



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 November 2019

Press Release

Monetary developments in the Republic of North Macedonia: October 2019

- In October 2019, **broad money (monetary aggregate M3^{1,2})** went up on both monthly and annual basis. The monthly growth was 0.2% as a result of the increased short-term deposits and long-term deposits up to two years, whereas demand deposits³ and currency in circulation decreased. Annually, they went up by 9.5% as a result of the rise in all components, with a pronounced contribution of demand deposits and short-term deposits.
- In October, **total deposits⁴** rose by 0.4% on a monthly basis as a result of the increased deposits of both sectors, with a greater contribution of corporate deposits. On an annual basis, total deposits increased by 9.6% as a result of the growth of both sectors, primarily the household sector.

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

	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
Broad Money M4	372,931	374,681	386,470	395,840	416,814	438,662	439,678	5.1	7.5	10.1	11.7	11.8	10.8	10.4	0.3	0.2
Broad Money M3	336,989	337,684	348,090	353,862	373,436	388,869	389,623	4.6	7.3	10.1	10.9	10.8	9.9	9.5	0.1	0.2
<i>of which:</i>																
Currency in Circulation	29,968	28,658	29,681	30,665	32,233	33,368	33,053	6.3	6.9	4.2	5.9	7.6	8.8	11.3	-2.0	-0.9
Total Deposits	339,314	340,135	349,816	358,126	375,046	394,472	395,957	5.4	7.1	9.9	11.6	10.5	10.1	9.6	-0.2	0.4
<i>of which:</i>																
Corporations	89,248	85,791	90,295	93,775	97,703	104,178	105,122	2.1	4.1	11.6	16.8	9.5	11.1	9.6	-1.0	0.9
Households	230,744	233,485	236,832	240,139	252,563	262,458	262,982	6.1	7.3	7.9	8.4	9.5	9.3	9.3	0.6	0.2
Total Loans	300,257	298,059	306,049	311,558	322,089	328,970	331,727	5.4	5.7	6.2	7.9	7.3	5.6	6.0	0.5	0.8
<i>of which:</i>																
Corporations	157,722	152,187	155,427	157,165	164,765	159,764	160,745	2.3	2.3	2.9	5.7	4.5	1.7	2.2	-0.1	0.6
Households	141,232	144,491	149,254	152,990	155,734	167,528	169,321	9.2	9.4	9.7	10.1	10.3	9.5	9.7	0.8	1.1

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

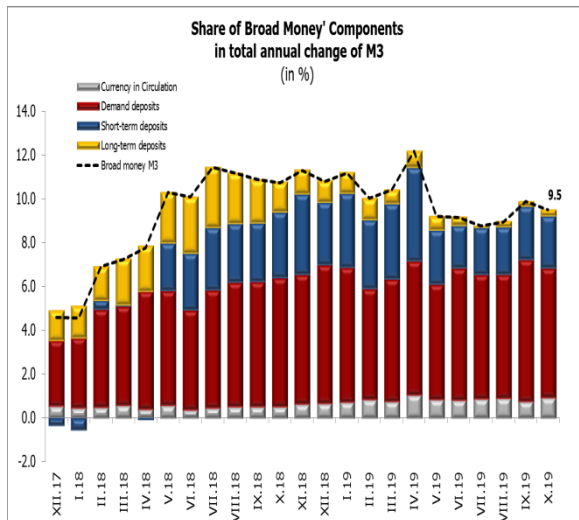
⁴ Total deposits consist of all deposits included in the monetary aggregate M4.

⁵ 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.

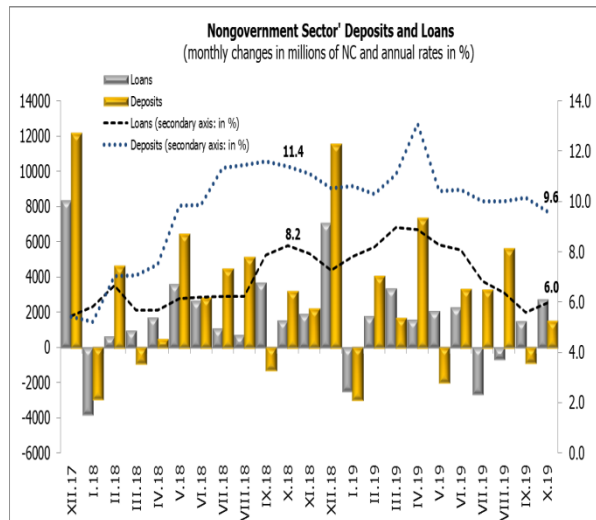


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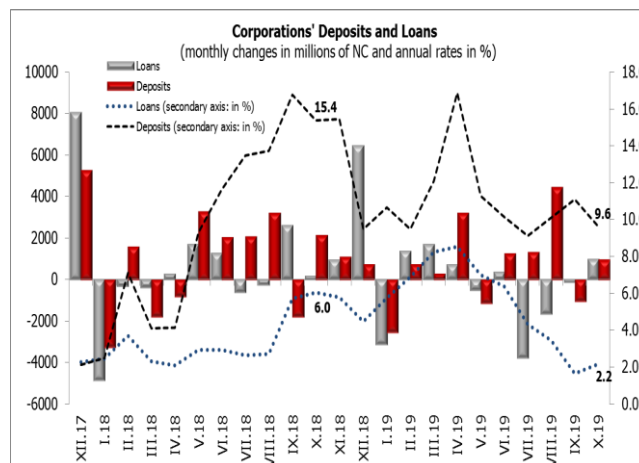
- In October, **total loans** registered a monthly and annual increase of 0.8% and 6.0%, respectively. The upward monthly and annual growth reflects the increased lending to both sectors, primarily the household sector. Taking into account the effect of the transfer of doubtful and contested claims from on-balance sheet to off-balance sheet records, pursuant to the regulatory changes⁶ made with the decision of the National Bank, in October, total loans registered an annual growth of 7.4%.



Source: NBRNM.



1. Deposits and loans of the corporate sector⁷



Source: NBRNM.

- This month, total **corporate deposits** increased by 0.9% on a monthly basis, mainly due to the increase in short-term and long-term deposits in foreign and domestic

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.

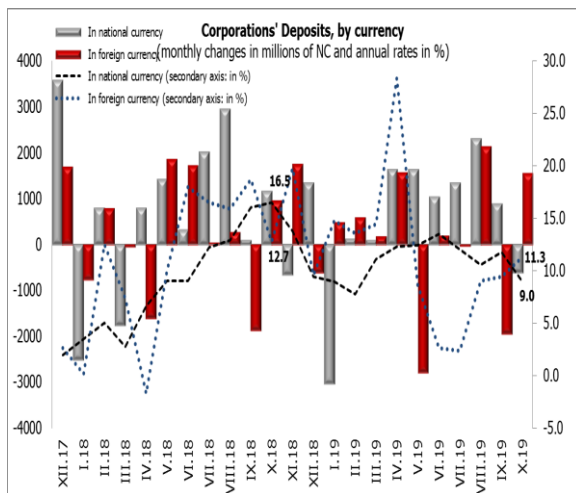
⁷ For the purposes of this press release, the corporate sector includes public and private non-financial corporations.



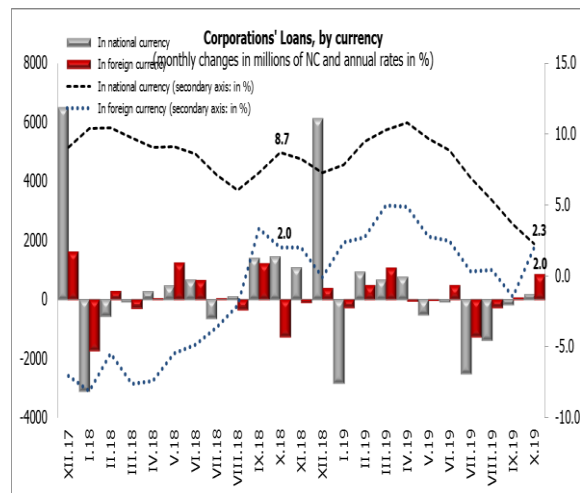
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currency, whereas demand deposits went down. Annually, these deposits increased by 9.6%, primarily reflecting the increase in demand deposits and short-term foreign currency deposits.

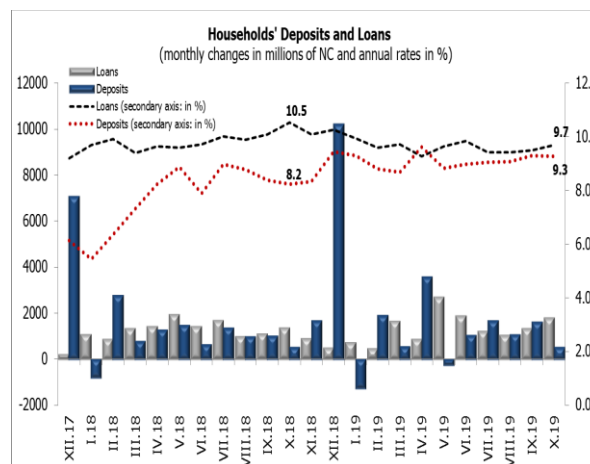
- **Corporate loans⁸** registered a monthly increase of 0.6% and an annual growth of 2.2%. Analyzed by currency, loans in foreign currency made greater monthly contribution to the growth, while loans in denars made larger annual contribution. Excluding the effect of the write-off of doubtful and contested claims pursuant to the National Bank decision, the annual growth of loans to the corporate sector equaled 4.5% in October.



Source: NBRNM.



2. Deposits and loans of the households⁹



Source: NBRNM.

⁸ 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.

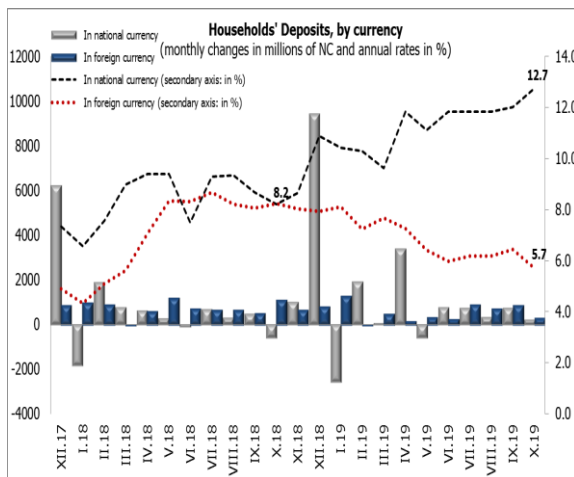
⁹ For the purposes of this press release, households refer to individuals and self-employed professionals.



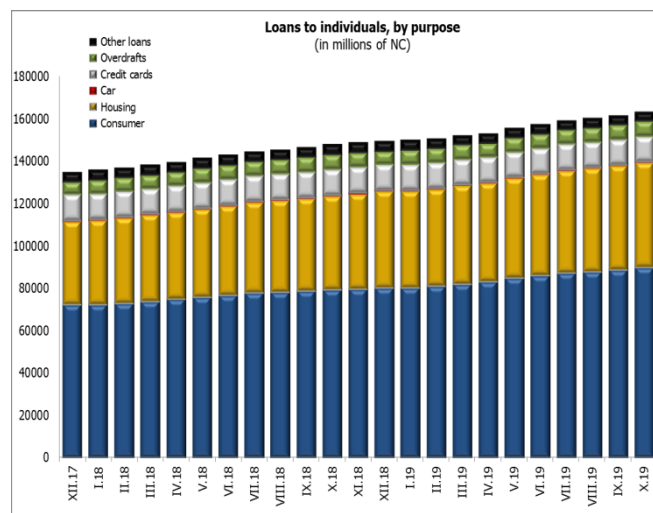
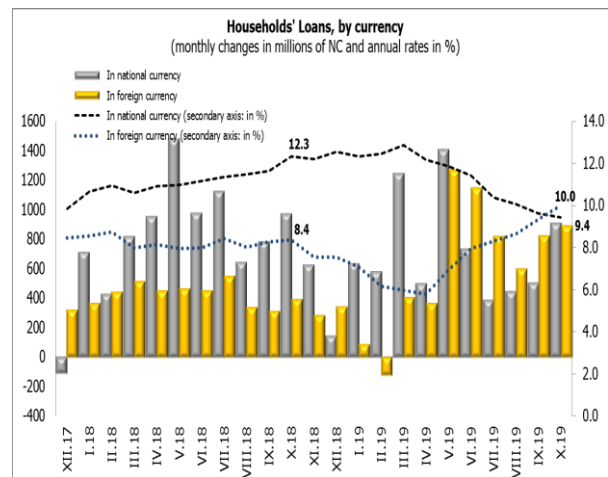
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- Total **household deposits**, in October, increased by 0.2% on a monthly basis, amid growth of all components of this category, with the most pronounced contribution of long-term foreign currency deposits, demand deposits and short-term foreign currency deposits. The annual growth rate of these deposits in October was 9.3% as a result of the growth of all components, with higher share of demand deposits and short-term foreign currency deposits.

- This month, **household loans** increased by 1.1% and 9.7% on a monthly and annual basis, respectively. Analyzed by currency, denar loans made slightly higher contribution to the upward monthly and annual changes. 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 would equal 10.5% in October.



Source: NBRNM.



Source: NBRNM.



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Table 2. Banks and savings houses 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	89,042	90,232	10.9	10.7	11.1	11.1	11.1	12.8	13.5	1.0	1.3
Housing loans	39,535	40,899	42,309	43,896	45,539	49,116	49,572	14.2	15.4	14.9	16.2	15.2	11.9	11.6	0.6	0.9
Car loans	316	318	307	301	312	316	314	-2.2	2.9	0.2	-2.2	-1.3	4.8	2.7	-1.4	-0.5
Credit cards	12,281	12,157	12,192	12,235	12,246	11,956	12,017	-0.8	-1.1	-0.8	-0.9	-0.3	-2.3	-2.6	-0.5	0.5
Overdrafts	5,896	6,300	6,672	6,881	6,232	7,043	7,142	1.8	0.4	4.8	5.7	5.7	2.3	2.2	2.1	1.4
Other loans	4,564	4,534	4,593	4,566	4,607	4,194	4,169	-0.4	-0.5	-0.8	-0.2	0.9	-8.2	-8.7	1.0	-0.6

Source: NBRNM.

- Analyzing by purpose of loans to individuals, in October 2019, the most common categories – **consumer and housing loans** registered a monthly growth of 1.3% and 0.9%, respectively, amid annual growth of 13.5% and 11.6%, respectively. This month, **car loans** registered a monthly decline of 0.5%, with annual growth of 2.7%. Loans on **credit cards** increased by 0.5% on a monthly basis, while on an annual basis they fell by 2.6%. In October, **overdrafts** registered a monthly and annual growth of 1.4% and 2.2%, respectively, while loans granted on **other basis** registered a monthly and annual decrease of 0.6% and 8.7%, 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

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

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

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