



National Bank of the Republic of Macedonia Statistics Department

Skopje, 21 November 2018

Press Release

Monetary developments in the Republic of Macedonia: October 2018

- In October, **broad money (monetary aggregate M3^{1,2})** registered monthly growth of 0.5%, which mainly arises from the increase in the short-term deposits. Small increase was registered in the demand deposits³, as well as in the long-term deposits with two-year maturity, in conditions of simultaneous decrease in the currency in circulation. Annually, the broad money increased by 10.8%, as a result of the rise in all components, with the largest contribution of demand deposits and short-term deposits, followed by the contribution of the long-term deposits up to two years and currency in circulation.
- In October, the **total deposits⁴** increased by 0.9% on a monthly basis, as a result of the deposit growth in both sectors, but with more evident contribution of the corporate deposits. On an annual basis, a solid growth rate of total deposits of 11.4% was registered, which represents a minimal slowdown in growth (of 0.2 p.p.) compared to September. The annual performance is the result of the deposit growth of both sectors, with larger contribution of household deposits.

Table 1. Total deposits and loans⁵ of the non-government sector

	stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	12.2016 ¹⁾	12.2017 ¹⁾	3.2018	6.2018	9.2018	10.2018	12.2016 ¹⁾	12.2017 ¹⁾	3.2018	6.2018	9.2018	10.2018	9.2018	10.2018
Broad Money M4	354,712	372,931	374,681	386,470	395,840	398,110	6.2	5.1	7.5	10.1	11.7	11.7	-0.3	0.6
Broad Money M3	322,199	336,989	337,684	348,090	353,862	355,807	6.0	4.6	7.3	10.1	10.9	10.8	-0.8	0.5
<i>of which:</i>														
Currency in Circulation	28,193	29,968	28,658	29,681	30,665	29,698	7.2	6.3	6.9	4.2	5.9	6.0	-0.6	-3.2
Total Deposits	321,888	339,314	340,135	349,816	358,126	361,295	5.7	5.4	7.1	9.9	11.6	11.4	-0.4	0.9
<i>of which:</i>														
Corporations	87,377	89,248	85,791	90,295	93,775	95,893	13.4	2.1	4.1	11.6	16.8	15.4	-1.9	2.3
Households	217,394	230,744	233,485	236,832	240,139	240,660	2.5	6.1	7.3	7.9	8.4	8.2	0.4	0.2
Total Loans	284,782	300,257	298,059	306,049	311,558	313,085	-0.1	5.4	5.7	6.2	7.9	8.2	1.2	0.5
<i>of which:</i>														
Corporations	154,225	157,722	152,187	155,427	157,165	157,350	-5.3	2.3	2.3	2.9	5.7	6.0	1.7	0.1
Households	129,321	141,232	144,491	149,254	152,990	154,349	7.0	9.2	9.4	9.7	10.1	10.5	0.7	0.9

1) Data in accordance with the final balance sheets submission

Source: NBRM.

¹ Starting from June 2018, the NBRM will use 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.

² 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

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

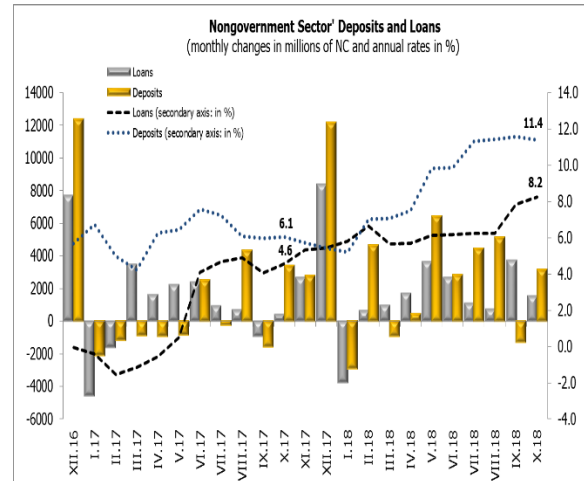
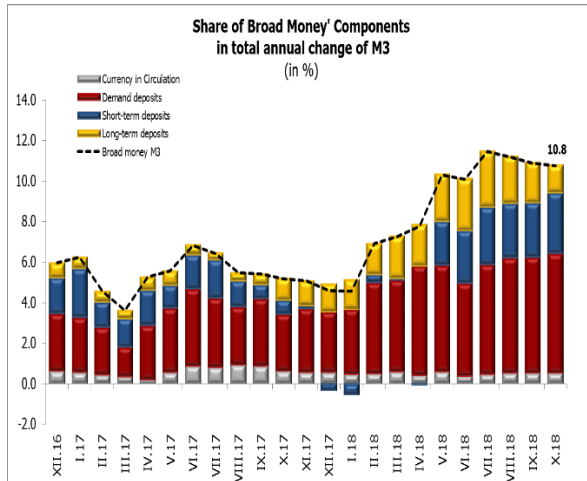
⁴ Total deposits include all deposits included in the monetary aggregate M4.

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



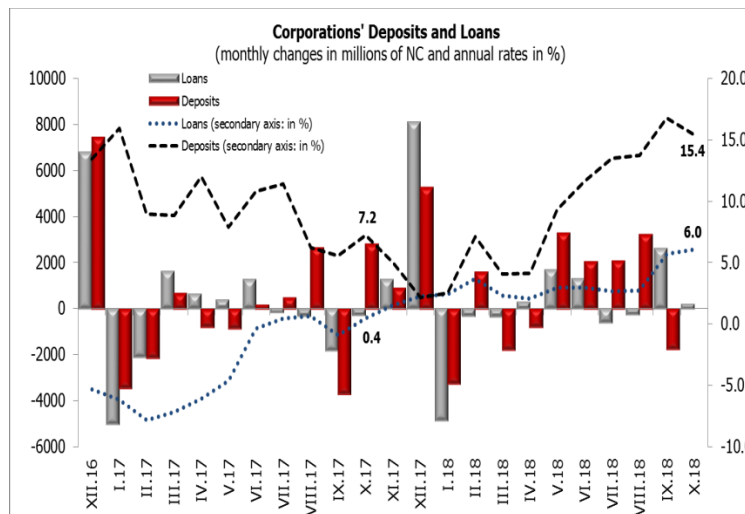
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- In October, **total loans** registered a monthly and annual increase of 0.5% and 8.2%, respectively. Most of the loan growth, on a monthly and annual level, stems from the increase in lending to the “households” sector (share in the total growth of 89.0% and 61.8%, respectively).



Source: NBRM.

1. Deposits and loans of the corporate sector⁶



Source: NBRM.

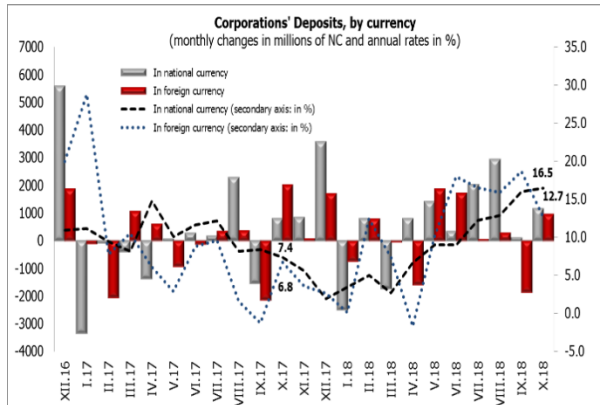
- In October, total **corporate deposits** registered a monthly and annual growth of 2.3% and 15.4%, respectively. The growth of monthly basis is mainly due to the increase in the short-term foreign currency and denar deposits (share in the growth of 82.9%), while the annual growth mainly derives from the demand deposits (which explains 64.9% of the growth), and to a lesser extent, from the increased short-term foreign currency and denar deposits.

⁶ For the purposes of this press release, the corporate sector includes public and private non-financial corporations.

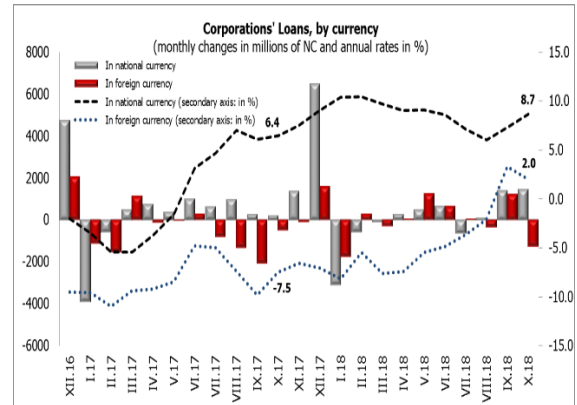


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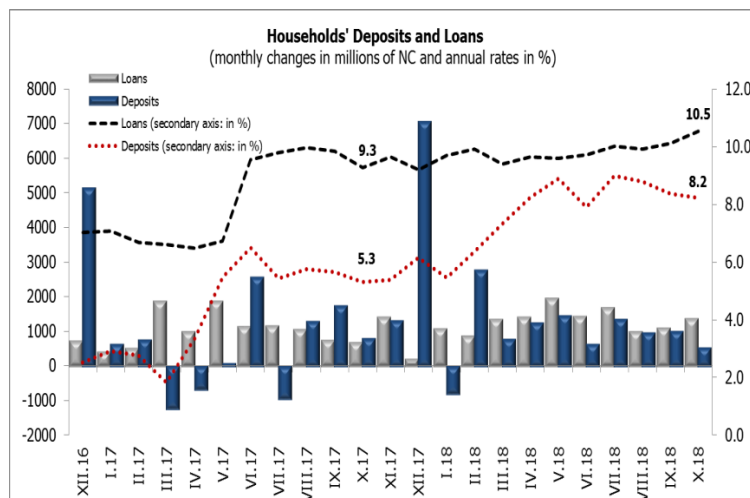
- In October, the **corporate loans**⁷ registered minimal monthly upward change of 0.1%, with the increased denar corporate lending being only partially neutralized with the decrease in the foreign currency lending. Analyzed on an annual basis, corporate lending has increased by 6.0%, which is largely due to the increased denar lending (contribution of 86.7%).



Source: NBRM.



2. Deposits and loans of the households⁸



Source: NBRM.

- Total **household deposits** this month registered moderate monthly growth of 0.2%. In conditions of decline in denar deposits, the growth is fully explained by the increase in foreign currency deposits. On an annual basis, a growth rate of 8.2% was registered, which is a result of the increase in denar and foreign currency deposits, with almost identical contribution to the growth.

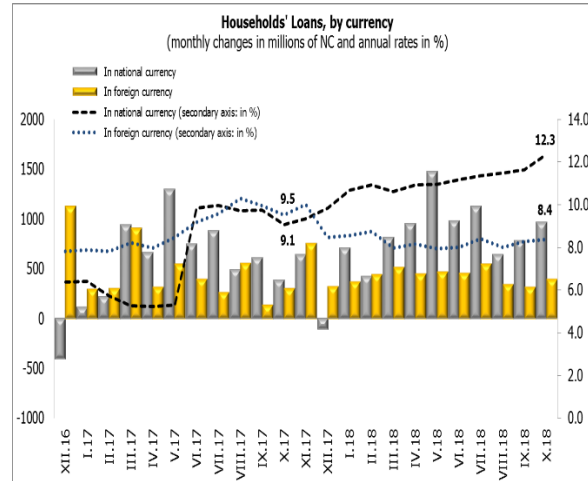
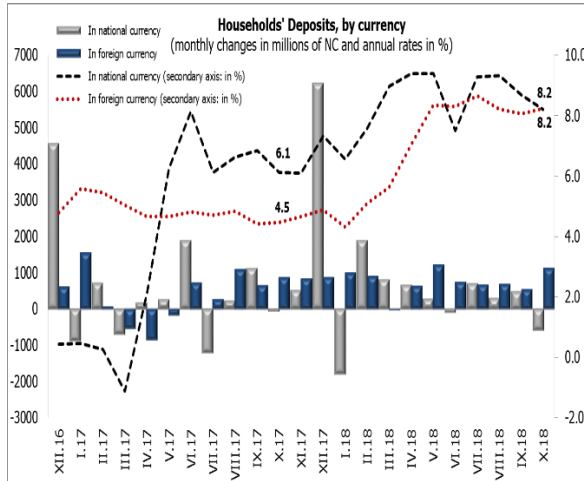
⁷ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause are included in the foreign currency.

⁸ For the purposes of this press release, households refer to individuals and self-employed professionals.

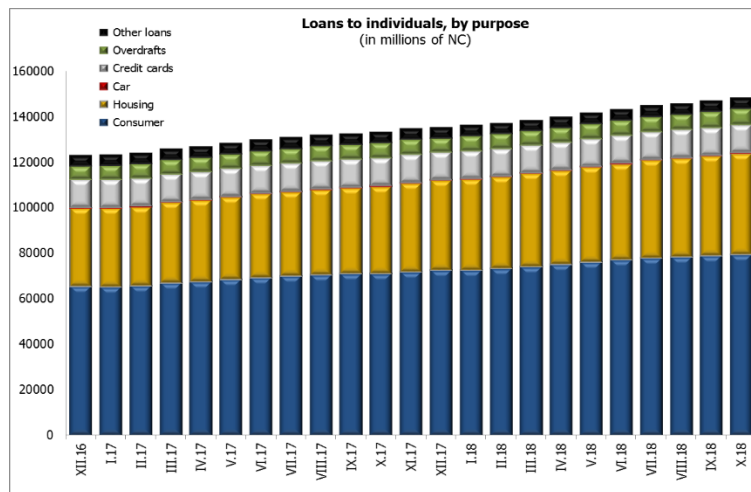


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- In October, the total **household loans** increased by 0.9% and 10.5% on monthly and annual basis, respectively. The monthly and annual growth of the lending activity is mainly due to the growth in the denar loans (71.2% and 63.9%, respectively).



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 %)	
	12.2016 ¹⁾	12.2017 ¹⁾	3.2018	6.2018	9.2018	10.2018	12.2016 ¹⁾	12.2017 ¹⁾	3.2018	6.2018	9.2018	10.2018	9.2018	10.2018
Consumer loans	65,438	72,595	74,218	77,100	78,964	79,527	13.4	10.9	10.7	11.1	11.1	11.7	0.7	0.7
Housing loans	34,608	39,535	40,899	42,309	43,896	44,416	14.3	14.2	15.4	14.9	16.2	16.1	1.1	1.2
Car loans	323	316	318	307	301	306	-19.1	-2.2	2.9	0.2	-2.2	-1.7	-0.5	1.5
Credit cards	12,380	12,281	12,157	12,192	12,235	12,333	0.3	-0.8	-1.1	-0.8	-0.9	-0.4	-0.2	0.8
Overdrafts	5,795	5,896	6,300	6,672	6,881	6,986	3.6	1.8	0.4	4.8	5.7	5.4	2.2	1.5
Other loans	4,584	4,564	4,534	4,593	4,566	4,568	7.3	-0.4	-0.5	-0.8	-0.2	0.6	0.5	0.0

1) Data in accordance with the final balance sheets submission

Source: NBRM.



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- In October, analyzing the purpose of loans granted to individuals, the most common category – **consumer and housing loans** registered a monthly growth of 0.7% and 1.2%, respectively, given the annual rise of 11.7% and 16.1%, respectively. In October, **car loans** and **credit card** loans registered a monthly growth of 1.5% and 0.8%, respectively, given the annual decrease in both categories, of 1.7% and 0.4%, respectively. This month, **overdrafts** registered an upward monthly and annual change of 1.5% and 5.4%, respectively, while loans approved on **other basis** remained unchanged on a monthly basis, while they increased annually by 0.6%.

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

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

Next publications: Advance Release Calendar

http://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf

Monetary developments in the Republic of Macedonia: 21 December 2018 (reference period as of November 2018).

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 or on the telephone number 02 3215 181 extension 116 (or 110/108).