

## Monetary Statistics

The methodology underlying the compilation of monetary and banking statistics in Georgia is consistent with the internationally agreed concepts, definitions and classifications recommended in the IMF's Monetary and Financial Statistics Manual 2000 (*MFSM*) and Monetary and Financial Statistics Compilation Guide. International Monetary Fund. Washington, 2008. Data is presented as stock data in thousands of Georgian lari (GEL).

Table Index	Methodological Notes
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### Main indicators highlights:

**Money outside Banks (M0)** – most liquid part of money assets; comprises currency in circulation, excluding cash in vaults of the commercial banks.

**M1 (narrow money)**- comprises currency outside banks (**M0**) and transferable deposits of resident nonfinancial sector and households in national currency, excluding deposits of the banking and government sectors.

**M2 (broad money, excluding foreign currency denominated deposits)** – comprises narrow money (**M1**) and term and saving deposits of resident nonfinancial sector and households in national currency with commercial banks, excluding deposits of the banking and government sectors.

**M3 (broad money)** – comprises **M2** plus deposits of resident nonfinancial sector and households in foreign currency, excluding deposits of the banking and government sectors.

**Source:** Consolidated balance sheet of the NBG and the commercial banks (including branches of nonresident banks in Georgia), and statistical reports of the commercial banks.

### Monetary Aggregates and the Monetary Ratios

#### M2.1

**The table** is designed for monetary aggregates ratios' study.

### Main indicators highlights:

**Dollarization ratio of deposits, included in Broad Money** - volume of foreign currency denominated deposits, included in broad money to the total deposit liabilities, included in broad money.

**Dollarization ratio of Nonbank Deposits** - volume

of foreign currency denominated nonbank deposits, placed with commercial banks, to the total nonbank deposits.

**Money Multiplier** – broad money ( $M2/M3$ ) to the reserve money.

**Velocity of Money Circulation** reflects average number of single money unit usage in settlements within the given period of time. It is calculated by the following formula:

$$V = \frac{PY}{M},$$

where V is velocity of money (M) in Circulation, Y – Real GDP, P – Deflator of GDP, M – Money supply ( $M2/M3$ ).

In the existing table Velocity of money circulation is calculated to average volume of broad money for a given period (3 month, 6 month, 9 month and for an year), as well as to the volume at the end of reporting period.

**Monetization ratio** – – inverse ratio of velocity of money circulation.

**Source:** Depository corporations' Survey and Geostat data.

**Financial  
Soundness  
Indicators**

**FSI**

**The table** is designed for examination of financial sector health and stability.

**Main indicators highlights:**

**Loan Loss Reserves** – reserve charges of bad loans, on which default risk may occur. Creation, utilization and production of such reserves is regulated under the relevant regulation of NBG.

**Income** – sum of commercial banks' interest and non-interest income.

**Net Profit** – sum of gross income and gross expenditure.

**Equity Capital** – capital of commercial bank shareholders, which is defined as difference between total assets and liabilities of the bank.

**Tier 1 Capital** – the core measure of capital; comprises paid-up shares and common stock – issued and fully paid ordinary shares/common stock and perpetual noncumulative preference shares – and disclosed reserves created or increased by appropriations of retained earnings or other surplus.

**Pegulatory Capital** – prudent and appropriate minimum

capital adequacy requirements for banks, which should reflect the risks that the banks undertake, and must define the components of capital, bearing in mind their ability to absorb the losses.

**Non-performing Loans** – the sum of loans from total loans classified by the bank as Substandard, Doubtful and Loss;

**Loans loss provisions** – reserve charges of bad loans, on which default risk may occur. Creation, utilization and production of such kind of reserves is regulated under the relevant regulations of the NBG.

**Balance-Sheet open foreign exchange position** – when the amounts of the bank's assets and liabilities are not equal in different type of currency;

**Consolidated open foreign exchange position** – when the amounts of the bank's assets and liabilities are not equal in the same type of currency;

**Capital Adequacy Ratio** – main tool for the supervision of the banking activity. It is an analytical construct in which regulatory capital is the numerator and risk-weighted assets are the denominator.

**Return on Assets (ROA)** – the ratio of annualized net income to average annual assets;

**Return on Equity (ROE)** – the ratio of annualized net income to average annual equity capital.

**Periodicity** – monthly.

**Source:** Consolidated balance sheet of the commercial banks (including branches of nonresident banks in Georgia).

**Assets and  
Liabilities of the  
Commercial Banks**

**M3.3**

**The table** is designed for examination of the stocks of commercial banks' assets and liabilities.

**Main indicators highlights.**

**Assets**

**Cash** – money funds in national and foreign currencies in banks' vaults, money in transit, cash in outside offices, Cash in ATM.

**Balances on Correspondent Accounts** – balances on nostro accounts in resident and nonresident banks in national and foreign currencies, deposits with other banks, also balances on required reserve and brokerage company accounts.

**Securities for Dealing Operations** – stocks and other securities, intended for further realization on secondary market.

**Investment Securities** – investments in treasury and corporate bills in national and foreign currencies intended for investing in primary market.

**Net Loans** – credit liability of resident and nonresident Individuals and legal entities (term and outstanding loans) in national and foreign currencies, excluding Loan Loss Reserves.

**Loans loss provisions** – reserve charges of bad loans, on which default risk may occur. Creation, utilization and production of such kind of reserves is regulated under the relevant regulations of the NBG.

**Accrued Interest and Dividends Receivable** – on all loans granted in national and foreign currencies, accrued interest on state and corporate securities, dividends receivable on investments in authorized capital of enterprises and accrued interest by other operations.

**Equity Investments** – investments of commercial banks in Affiliates and other Entities.

**Fixed Assets and Intangible Assets** – balances of Fixed Assets, Expenses of unfinished capital investments, operative lease and intangible asset accounts, excluding depreciation amounts.

**Other Net Assets** – balances of other net assets excluding foreign exchange position and interbank settlements.

### **Liabilities**

**Bank Deposits** – balances on Nostro and Loro accounts of resident and nonresident banks in national and foreign currencies and deposits from other banks.

**Non-bank Deposits** – current accounts, time deposits and demand deposits of resident and nonresident Individuals and legal entities (excluding banks) in national and foreign currencies.

**Accrued Interest and dividends Payable** - Interest and dividends accrued on all types of attract funds and liabilities, in national and foreign currency.

**Borrowed Funds** – funds received from resident and nonresident financial institutions and government structures, Loans from central and commercial banks, overdrafts on “nostro” accounts (term and outstanding), in national and foreign currencies.

**Other Liabilities** – Other bank liabilities, which are not included in above listed categories.

**Equity Capital** – capital of commercial bank shareholders, which is defined as difference between total assets and liabilities of the bank.

**Paid-in Capital** – actually replenished part of stated capital.

**Capital Reserves** – revaluation reserves of assets (of gold, exchange funds, securities, fixed assets and other assets), the formation and utilization of which is defined under the legislation of Georgia.

**Retained Earnings** – balance of retained earnings of the previous year and profit (loss), income and expense accounts of the current year.

**Source:** Consolidated balance sheet of the commercial banks (including branches of nonresident banks in Georgia).

**Financial  
Aggregates of the  
Commercial Banks’  
Activities**

**M3.4**

**The table** is designed for examination of the financial results of the commercial banks’ activities.

**Source:** Consolidated balance sheet of the commercial banks (including branches of nonresident banks in Georgia).

**Assets and  
Liabilities of the  
Nonbank  
Depository  
Institutions**

**NonBAP**

**The table** is designed for examination of the assets and liabilities of the nonbank depository institutions.

**Periodicity:** Quarterly.

**Source:** Quarterly consolidated balance sheet of the nonbank depository institutions.

**Assets and  
Liabilities of the  
Microfinance  
Organizations**

**MisoAP**

**The table** is designed for examination of the assets and liabilities of the microfinance organizations.

**Periodicity:** Quarterly.

**Source:** Quarterly consolidated balance sheet of the microfinance organizations.

## Deposits: Coverage by Tables \*

		Stocks	Flows	Term Deposits	Demand Deposits	Current Accounts	"Lori" Accounts	Deposits of Residents	Deposits of Nonresidents	Interbank Deposits	Government Deposits	Deposits of Non-Financial Corporations	Deposits of households	Accrued Interests
<b>M2.3</b>	Deposits	✓		✓	✓			✓				✓	✓	✓
<b>M2.4</b>	Deposit Liabilities	✓		✓	✓			✓				✓	✓	✓
<b>M2.5</b>	Deposit Liabilities	✓		✓	✓			✓				✓	✓	✓
<b>M2.6</b>	Deposits	✓		✓	✓			✓				✓	✓	✓
<b>M3.3</b>	Bank Deposits	✓		✓	✓		✓	✓	✓	✓		✓		
<b>M3.3</b>	Nonbank Deposits	✓		✓	✓	✓		✓	✓		✓	✓	✓	
<b>D3.17</b>	Deposits	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
<b>DF2.6</b>	Interbank Deposits	✓		✓	✓		✓	✓	✓	✓				
<b>D3.23</b>	Deposits of Individuals	✓		✓	✓	✓		✓	✓				✓	
<b>D3.27</b>	Deposits of Legal Entities	✓		✓	✓	✓		✓	✓	✓	✓	✓		
<b>D3.21</b>	Deposits by Owners		✓	✓				✓	✓	✓	✓	✓	✓	
<b>D3.20</b>	Deposits by Volume		✓	✓				✓	✓	✓	✓	✓	✓	
<b>DSTR</b>	Deposits by Currencies	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
<b>DMAT</b>	Maturity of Deposits	✓		✓				✓	✓	✓	✓	✓	✓	

\* By tables posted on NBG's website.