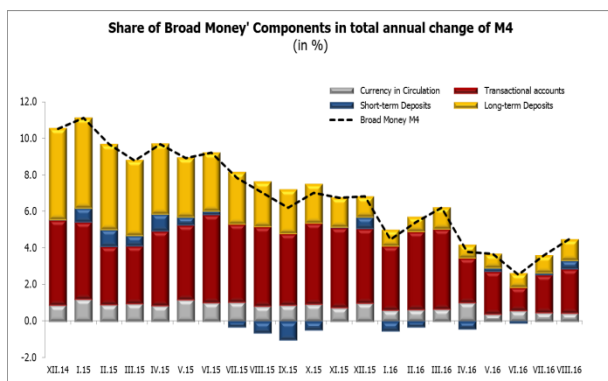
<http://nbrm.mk/ns-newsarticle-bilansi-i-pregledi-na-depozitni-institucii-en.nspix>

² Denar deposits on transaction accounts refer to demand deposits.

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 8.2%. 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.

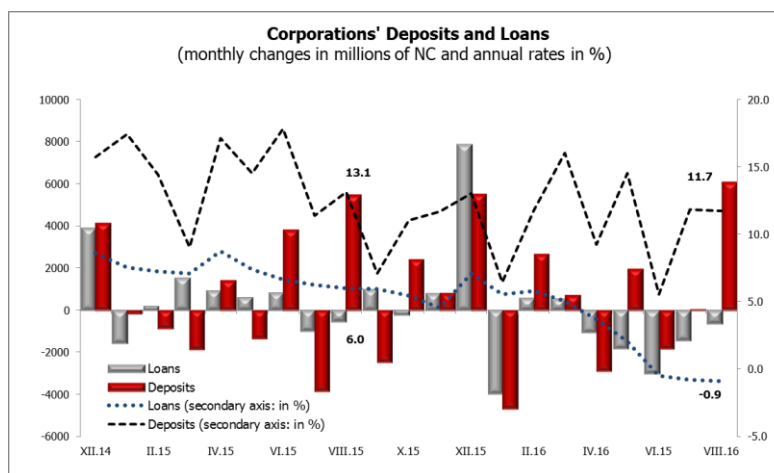


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Source: NBRM

1. Deposits and credits of the corporate sector⁴



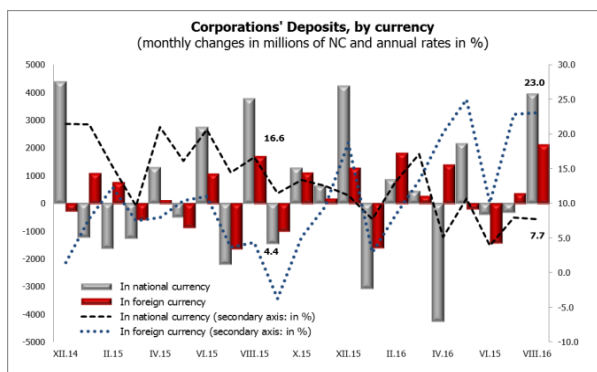
Source: NBRM

- The total **deposits** of the corporate sector in August registered significant growth of 8.3% on a monthly basis, while annually they increased by 11.7%.
- Regarding the total **loans** of the corporate sector, also in this month minimal monthly fall was recorded, while annually, the loan growth remains in the negative zone for the third consecutive month (-0.9% in August 2016). If exclude again the effect of the transfer of suspicious and contested claims from the on-balance sheet to the off-balance sheet record, the loans of the corporate sector would rise by 4.9%.

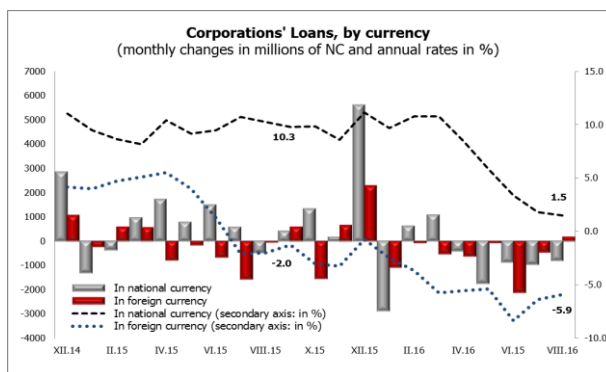
⁴ For the purposes of this press release, the corporate sector refers to public and other non-financial corporations.



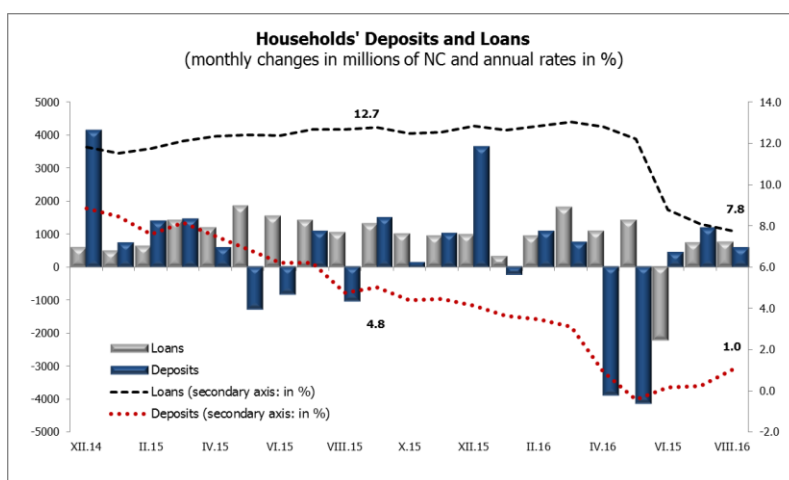
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Source: NBRM



2. Deposits and household loans⁵



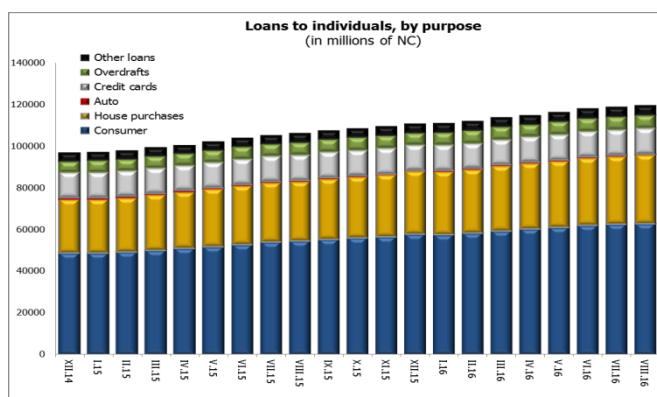
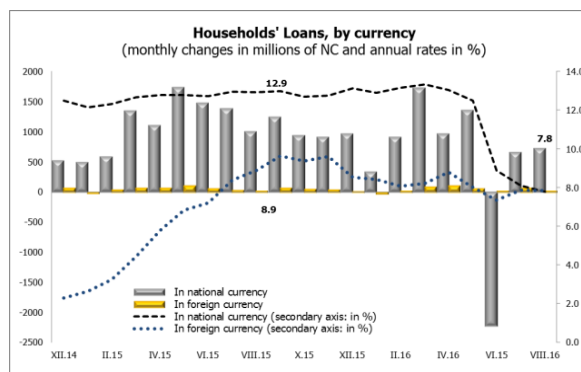
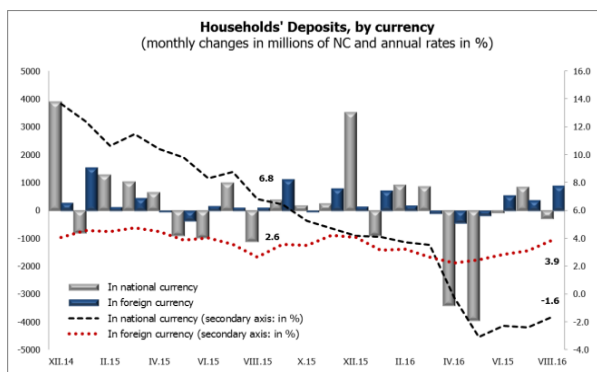
Source: NBRM

- In total household **deposits**, in August small monthly and annual increase of 0.3% and 1.0%, respectively, was registered.
- In total household loans, this month small monthly increase of 0.6% was registered, while annually, the increase equals 7.8%, which is downward trend relative to the average growth rates in the first half of the year. By excluding the effect of the transfer of suspicious and contested claims from the on-balance sheet to the off-balance sheet record, the annual loan growth in households would equal 12.3%.

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



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Source: NBRM

- From the viewpoint of the loan types, the **consumer loans** extended to natural persons registered a monthly growth of 0.4% and annual rise of 15.5%, while the **housing loans** incremented by 0.9% and 14.5%, on a monthly and annual basis, respectively. However, the credit activity for **car loans** reduced on both monthly (by 1.9%) and annual (by 28.7) basis. The credits approved on the basis of **credit cards and overdrafts** register monthly rise (0.7% and 2.8%, respectively), as well as annual increase (0.8% and 5.3%, respectively). The loans approved on other bases register monthly decrease of 0.6%, while annually, they increased by 10.1%.

Supporting information

Time series 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 October 2016 (reference period as of September 2016).



**National Bank of the Republic of Macedonia
Statistics Department**

For any questions, we kindly ask journalists to contact the officers from 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).