



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 20 December 2019

Press Release

Monetary developments in the Republic of North Macedonia: November 2019

- In November 2019, **broad money (monetary aggregate M3^{1,2})** registered a monthly decline of 0.4%, mainly due to the reduction of demand deposits, short-term deposits and long-term deposits up to two years, while currency in circulation registered moderate growth. On an annual basis, the growth, which reached 7.7% in November, continued. The annual change is determined by the growth in all components, with the greatest contribution of demand deposits and short-term deposits, followed by currency in circulation and long-term deposits up to two years.
- In November, **total deposits³** increased by 0.3% on a monthly basis, mostly due to the increase in household deposits, amid a more moderate increase in corporate deposits. On an annual basis, the deposit growth amounts to 9.3% and is a result of the increase in deposits of the two sectors, with a more pronounced contribution of the household sector.

Table 1. Total deposits and loans⁴ of the non-government sector

	12.2017 ¹⁾	3.2018	6.2018	9.2018	12.2018 ¹⁾	10.2019	11.2019	12.2017 ¹⁾	3.2018	6.2018	9.2018	12.2018 ¹⁾	10.2019	11.2019	10.2019	11.2019
Broad Money M4	372,931	374,681	386,470	395,840	416,814	439,678	438,633	5.1	7.5	10.1	11.7	11.8	10.4	8.8	0.2	-0.2
Broad Money M3	336,989	337,684	348,090	353,862	373,436	389,623	388,060	4.6	7.3	10.1	10.9	10.8	9.5	7.7	0.2	-0.4
<i>of which:</i>																
Currency in Circulation	29,968	28,658	29,681	30,665	32,233	33,053	33,124	6.3	6.9	4.2	5.9	7.6	11.3	11.5	-0.9	0.2
Total Deposits	339,314	340,135	349,816	358,126	375,046	395,957	397,333	5.4	7.1	9.9	11.6	10.5	9.6	9.3	0.4	0.3
<i>of which:</i>																
Corporations	89,248	85,791	90,295	93,775	97,703	105,122	105,642	2.1	4.1	11.6	16.8	9.5	9.6	8.9	0.9	0.5
Households	230,744	233,485	236,832	240,139	252,563	262,982	264,495	6.1	7.3	7.9	8.4	9.5	9.3	9.1	0.2	0.6
Total Loans	300,257	298,059	306,049	311,558	322,089	331,727	335,142	5.4	5.7	6.2	7.9	7.3	6.0	6.4	0.8	1.0
<i>of which:</i>																
Corporations	157,722	152,187	155,427	157,165	164,765	160,745	162,618	2.3	2.3	2.9	5.7	4.5	2.2	2.7	0.6	1.2
Households	141,232	144,491	149,254	152,990	155,734	169,321	170,877	9.2	9.4	9.7	10.1	10.3	9.7	10.1	1.1	0.9

Source: NBRNM.

¹ 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.

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

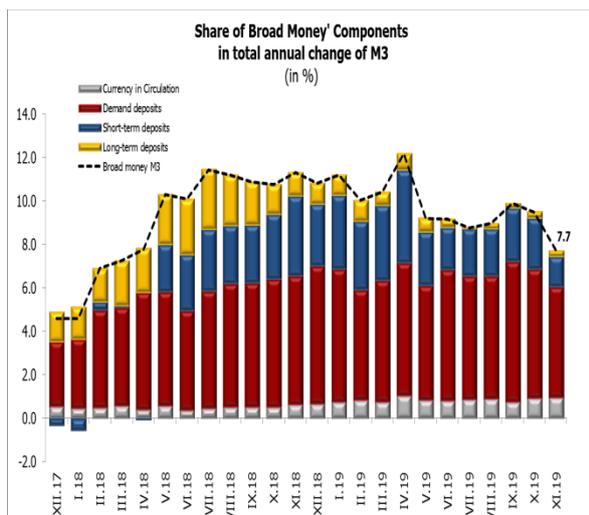
³ Total deposits consist of all deposits included in the monetary aggregate M4.

⁴ The annual loan rates since July 2019 have been determined by the NBRNM's measure for writing-off of claims fully covered for more than a year.

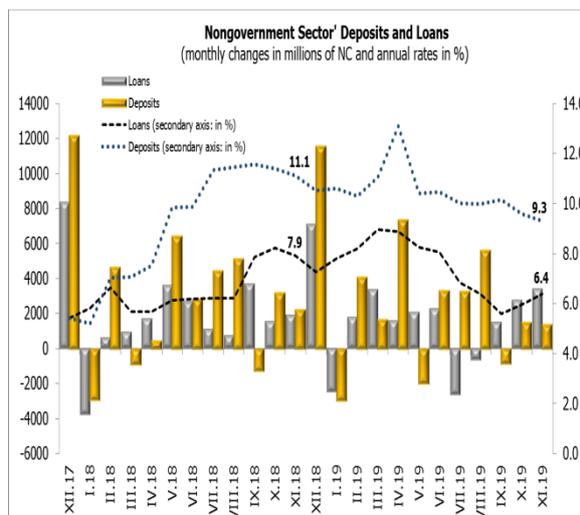


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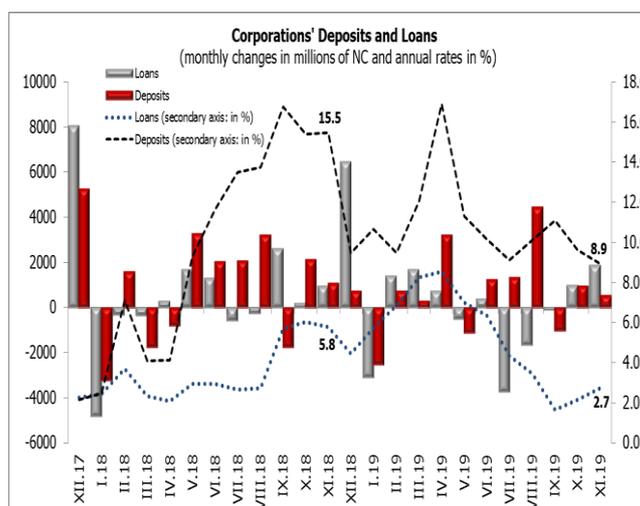
- This month, **total loans** increased by 1.0% on a monthly basis, due to the increased lending to both sectors, amid a slightly larger contribution of the corporate sector. On an annual basis, the credit growth rate equals 6.4% and is largely driven by the growth of loans granted to the household sector. Taking into account the effect of the transfer of doubtful and contested claims from on-balance sheet to off-balance sheet records, pursuant to the regulatory changes⁵ made with the decision of the National Bank, in November, total loans registered an annual growth of 7.7%.



Source: NBRNM.



1. Deposits and loans of the corporate sector⁶



Source: NBRNM.

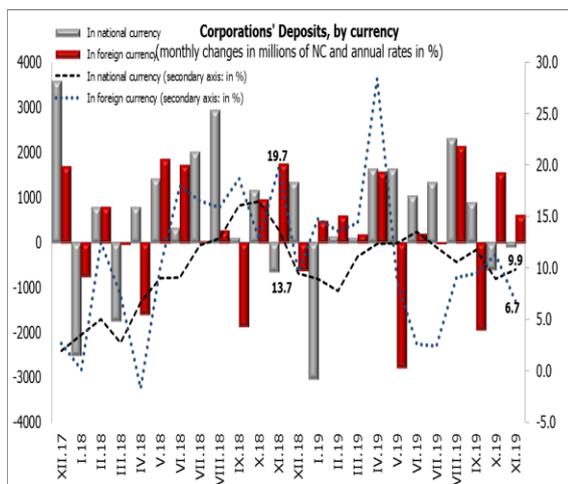
⁶ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims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

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

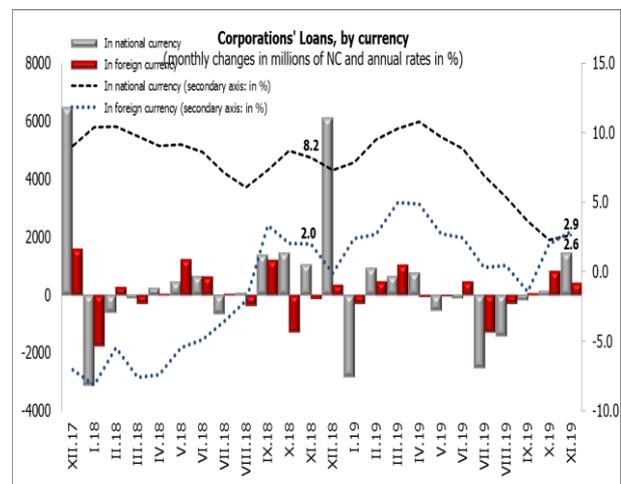


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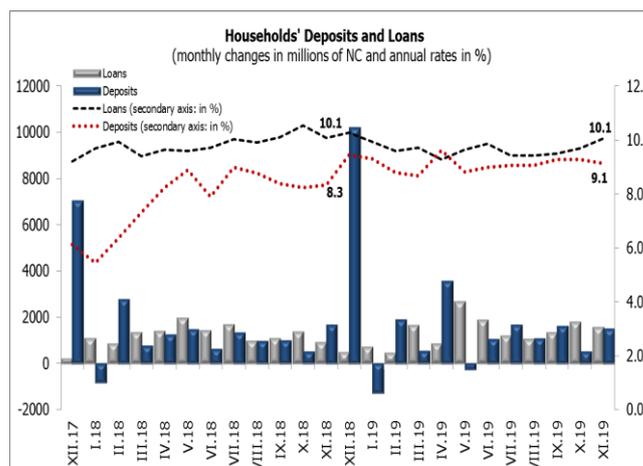
- In November, total **corporate deposits** registered a monthly growth of 0.5%, arising from the growth of demand deposits, short-term foreign currency deposits and long-term denar deposits, amid fall in short-term denar deposits and long-term foreign currency deposits. The annual growth rate of corporate deposits equals 8.9% and is mostly due to the increase in demand deposits (share of 83.8%).
- This month, the **corporate loans**⁷ increased by 1.2% and 2.7%, on a monthly and annual basis, respectively. Analyzed by the currency structure, the upward monthly and annual changes largely result from denar loans (share of 78.0% and 60.1%, respectively). Excluding the effect of the write-off of doubtful and contested claims, pursuant to the National Bank decision, the annual growth of loans to the corporate sector equaled 4.8% in November.



Source: NBRNM.



2. Deposits and loans of the households⁸



Source: NBRNM.

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.

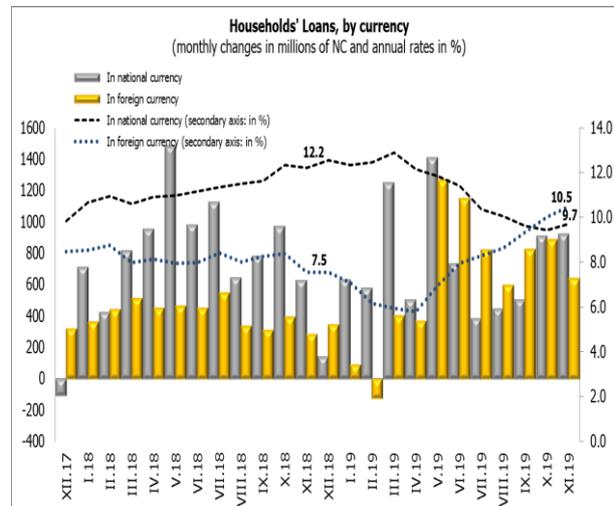
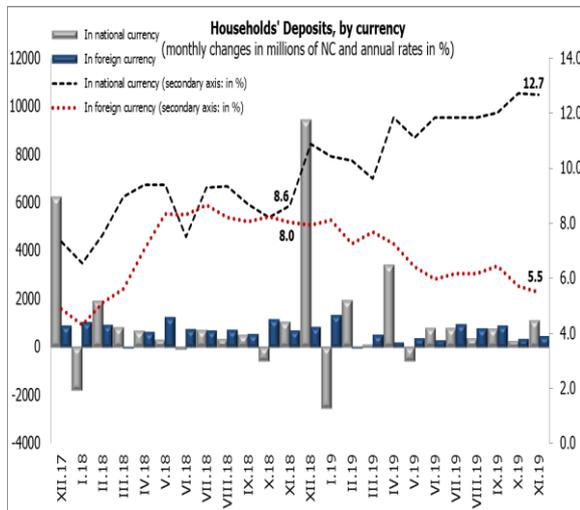
⁸ For the purposes of this press release, households refer to individuals and self-employed professionals.



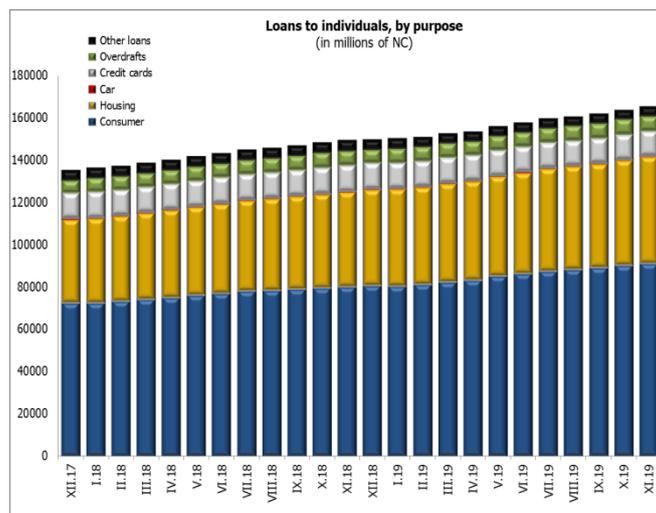
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- In November 2019, the total **household deposits** registered a monthly upward change of 0.6%, which is mainly influenced by the growth in demand deposits, amid growth in all other components. Annually, the growth rate amounts to 9.1% and is a result of the increase in all components, with a pronounced contribution of demand deposits and short-term foreign currency deposits.

- This month, total **loans to households** registered a monthly and annual increase of 0.9% and 10.1%, respectively. Analyzed by the currency structure, denar loans made slightly larger contribution to the growth on a monthly and annual basis. 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 household loan growth equaled 10.8% in November.



Source: NBRNM.



Source: NBRNM.



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Table 2. Bank and savings house loans granted to individuals, by purpose

	Stocks (in millions of NC)							annual changes (in %)							monthly changes (in %)	
	12.2017 ⁽¹⁾	3.2018	6.2018	9.2018	12.2018 ⁽¹⁾	9.2019	10.2019	12.2017 ⁽¹⁾	3.2018	6.2018	9.2018	12.2018 ⁽¹⁾	9.2019	10.2019	9.2019	10.2019
Consumer loans	72,595	74,218	77,100	78,964	80,632	90,232	91,243	10.9	10.7	11.1	11.1	11.1	13.5	14.0	1.3	1.1
Housing loans	39,535	40,899	42,309	43,896	45,539	49,572	50,352	14.2	15.4	14.9	16.2	15.2	11.6	12.0	0.9	1.6
Car loans	316	318	307	301	312	314	311	-2.2	2.9	0.2	-2.2	-1.3	2.7	-0.3	-0.5	-1.0
Credit cards	12,281	12,157	12,192	12,235	12,246	12,017	11,965	-0.8	-1.1	-0.8	-0.9	-0.3	-2.6	-3.1	0.5	-0.4
Overdrafts	5,896	6,300	6,672	6,881	6,232	7,142	7,054	1.8	0.4	4.8	5.7	5.7	2.2	3.0	1.4	-1.2
Other loans	4,564	4,534	4,593	4,566	4,607	4,169	4,134	-0.4	-0.5	-0.8	-0.2	0.9	-8.7	-10.3	-0.6	-0.8

Source: NBRNM.

- In November, analyzing the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered a monthly growth of 1.1% and 1.6% respectively, which on annual basis is 14.0% and 12.0%, respectively. This month, **car loans** registered a monthly and annual decline of 1.0% and 0.3%, respectively, while loans on **credit cards** decreased by 0.4% and 3.1%, on a monthly and annual basis, respectively. In November, **overdrafts** registered a monthly decline of 1.2%, while annually, they increased by 3.0%. Loans granted on **other basis** registered a monthly and annual decrease of 0.8% and 10.3%, respectively.

Supporting information

Time series of data: Balance sheets and list of depository institutions, monthly data
http://www.nbrm.mk/monetarna_statistika-en.nspk

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



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Next publications: Advance Release Calendar

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Monetary developments in the Republic of North Macedonia: 21 January 2020 (reference period as of December 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 or on the telephone number 02 3215 181 extension 116 (or 110/108).