



## National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 August 2019

### Press Release

### Monetary developments in the Republic of North Macedonia: July 2019

- In July, **broad money (monetary aggregate M3<sup>1,2</sup>)** registered an upward monthly change of 1.1%, mainly influenced by the movements of currency in circulation, short-term deposits and demand deposits<sup>3</sup>. On an annual basis, the growth, which amounted to 8.8% in July, continued. An annual growth was observed in all broad money components, and the largest contribution to its increase was made by demand deposits (share of 64.7%), followed by the contribution of short-term deposits, currency in circulation and long-term deposits up to 2 years.
- During July, **total deposits<sup>4</sup>** registered a monthly and annual growth of 0.8% and 10.0%, respectively. These changes are the result of the deposit growth in both sectors, but with slightly more pronounced contribution of the household deposits.

Table 1. Total deposits and loans<sup>5</sup> of the non-government sector

	stocks (in millions of NC)								annual changes (in %)							monthly changes (in %)		
	12.2016 <sup>(1)</sup>	12.2017 <sup>(1)</sup>	3.2018	6.2018	9.2018	12.2018 <sup>(1)</sup>	6.2019	7.2019	12.2016 <sup>(1)</sup>	12.2017 <sup>(1)</sup>	3.2018	6.2018	9.2018	12.2018 <sup>(1)</sup>	6.2019	7.2019	6.2019	7.2019
<b>Broad Money M4</b>	354,712	372,931	374,681	386,470	395,840	416,814	427,071	431,799	6.2	5.1	7.5	10.1	11.7	11.8	10.5	10.1	0.8	1.1
<b>Broad Money M3</b>	322,199	336,989	337,684	348,090	353,862	373,436	379,982	384,347	6.0	4.6	7.3	10.1	10.9	10.8	9.2	8.8	0.8	1.1
<i>of which:</i>																		
Currency in Circulation	28,193	29,968	28,658	29,681	30,665	32,233	32,554	34,251	7.2	6.3	6.9	4.2	5.9	7.6	9.7	10.1	1.1	5.2
<b>Total Deposits</b>	321,888	339,314	340,135	349,816	358,126	375,046	386,461	389,733	5.7	5.4	7.1	9.9	11.6	10.5	10.5	10.0	0.9	0.8
<i>of which:</i>																		
Corporations	87,377	89,248	85,791	90,295	93,775	97,703	99,456	100,776	13.4	2.1	4.1	11.6	16.8	9.5	10.1	9.1	1.3	1.3
Households	217,394	230,744	233,485	236,832	240,139	252,563	258,100	259,765	2.5	6.1	7.3	7.9	8.4	9.5	9.0	9.1	0.4	0.6
<b>Total Loans</b>	284,782	300,257	298,059	306,049	311,558	322,089	330,726	328,105	-0.1	5.4	5.7	6.2	7.9	7.3	8.1	6.8	0.7	-0.8
<i>of which:</i>																		
Corporations	154,225	157,722	152,187	155,427	157,165	164,765	165,305	161,544	-5.3	2.3	2.3	2.9	5.7	4.5	6.4	4.3	0.2	-2.3
Households	129,321	141,232	144,491	149,254	152,990	155,734	163,963	165,165	7.0	9.2	9.4	9.7	10.1	10.3	9.9	9.4	1.2	0.7

Source: NBRNM.

<sup>1</sup> Starting from June 2018, the National Bank uses the monetary aggregate M3 as a new standard definition of broad money. For analytical purposes, the monetary aggregate M4 will continue to be calculated and published.

<sup>2</sup> Monetary aggregate M1 includes currency in circulation and demand deposits. Monetary aggregate M2 is composed of monetary aggregate M1 and short-term deposits, whereas the monetary aggregate M3 (broad money) besides the monetary aggregate M2 also includes deposits with a maturity from one to two years. Consequently, monetary aggregate M4 contains monetary aggregate M3 and long-term deposits with maturity over two years. For more details see the Methodology at: [http://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija\\_monetarna\\_07\\_2018\\_eng.pdf](http://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija_monetarna_07_2018_eng.pdf)

<sup>3</sup> Demand deposits refer to current accounts with banks and savings houses and current accounts of other financial corporations with the National Bank.

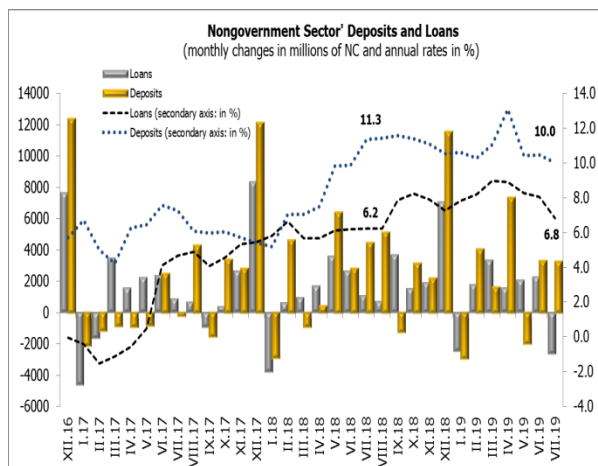
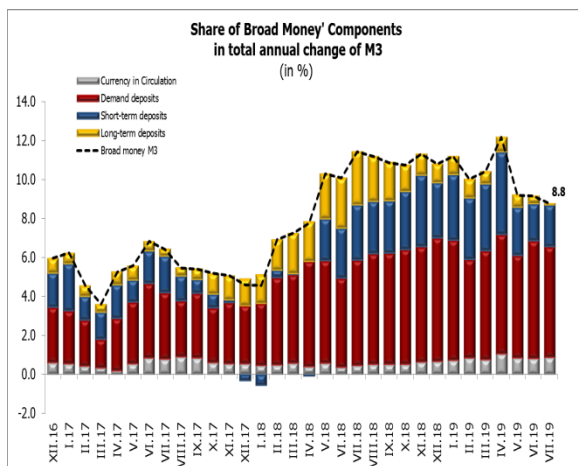
<sup>4</sup> Total deposits consist of all deposits included in the monetary aggregate M4.

<sup>5</sup> The annual rates of loans in the period June 2016 – May 2017 were influenced by the effects of the NBRNM's measure for write-off of the claims that have been fully covered for more than two years.



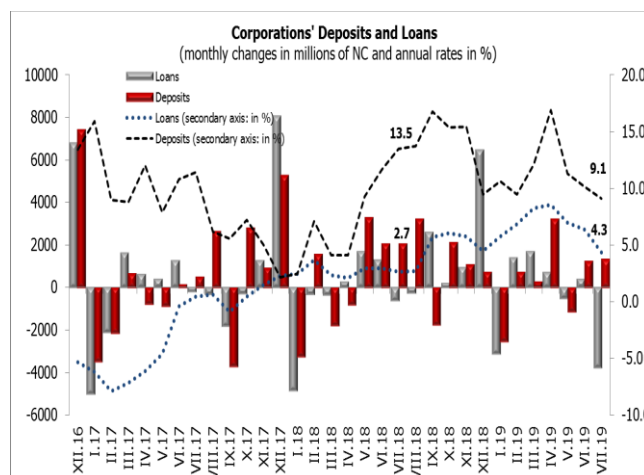
## National Bank of the Republic of North Macedonia Statistics Department

- After the monthly growth in June, **total loans** in July decreased by 0.8%. The monthly decrease reflects the higher amount of mandatory write-offs of doubtful and contested claims made in this month, under the influence of regulatory changes.<sup>6</sup> Observing individual sectors, the monthly fall is due to the reduced corporate loans, amid a slight growth of the lending to the household sector. If we correct the write-off, total loans increase by 0.3% on a monthly basis. On an annual basis, the growth of total loans equals 6.8%, as a result of the annual growth of the lending to both sectors. This is a deceleration in the annual dynamics, reflecting regulatory changes, without the effect of which the total annual credit growth amounts to 8.2%.



Source: NBRNM.

### 1. Deposits and loans of the corporate sector<sup>7</sup>



Source: NBRNM.

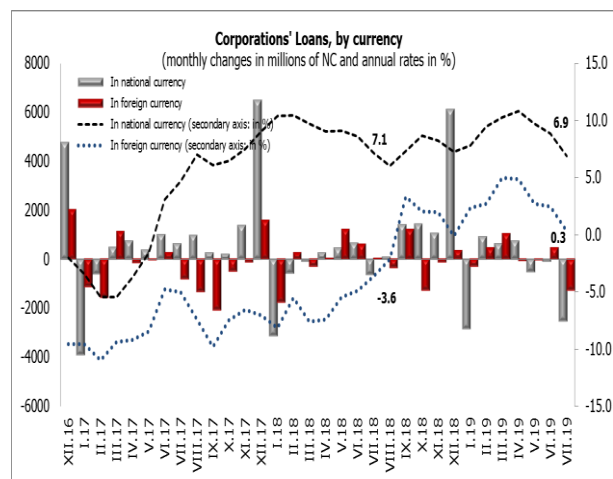
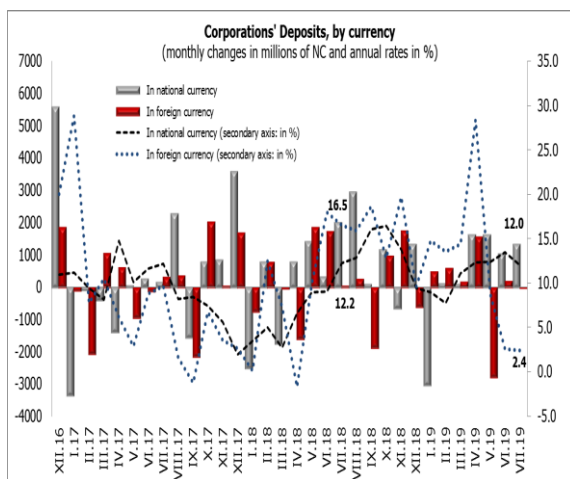
<sup>6</sup> On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer from the on-balance sheet to the off-balance sheet records (and to continue to transfer) all claims that have been fully booked for more than one year. Despite the transfer of these claims to the off-balance sheet records, the banks reserve the right for their collection.

<sup>7</sup> For the purposes of this press release, the corporate sector includes public and private non-financial corporations.



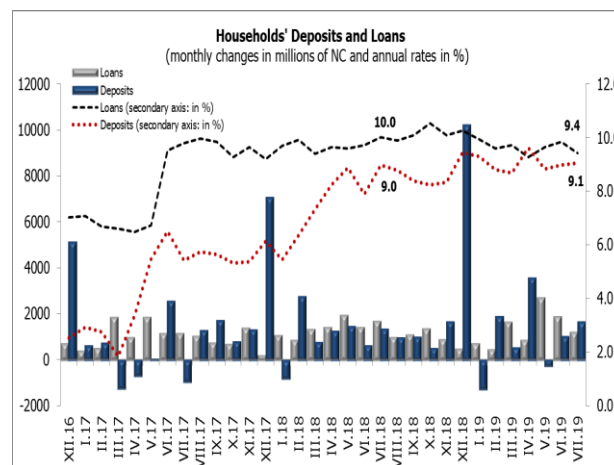
## National Bank of the Republic of North Macedonia Statistics Department

- In July 2019, the total **corporate deposits** increased by 1.3% on a monthly basis, mainly influenced by the growth in demand deposits and short-term denar and foreign currency deposits, in conditions of minimal growth in long-term denar deposits and fall in long-term foreign currency deposits. The annual growth rate of corporate deposits equals 9.1% and is mostly explained by the increase in demand deposits.
- After the slight growth in **corporate loans**<sup>8</sup> in June, this month registered a significant decline of 2.3%, which is due to the fall in the lending to the corporate sector in denars and in foreign currency. On an annual level, the lending to the corporate sector increased by 4.3%. If one excludes 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, loans to the corporate sector registered an annual growth of 6.6% in June.



Source: NBRNM.

## 2. Deposits and loans of the households<sup>9</sup>



<sup>8</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause are included in the foreign currency.

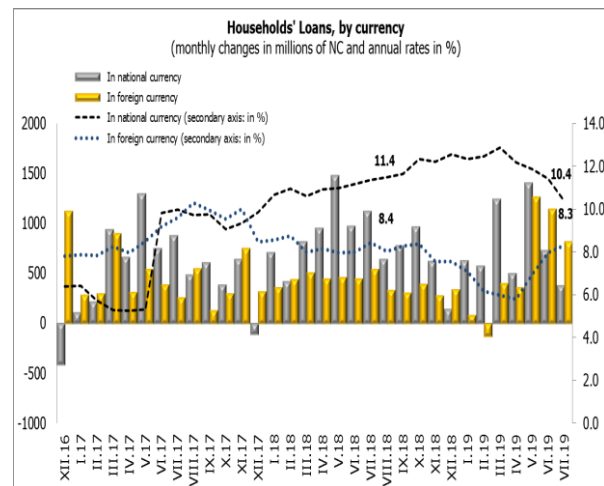
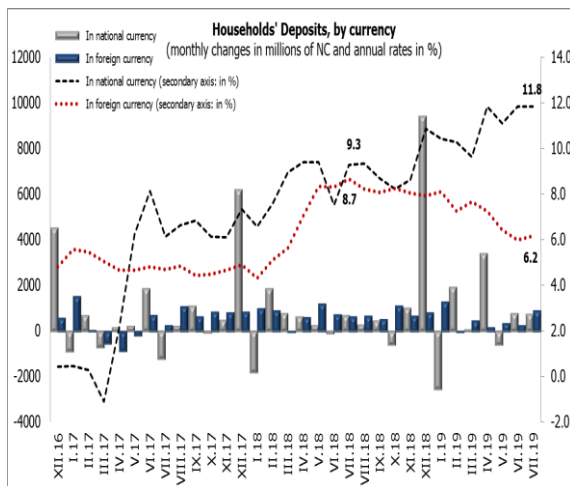
<sup>9</sup> For the purposes of this press release, households refer to individuals and self-employed professionals.



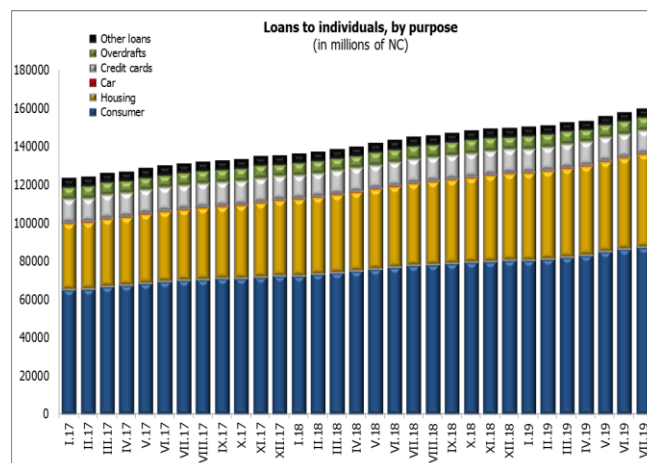
## National Bank of the Republic of North Macedonia Statistics Department

Source: NBRNM.

- This month, the investments of **households in deposits** in banks and savings houses increased by 0.6%, due to the growth in all deposit components, and mostly of short-term foreign currency deposits, which explain almost half of the growth. Annually, the growth rate equals 9.1% and is a result of the denar and foreign exchange component, with a larger share in the growth of denar deposits.
- Total **household loans** registered a monthly and annual increase of 0.7% and 9.4%, respectively. Analyzed by currency structure, the largest share in the monthly growth is that of foreign currency loans, while the annual growth is largely due to denar loans. 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 10.1% in June.



Source: NBRNM.



Source: NBRNM.



## National Bank of the Republic of North Macedonia Statistics Department

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

	Stocks (in millions of NC)							annual changes (in %)							monthly changes (in %)			
	12.2016 <sup>1)</sup>	12.2017 <sup>1)</sup>	3.2018	6.2018	9.2018	12.2018 <sup>1)</sup>	6.2019	7.2019	12.2016 <sup>1)</sup>	12.2017 <sup>1)</sup>	3.2018	6.2018	9.2018	12.2018 <sup>1)</sup>	6.2019	7.2019	6.2019	7.2019
Consumer loans	65,438	72,595	74,218	77,100	78,964	80,632	86,335	87,528	13.4	10.9	10.7	11.1	11.1	11.1	12.0	12.1	1.5	1.4
Housing loans	34,608	39,535	40,899	42,309	43,896	45,539	47,785	48,525	14.3	14.2	15.4	14.9	16.2	15.2	12.9	13.0	1.0	1.5
Car loans	323	316	318	307	301	312	320	324	-19.1	-2.2	2.9	0.2	-2.2	-1.3	4.0	6.0	-1.2	1.4
Credit cards	12,380	12,281	12,157	12,192	12,235	12,246	12,007	12,015	0.3	-0.8	-1.1	-0.8	-0.9	-0.3	-1.5	-1.5	-0.4	0.1
Overdrafts	5,795	5,896	6,300	6,672	6,881	6,232	6,850	6,815	3.6	1.8	0.4	4.8	5.7	5.7	2.7	1.7	1.9	-0.5
Other loans	4,584	4,564	4,534	4,593	4,566	4,607	4,217	4,177	7.3	-0.4	-0.5	-0.8	-0.2	0.9	-8.2	-8.9	0.4	-1.0

Source: NBRNM.

- In July, analyzing the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered a monthly growth of 1.4% and 1.5%, respectively, while the annual growth amounted to 12.1% and 13.0%, respectively. This month, **car loans** registered a monthly and annual increase of 1.4% and 6.0%, respectively. **Credit card** loans registered a minimal monthly growth of 0.1%, while on an annual level they registered an equal fall like of the previous month of 1.5%. **Overdrafts** registered a monthly decrease of 0.5%, while on an annual level they increased by 1.7%. Loans granted on **other basis** registered a monthly and annual fall of 1.0% and 8.9%, 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-depozitnite-institucii---mesečni-podatoci-en.nspix>

Methodological explanations:

[http://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija\\_monetarna\\_07\\_2018\\_eng.pdf](http://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija_monetarna_07_2018_eng.pdf)

Information on methodological changes in the monetary statistics, the statistics of the other financial corporations and the interest rates statistics:

[http://www.nbrm.mk/content/statistika/informacii/Informacija\\_za\\_promeni\\_vo\\_monetarnata\\_statistika\\_eng.pdf](http://www.nbrm.mk/content/statistika/informacii/Informacija_za_promeni_vo_monetarnata_statistika_eng.pdf)



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

Next publications: Advance Release Calendar

[http://www.nbrm.mk/content/statistika/kalendar/Advance\\_Release\\_Calendar.pdf](http://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf)

Monetary developments in the Republic of North Macedonia: 20 September 2019 (reference period as of August 2019).

We kindly ask journalists to contact the Governor's Office for any queries.

For more information about the disseminated statistical data, please contact us at: [contact.statistika@nbrm.mk](mailto:contact.statistika@nbrm.mk) or on the telephone number 02 3215 181 extension 116 (or 110/108).