

# Q4-2014

Republic of Macedonia  
Ministry of Finance

## QUARTERLY ECONOMIC REPORT Q4/2014

### Summary

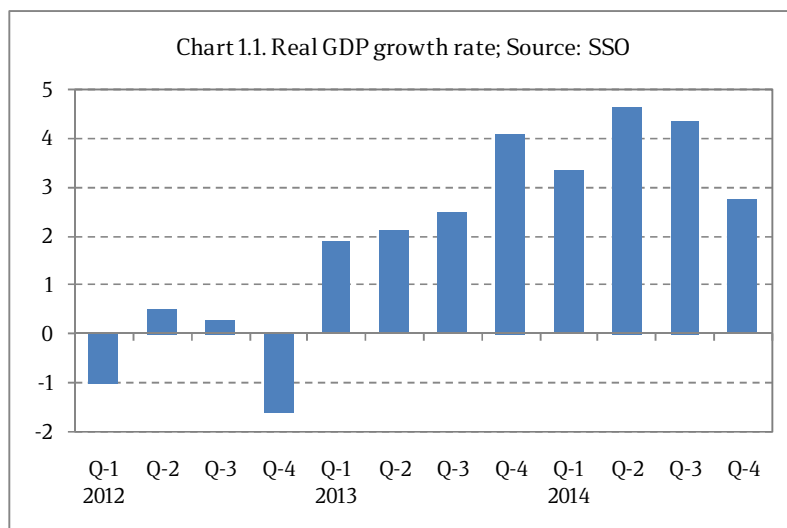
- In Q4 2014, compared to the same quarter of the previous year, GDP realized **real growth** of 2.7%, thus the average growth in 2014 amounted to 3.8%;
- **Number of employed persons** in Q4 2014 was higher by 1.5% compared to the same quarter in the previous year. **Number of unemployed persons** dropped by 3.6% on annual basis, which resulted in reduction of **unemployment rate** to 27.6% in Q4 2014;
- **Inflation rate** in Q4 2014 experienced drop of 0.4% compared to the same quarter in 2013, measured according to the Consumer Price Index;
- Average **gross salary** in Q4 2014 amounted to Denar 32,077 and compared to the gross salary in Q4 2013, it was higher by 2.8% in nominal terms and by 3.2% in real terms;
- Total **budget revenues** were lower by 11.1% in Q4 2014, and total **budget expenditures** dropped by 13.1% compared to the same quarter in 2013;
- Total **deposit potential** of banks increased by 3.9% in Q4 2014 on quarterly basis;
- **Credit activity** of banks to non-government sector in Q4 2014 grew by 3.6% on quarterly basis;
- **Macedonian Stock Exchange Index MSEI-10** in December 2014 surged by 7.6% compared to September 2014, while total turnover realized on the Stock Market registered multiple increase, i.e. it surged by 7.3 times;
- In Q4 2014, significant increase of both **export** by 12.4% and **import** by 10.3% was registered on annual basis, whereby total **foreign trade** expressed in euros, surged by 11.1%;

## 1. Macroeconomic Trends and Real Sector

In Q4 2014, compared to the same quarter of 2013, **GDP** realized real growth of 2.7%, thus the average growth in 2014 amounted to 3.8%<sup>1</sup>; Nominal GDP growth in 2014 accounted for 5.3% compared to the same quarter last year, while GDP deflator amounted to 1.4%.

Analyzed according to the **GDP production side**, in Q4 2014, positive performance was observed in several sectors.

Industrial production continued its positive trends, registering 2.8% real growth in Q4 2014, as a result of the growth in the manufacturing industry by 4.5%. Construction surged by 11.1%,



corresponding to the high growth of capital budget expenditures in the same quarter. Services sector experienced 1.6% growth in Q4 2014. As for services, expert, scientific, technical and auxiliary services, surging by 12.4%, contributed the most to the growth of economic activity, followed by the sectors art, entertainment, recreation and other services (11.7%), financial and insurance activities (3.8%), information and communication (2%) and real estate-related activities (0.9%). Public administration and defense sector experienced no change, while the sector trade, transport and catering dropped by 0.9%. Agriculture in Q4 2014 dropped by 3.1%, followed by the 4.2% growth in the first three quarters.

Growth of **industry** in Q4 2014 in line with the monthly data on industrial production, accounted for 4.7%, being a result of the realized positive trends at: production of tobacco products (82.6%), production of electrical equipment (28.5%), production of machines and devices (26%), production of fabricated metal products (22%), repair and installation of machinery and equipment (18.6%), production of other transportation equipment (18.2%), electricity, gas, steam and air-conditioning supply (14.6%), production of paper and paper products (14.1%), production of basic pharmaceutical products (11%), mining of metal ore (7%), production of rubber products and plastic mass products (6.3%), production of other non-metal mineral products (6.0%), production of metals (2.0%), processing of wood, cork and wood products (1.6%), production of furniture (0.5%),

<sup>1</sup> SSO simultaneously revised the GDR real growth rates for the previous three quarters. Thus, real GDP growth in Q1 was revised to 3.3% from the previous 3.2%, growth in Q2 was revised to 4.7% from the previous 4.4%, while growth in Q3 was revised to 4.3% from the previous 4.1%.

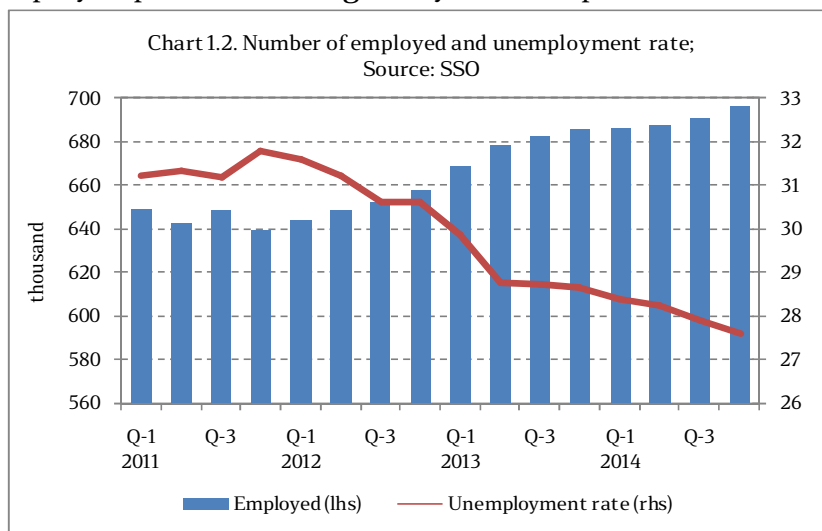
printing and production of recorded media (0.5%), production of motor vehicles<sup>2</sup> and other production industry (51.1%). Hence, annual positive growth was registered at 18, comprising 59.7% of the industrial production.

Drop was seen at: production of beverages (29.3%), production of coke and refined oil products (22.0%), production of leather (17.1%), mining of coal and lignite (15.9%), production of chemicals and chemical products (6.1%), production of textile (6.0%), production of food products (4%), other mining and quarrying (3.7%) and production of clothing (2.4%).

Analyzed according to the **expenditure side of GDP**, in Q4 2014 growth was driven by export. Growth of export of goods and services accounted for 22.4% on real basis, mainly as a result of the export of capacities in free economic zones. Import of goods and services surged by 17.4% in Q4 2014. Consumption and investment had positive contribution to the GDP growth. Increase of final consumption in Q4 2014 amounted to 2.7%, as a result of the growth of both private consumption and public spending. Growth of private consumption amounted to 2.9% on real basis, as a result of the employment increase and the more intensive growth of salaries in Q4 2014. Increase of public spending amounted to 1.9% on real basis. Real growth of gross investments in Q4 2014 accounted for 1.8%, being significantly slowed down following the 18.7% growth in the first three quarters in 2014.

Positive trends on the **labour market** continued in Q4 2014. According to the Labour Force Survey, number of employed persons was higher by 1.5% compared to the same quarter in the previous year.

Increase of employment was accompanied by the drop of the number of unemployed persons, decreasing by 3.6% on annual basis. Number of active population was higher by 0.1% on annual basis. Such trends on the labour market caused for the unemployment rate

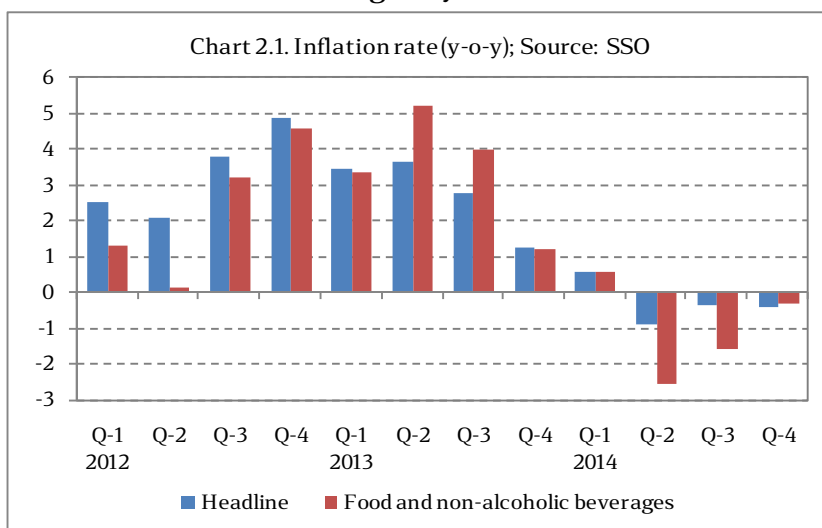


in Q4 2014 to reduce to 27.6%, i.e. by 1 percentage point (p.p). compared to the same quarter of the previous year. Employment rate in Q4 2014 amounted to 41.5%, being higher by 0.6 p.p. compared to the same quarter in the previous year. Active population in Q4 2014 accounted for 57.4% of total working-able population, increasing by 0.1 p.p. compared to the same quarter in the previous year.

<sup>2</sup> Index in this activity is higher than 500.

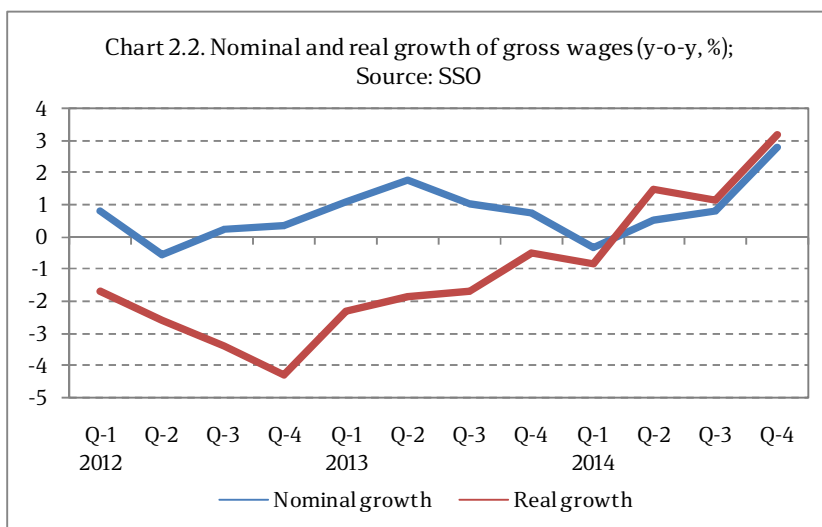
## 2. Prices, Costs and Productivity

**Inflation**, measured according to the Consumer Price Index, experienced drop of 0.4% in Q4 2014 compared to the same quarter in 2013, following the 0.3% drop recorded in the previous quarter. Price decrease was a result of the reduced prices in many categories. Recreation and culture by 5.7%, transport by 4.4%, communications by 2.5%, furniture, household furnishings and maintenance of household furnishings by 2.1%, restaurants and hotels by 0.8% and food and non-alcoholic beverages by 0.3%. Increase of consumer prices in Q4 2014 was registered in the following categories: Alcoholic beverages and tobacco by 3.9%, health by 2.2%, housing, water, electricity, gas and other fuels by 1.4%, other goods and services by 1.2% and clothing and footwear by 0.1%. Prices remained the same at the education category.



**Retail prices** in Q4 2014 decreased by 1.9% compared to the same quarter in 2013, following the 0.9% drop observed in the previous quarter. Decrease of retail prices in this period was also due to the reduced prices of services and goods. Drop of prices in the category services was 2.6%, while the category goods decreased by 1.3% on annual basis. Thereby, prices of industrial goods decreased by 1.9%, while prices of agricultural products surged by 4.4%. Reduced prices of industrial goods were a result of the lower prices of both non-food industrial products by 3.0% and food industrial products by 0.9%. Retail price of tobacco increased by 4.4% and retail prices of beverages grew by 0.5%.

Average **net salary** in Q4 2014 amounted to Denar 21,904, being higher by 3.0% in nominal terms compared to net salary in Q4 2013. Net salary grew by 3.4% in real terms. Average **gross salary** amounted to Denar 32,077, increasing by 2.8% in nominal terms, i.e. surging by 3.2% in real



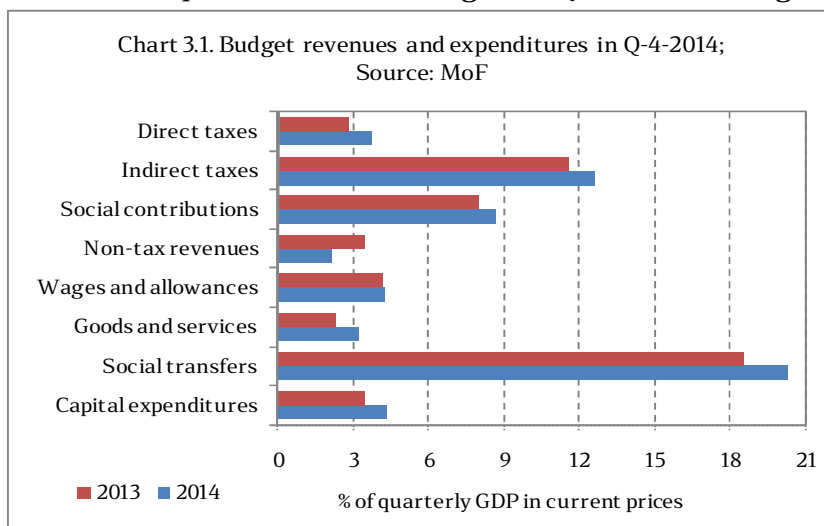
terms, compared to the gross salary in Q4 2013.

Growth of economic activity in Q4 2014 was also accompanied by the increase of the number of employees. Thereby, economic growth was higher than employment, also resulting in growth of **labour production** of 1.2%, by which the positive growth of productivity continues.

### 3. Fiscal Sector

Higher performance of total budget revenues by 11.1% was observed in the fourth quarter of 2014, compared to same quarter in 2013, accompanied by higher budget expenditures by 13.1%. **Budget deficit** was in the amount of Denar 4,680 million in Q4 2014 or 3.4% of GDP realized in this quarter (central budget deficit amounted to Denar 4,455 million, i.e. 3.2% of quarterly GDP).

Total **budget revenues** participated with 29.8% of the realized quarterly GDP, being higher by 11.1% compared to the same quarter in 2013, being mostly due to the higher performance of tax revenues by 15.6%, higher performance of non-tax revenues by 9.3%, as well as higher contributions by 3.6%. Thereby, as for tax revenues, higher collection was recorded at excise duties, value added tax, personal income tax, profit tax and customs duties, while revenues on basis of other taxes experienced lower collection.



VAT revenues dominated, accounting for 51.8% of the total tax revenues, surging by 11.0% in Q4 2014, compared to the same quarter in 2013. As for gross VAT revenues, gross collection was higher by 5.3%, while VAT refund was lower by 11.2% compared to the same period in 2013.

As for VAT structure, VAT share was the biggest when importing, increasing by 3.7%, while VAT on the basis of sales in the country grew by 9.9%, while share of VAT grants decreased by 55.7%, and VAT refund dropped by 11.2%. Excise revenues were higher by 15.2% compared to the same quarter of 2013. As for direct taxes, personal income tax increased by 27.4%, revenues on the basis of profit tax increased by 73.1% compared to the same quarter of the previous year, whereby one should take into account that the revenues for this tax is mainly a result of the tax collected on the basis of monthly

advance payments and paid dividends and other distribution of profit and withheld tax paid to foreign legal entities.

From the point of view of structural share in GDP, direct taxes on annual basis increased their share in GDP by 0.9 p.p. (3.7% of quarterly GDP), while the share of indirect taxes in GDP increased by 1 p.p., i.e. share of 13.4% of indirect taxes in the quarterly GDP).

Collection of social contributions was higher by 3.6%, whereby higher collection was recorded at all contributions, i.e. pension insurance contributions - 2.8%, health insurance contributions - 5.2% and employment contributions - 4.9%. Non-tax revenues, accounting for 2.1% of total quarterly GDP, were higher by 9.3% compared to the same period in 2013.

Capital revenues in Q4 2014 were higher by 11.5% on annual basis (these revenues include revenues on the basis of lease of construction land, sale of flats, as well as revenues on the basis of dividends). Revenues on the basis of grants were higher by 19.1%, compared to Q4 2013.

In Q4 2014, total **budget expenditures** participating with 33.2% in the quarterly GDP, were higher by 13.1% compared to the same quarter in 2013. Current expenditures, accounting for 28.8% of quarterly GDP, participating with 86.9% in the total expenditures, were realized by 10.9% more on annual basis. As for current expenditures, expenditures for goods and services increased by 8.7%, while expenditures related to salaries and allowances surged by 4% compared to the same quarter last year. Funds for transfers, participating with almost 2/3 in the total expenditures (61.1%), were higher by 12.9% compared to the same quarter in 2013. Social transfers surged by 8.4%, accounting for 44.7% in the total expenditures. Transfers to the Pension and Disability Insurance Fund, accounting for the most in the social transfers, surged by 5.5%, participating with 26.2% in the total expenditures. Category other transfers, which includes transfers to local government units, accounted for 15.7% in the total expenditures, i.e. they surged by 29.0% compared to the same period in 2013. Block grants to local government units grew by 3.4%, while subsidies and transfers were higher by 108.4%.

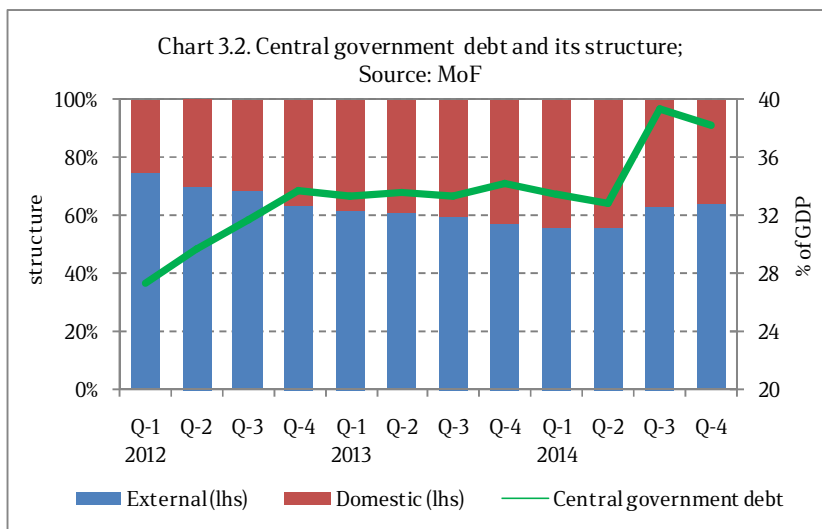
Expenditures for interest payments increased by 10.3% on annual basis compared to the fourth quarter of 2013, while compared to Q3 2014, they increased by only 0.7 p.p. Expenditures on the basis of interests on domestic debt surged by 8.8% compared to the same quarter of 2013, while interests on foreign debt increased by 11.6%, however, compared to the third quarter of 2014, they were higher by 7.5 p.p.

Capital expenditures accounting for 4.3% of quarterly GDP, compared to the same quarter in 2013, were higher by 30.2%, i.e. they participated with 13.1% in the total expenditures.

Fiscal burden, measured as participation of the budget revenues in relation to nominal GDP, was 26.4% in Q4 2014, being an increase of the burden by 2.3 p.p. in relation to Q3

2014. Total budget expenditures accounted for 33.2% of quarterly GDP, which was by 4.3 p.p. higher compared to Q3 2014, decreasing by 3 p.p. on annual basis.

Total **central government debt** at the end of Q4 2014 experienced decrease of its share in GDP by 1.1 p.p., compared to Q3 2014. Share of central government external debt in the total central government debt increased by 1.3 p.p. compared to Q3 2014, while share of central



government domestic debt in the total central government debt decreased by the same amount, i.e. by 1.3 percentage points. Hence, share of central government domestic debt decreased to 35.9% of the total central government debt.

## 4. Monetary and Financial Trends

In the fourth quarter of 2014, NBRM retained the reference interest rate at 3.25%, given the absence of more significant changes in conditions of implementing monetary policy. Interest rate on available 7-day deposits decreased by 0.25 p.p., amounting to 1% in December 2014.

**Primary money**<sup>3</sup> in Q4 2014 registered intensified quarterly growth of 8.3% (accounting for 2.9% in Q3 2014) in conditions of growth of total liquidity of banks by 9.8% and ready money in circulation by 6.6%. Compared to December 2013, primary money increased by 13.8% (compared to 7.5% growth in Q3 2014), as a result of the increase of ready money in circulation by 12.1% and total liquidity of banks by 15.3%.

During the fourth quarter of 2014, narrowest money supply **M1** experienced quarterly growth of 11.5% compared to Q3 2014. **Monetary aggregate M2**, in Q4 2014 surged by 3.1%, while the widest monetary **aggregate M4** increased by 3.9%.

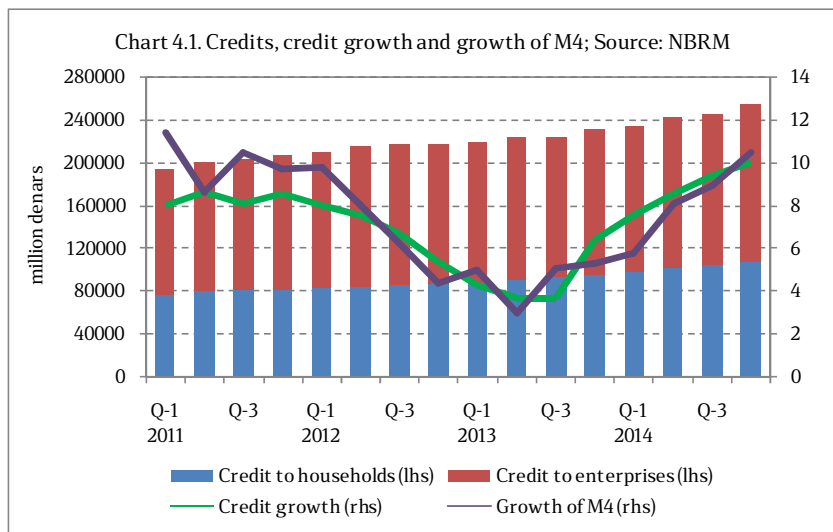
**Total deposit potential of banks**<sup>4</sup> in Q4 2014 surged by 3.9% on quarterly basis, i.e. it increased compared to the previous quarter, when 3.6% growth was recorded. From the sectoral structure aspect, the increased deposit potential was due to the increase of

<sup>3</sup>It includes ready money in circulation (including cash in hand of banks), denar and foreign currency reserve requirement and the surplus of liquid assets over the reserve requirement (in denars).

<sup>4</sup>Deposits also include calculated interest.

deposits of households by 3.2% and the increase of deposits of private enterprises by 6.3%.

From currency point of view, Denar deposits increased by 7.4%, while foreign currency deposits decreased by 1.0% compared to the previous quarter. Level of euroization measured through the share of foreign currency deposits in the total deposit potential reduced by 2.0 p.p., i.e. by 40.4%.



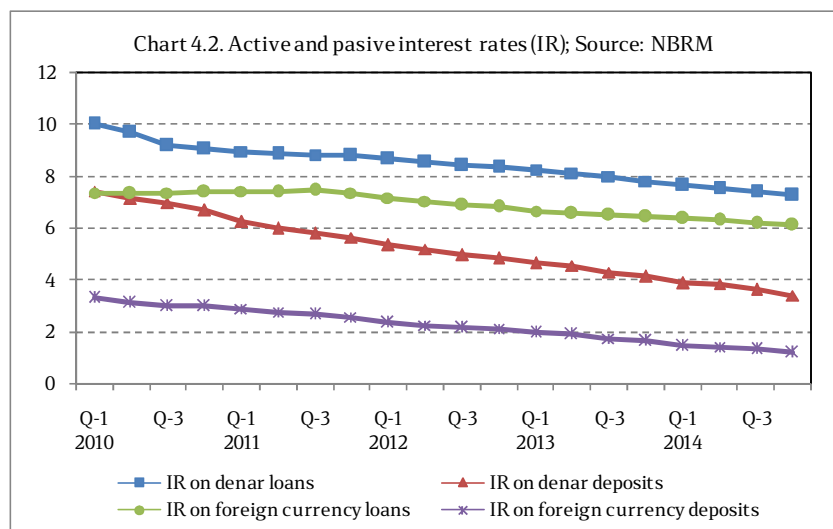
From maturity point of view, in the past period, there was continuous growth of the share of long-term deposits in total deposit potential, reaching 27.2% in Q4 2014, being in line with the quarterly increase of long-term deposits by 6.4% (4.7% in Q3 2014). Short-term deposits dropped by 1.2% in the analyzed period.

**Credit activity of banks to non-government sector** in Q4 2014 experienced growth of 3.6% on quarterly basis (compared to the 1.4% growth in the previous quarter), in conditions of growth of credits to households by 2.4%, and growth of credits to private enterprises by 4.4%. From currency point of view, Denar credits were driving force of the increase of total credits, surging by 4.0% on quarterly basis, while foreign currency credits in Q4 2014 registered quarterly growth of 2.3%.

From maturity point of view, long-term credits in Q4 2014 experienced quarterly growth of 3.9%, while short-term credits were higher by 6.9%.

In the fourth quarter of 2014, NBRM retained the **interest rate on CB bills** at 3.25%.

Interest rates of deposit banks experienced downward swings on quarterly basis in Q4 2014. In fact, interest rate on Denar credits reduced by 0.1 p.p. compared to the previous quarter, amounting to 7.3%. Thus, the downward trend of this interest rate, which started at the beginning



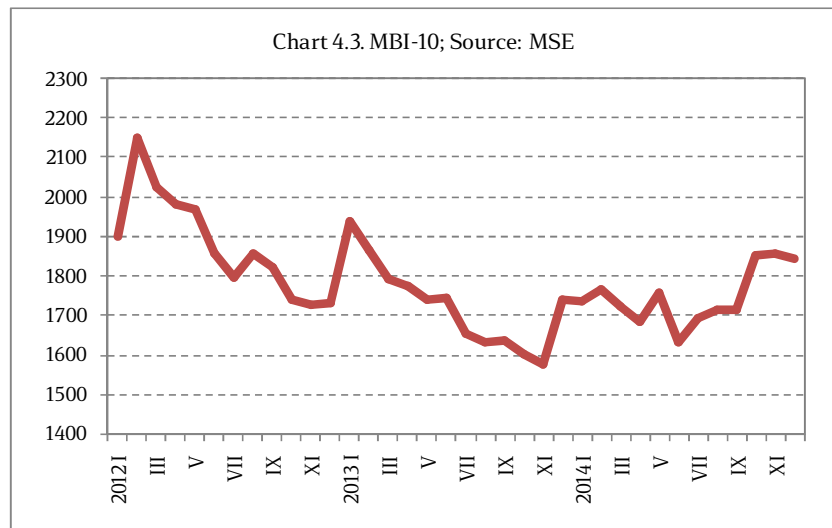


of 2010, continued. Interest rate on foreign currency credits reduced from 6.2% in Q3 2014 to 6.1% in Q4 2014. Interest rate on Denar deposits in Q4 2014 accounted for 3.4%, being lower by 0.3 p.p. compared to the previous quarter, while the interest rate on foreign currency deposits decreased by 0.1 p.p., amounting to 1.2% in Q4 2014.

Interest rate on newly approved Denar credits in Q4 2014 remained the same, amounting to 6.6%, while interest rate on newly approved foreign currency credits grew by 0.1 p.p., amounting to 5.9%. Interest rate on newly received Denar deposits and foreign currency deposits decreased by 0.1 p.p., compared to the previous quarter, accounting for 1.9% and 0.3% respectively.

On the **capital market**, in the fourth quarter of the year, multiple increase of the total turnover on the Stock Exchange was recorded, i.e. it surged by 7.3 times compared to the previous quarter, being mainly due to the increased amount of block transactions, increasing by 4.8 times compared to the previous quarter, as well as the increase of the turnover realized through the traditional trading by 30.2%. This drastic increase was mainly due to the changes on the Stock Exchange in October 2014, i.e. as a result of the public offer of securities of several companies.

Compared to the same quarter in the previous year, total turnover also experienced multiple increase by 4.4 times in conditions of increased traditional trading



turnover. Turnover realized through traditional trading grew by 48.3% on annual basis.

Macedonian Stock Exchange Index MSEI -10, as aggregate indicator of stock exchange trends at the end of the fourth quarter, amounted to 1,844.20 index points, increasing by 7.6% compared to September 2014, while compared to December 2013, the index was higher by 6.1%.

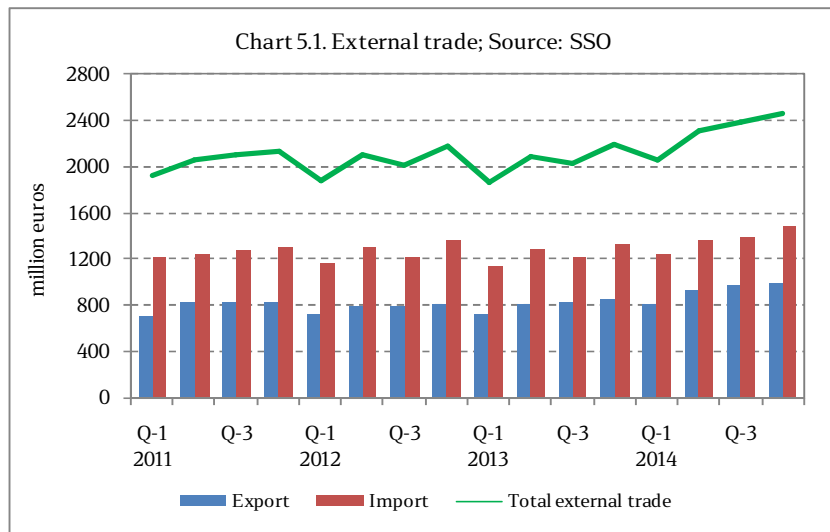
## 5. External Sector

### 5.1. Foreign Trade

According to the data of the State Statistical Office in Q4 2014, total foreign trade amounted to EUR 2,463.8 million, increasing by 11.1% compared to the same quarter in 2013.

In Q4 2014, **export** of goods amounted to EUR 987.2 million and, compared to the same quarter in the previous year, it surged by 12.4%, while compared to the previous quarter, it increased by 0.4%.

Analyzed by **SITC sectors** (Standard International Trade Classification), positive



trends in the **export** in Q4 2014 compared to the same quarter in 2013 were registered at the following:

- machines and transport equipment, increasing by 69.2% (within which the following categories experienced increase: electrical machines, devices and spare parts by almost two times or EUR 46.2 million; industrial machines and spare parts by 49.4% or EUR 31.6 million; and road vehicles by 85.7% or EUR 11.9 million);
- chemical products by 26.2% (chemical materials and products increased by 34.8% or EUR 47.8 million);
- various finished goods by 7.7% (furniture and parts thereof, bed linen, mattresses and similar by twice or EUR 11.7 million);
- food products by 9.6% (within which the following categories increased: cereals and cereal preparations by 20.5% or EUR 3 million; and fruit and vegetables by 7.8% or EUR 3 million);
- mineral oils and lubricants by 28.5% (electricity experienced multiple increase or EUR 4.5 million); and
- raw materials, except fuel by 4.9% (metal ore and metal scrap by 7.8% or EUR 3 million).

On the other hand, negative export trends are seen at:

- products classified by the material by 19.7% (iron and steel decreased by 25.3% or EUR 43.2 million); and
- beverages and tobacco by 27.8% (tobacco and tobacco products by 39% or EUR 13.5 million; and beverages by 10,1% or EUR 2.2 million).

In Q4 2014, observed by **economic purpose**, the following products were most exported: goods for industrial procurement (46.8%), followed by consumer goods (18.7%), products

for investments without transport equipment (13.2%), food and beverages (10.5%), transport equipment (9%) and fuels and lubricants (1.7%).

**Import of goods** in Q4 2014 amounted to EUR 1,476.6 million, increasing by 10.3% compared to Q4 2013, while in relation to the previous quarter, it increased by 5.4%.

Analyzed by **SITC sectors**, highest increase of **import** in Q4 2014, compared to Q4 2013, was seen at:

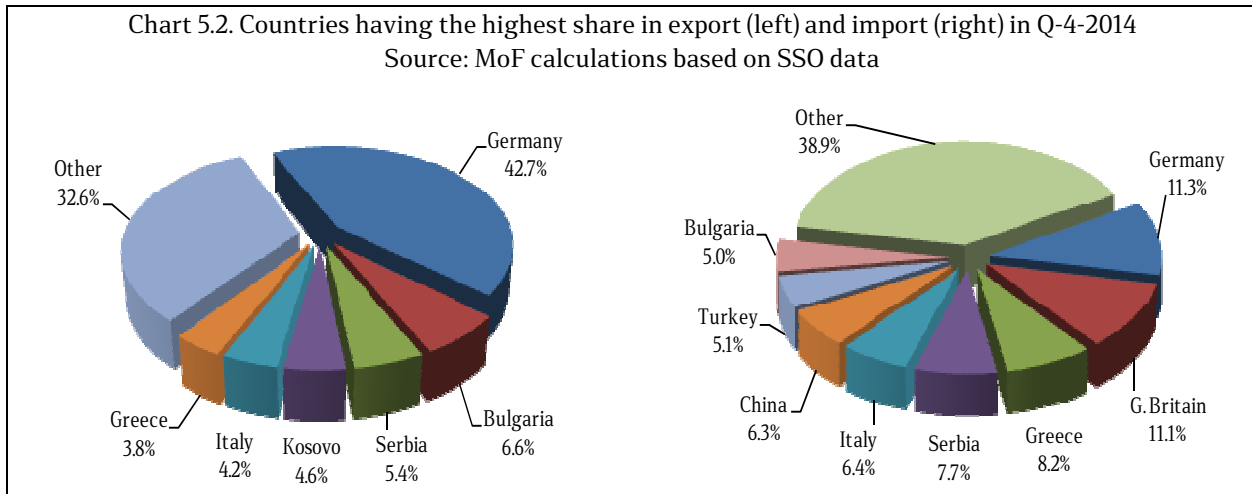
- products classified according to the material by 23.7% (whereby increase was seen at the following categories: non-ferrous metals by 49.8% or EUR 63.6 million; items from non-metal minerals by 37.2% or EUR 13.8 million; and iron and steel by 18.9% or EUR 12.1 million);
- machines and transport equipment by 27.4% (electrical machines, devices and spare parts by 51% or EUR 28.9 million; machinery specialized for particular industries by 57.9% or EUR 11.9 million; and road vehicles by 24.5% or EUR 11.8 million);
- food products by 2.7% (fruit and vegetables by 17.1% or EUR 3.2 million; and fish and fish products by 28.5% or EUR 1.5 million);
- various finished goods by 10.3% (furniture and parts thereof, bed linen, mattresses and similar by 28.7% or EUR 2.3 million); and
- beverages and tobacco by 8.6% (whereby increase was seen at the following category: tobacco and tobacco products by 17.7% or EUR 1.4 million).

Highest decline of import was seen at the following:

- mineral oils and lubricants by 16.9% (oil and oil products decreased by 18.9% or EUR 27.4 million);
- chemical products by 0.9% (products for colouring and tanning by 72.3% or EUR 21.9 million);
- raw materials except fuel by 2.1% (metal ore and metal scrap declined by 7.4% or EUR 1.9 million);

Observed by **economic purpose** in Q4 2014, the following products were most imported: goods for industrial procurement (47.9%), followed by investment goods without transport equipment (13.9%), fuels and lubricants (11.6%) food and beverages (10.7%), consumer goods (10.3%) and transport equipment (5.6%).

In Q4 2014, foreign trade of the Republic of Macedonia with the European Union (EU 27), in relation to Q4 2013, surged by 3.2%, whereby share of trade with EU in the total foreign trade decreased by 0.3 p.p. compared to the fourth quarter in 2013, accounting for 67%. Thereby, export of goods participated with 74.9%, while import of goods with 61.8%.



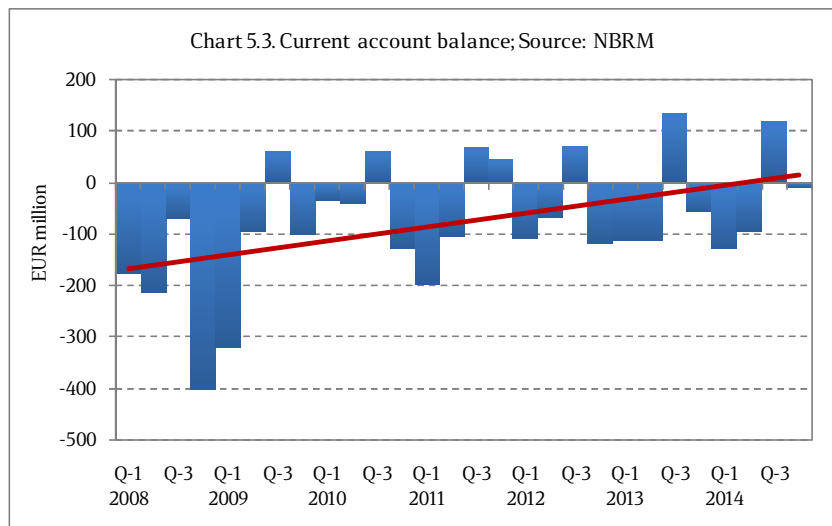
As a result of the structural changes in the trade with abroad, in the fourth quarter of 2014, 85.7% of the trade deficit of the country was a result of the trade deficit with Great Britain, Greece, China, Turkey and Serbia, while the rest of the deficit was a result of the trade with: Italy, Slovenia, France, Russia, Romania and others. Surplus was realized in the trade with Germany, Kosovo, Croatia, Belgium and Bosnia and Herzegovina.

## 5.2. Balance of payments

According to the data from the National Bank of the Republic of Macedonia on the payment of balance developments, current account deficit of EUR 9.7 million was registered in the fourth quarter of 2014, accounting for 0.4% of GDP<sup>5</sup> and compared to the same quarter in 2013, it narrowed by 2.2 p.p.. On annual basis, the current account balance in Q4 2014 reduced by 83.3%, to which the increased service account surplus by 25.4% and the increased inflows of the secondary income account by 8.3% had the biggest contribution.

On the other hand, the increase of the primary income account deficit by 1.0% and the increased trade account surplus by 0.2% acted in opposite direction.

In conditions of greater absolute increase of import compared to export of goods, **trade deficit** in Q4 2014



<sup>5</sup> Calculation also included GDP for the fourth quarter for 2014, announced by the State Statistics Office.

insignificantly deepened by 0.2% on annual basis (or by EUR 0.8 million), amounting to 21.5% of quarterly GDP.

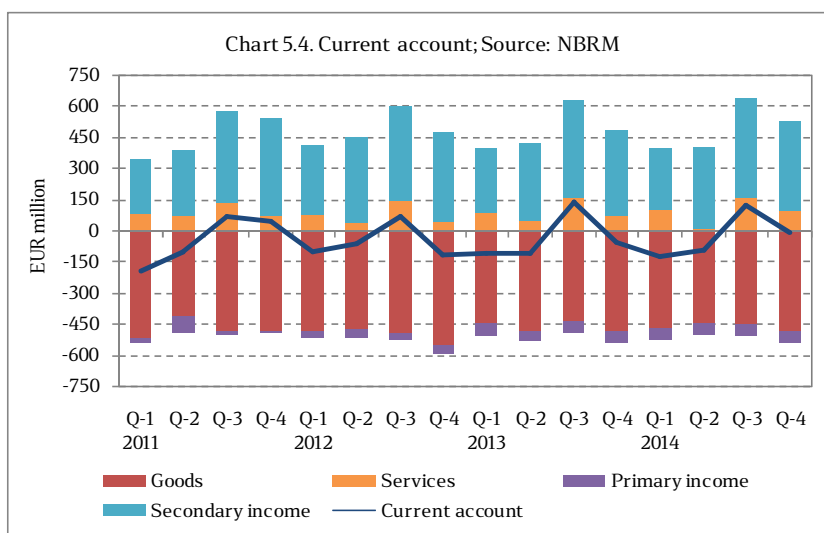
In Q4 2014, in conditions of greater absolute increase of export compared to import of services, the balance of **services account** increased by 25.4% on annual basis.

**Trade openness** of the Republic of Macedonia in Q4 2014 amounted to 113.9% of GDP, being higher by 9.9 p.p. compared to the same quarter in 2013.

Deficit of **primary income** account in Q4 2014 amounted to EUR 55.6 million, deepening by 1.0% on annual basis, acting in opposite direction on the movement of the current account.

Balance of the **secondary income** account in Q4 2014 amount to EUR 438.7 million, and they increased by 7.7% on annual basis. Growth is due to the increase of income (3.8%) of the "financial corporations, non-financial corporations, households, and NPISHs"<sup>6</sup> participating with 90.7% in the secondary income account and the increase of income of the general government by 70.6% participating with 9.3% in the secondary income account.

Balance of **capital account** in Q4 2014 amounted to EUR 5.2 million, narrowing by 9.4% compared to Q4 2013, being mainly due to the reduced inflow of capital transfers by 16.6%.



**Net borrowing** in the country in Q4 2014 amounted to EUR 4.5 million, reducing by 91.3% on annual basis.

**Direct investments** in the country in Q4 2014 amounted to EUR 63.6 million, increasing by 9.5% on annual basis (or by EUR 5.5 million), mainly due to the increased inflow on the basis of equity (increase by 61.7% in Q4 2014) and the inflow of funds from debt instruments (increase by five times or by EUR 75.1 million), while the negative balance, i.e. the inflows on the basis of reinvested profit, amounting to EUR-53.6 million in Q4 2014 acted in opposite direction.

<sup>6</sup> Secondary income account includes the incomes from the 1. General government and incomes, 2. Financial corporations, non-financial corporations, households and NPISHs, including 2.1/ Personal transfers (current transfers between resident and non-resident households) and 2.2/ Other current transfers.

**Portfolio investments** in Q4 2014 amounted to EUR 5.7 million, reducing by 56.6%, i.e. 7.5 million on annual basis.

**Other investments** in Q4 2014 amounted to EUR 69.6 million, increasing by twice on annual basis. As for the category other investments, currencies and deposits experienced threefold increase, while the loans surged by 14.6%.

**Foreign currency reserves** in the fourth quarter of 2014 reduced by 50.1% compared to the same quarter of 2013.

