



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

Skopje, 21 December 2020

### Press Release

## Monetary developments in the Republic of North Macedonia: November 2020

- In November 2020, the **broad money (monetary aggregate M3<sup>1,2</sup>)** registered a monthly increase of 0.8%, mostly as a result of the growth of demand deposits and short-term deposits, with a positive, but smaller contribution of long-term deposits up to two years, amid a decline in currency in circulation. The annual growth of broad money equals 8.6% and mainly arises from the increase in demand deposits, short-term deposits and currency in circulation, amid decline in long-term deposits up to two years.

Table 1. Total deposits and loans<sup>3,4</sup> of the non-government sector

	stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	3.2019	6.2019	9.2019	12.2019	10.2020	11.2020	3.2019	6.2019	9.2019	12.2019	10.2020	11.2020	10.2020	11.2020
<b>Broad Money M4</b>	<b>418,499</b>	<b>427,071</b>	<b>438,662</b>	<b>455,411</b>	<b>468,480</b>	<b>472,239</b>	<b>11.7</b>	<b>10.5</b>	<b>10.8</b>	<b>9.3</b>	<b>6.6</b>	<b>7.7</b>	<b>-0.1</b>	<b>0.8</b>
<b>Broad Money M3</b>	<b>372,833</b>	<b>379,982</b>	<b>388,869</b>	<b>404,028</b>	<b>417,880</b>	<b>421,394</b>	<b>10.4</b>	<b>9.2</b>	<b>9.9</b>	<b>8.2</b>	<b>7.3</b>	<b>8.6</b>	<b>-0.2</b>	<b>0.8</b>
<i>of which:</i>														
Currency in Circulation	31,236	32,554	33,368	36,108	41,928	41,313	9.0	9.7	8.8	12.0	26.9	24.7	0.6	-1.5
<b>Total Deposits</b>	<b>377,800</b>	<b>386,461</b>	<b>394,472</b>	<b>410,794</b>	<b>417,862</b>	<b>422,239</b>	<b>11.1</b>	<b>10.5</b>	<b>10.1</b>	<b>9.5</b>	<b>5.5</b>	<b>6.3</b>	<b>-0.2</b>	<b>1.0</b>
<i>of which:</i>														
Corporations	96,147	99,456	104,178	111,948	112,345	116,415	12.1	10.1	11.1	14.6	6.9	10.2	-0.1	3.6
<i>In national currency</i>	66,691	71,021	75,566	81,911	78,665	81,069	11.1	13.5	11.7	17.9	4.9	8.3	-1.2	3.1
<i>In foreign currency</i>	29,456	28,434	28,613	30,036	33,680	35,346	14.4	2.6	9.4	6.4	11.7	14.8	2.5	4.9
Households	253,748	258,100	262,458	272,605	277,799	278,896	8.7	9.0	9.3	7.9	5.6	5.4	-0.2	0.4
<i>In national currency</i>	131,901	135,492	137,346	146,231	144,715	145,402	9.6	11.8	12.0	10.4	5.2	4.9	-0.7	0.5
<i>In foreign currency</i>	121,847	122,609	125,113	126,374	133,085	133,494	7.7	6.0	6.4	5.2	6.1	6.1	0.3	0.3
<b>Total Loans</b>	<b>324,798</b>	<b>330,726</b>	<b>328,970</b>	<b>341,389</b>	<b>353,917</b>	<b>353,345</b>	<b>9.0</b>	<b>8.1</b>	<b>5.6</b>	<b>6.0</b>	<b>6.7</b>	<b>5.4</b>	<b>0.3</b>	<b>-0.2</b>
<i>of which:</i>														
Corporations	164,734	165,305	159,764	167,952	167,889	166,659	8.2	6.4	1.7	1.9	4.4	2.5	-0.1	-0.7
<i>In national currency</i>	103,142	103,308	99,250	103,591	102,245	100,810	10.3	8.8	3.6	-0.8	2.9	-0.1	0.3	-1.4
<i>In foreign currency</i>	61,592	61,997	60,514	64,361	65,645	65,849	5.0	2.5	-1.5	6.6	7.0	6.6	-0.8	0.3
Households	158,550	163,963	167,528	172,014	184,636	185,088	9.7	9.9	9.5	10.5	9.0	8.3	0.7	0.2
<i>In national currency</i>	88,854	91,492	92,821	95,075	104,927	105,086	12.9	11.4	9.6	10.0	11.9	11.0	1.0	0.2
<i>In foreign currency</i>	69,697	72,471	74,706	76,939	79,710	80,002	6.0	8.0	9.3	11.0	5.4	4.9	0.3	0.4

Source: NBRNM.

<sup>1</sup> The National Bank has been using the monetary aggregate M3 as a new standard definition of broad money since June 2018. The monetary aggregate M4 will continue to be calculated and published for analytical purposes.

<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, includes deposits with 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)

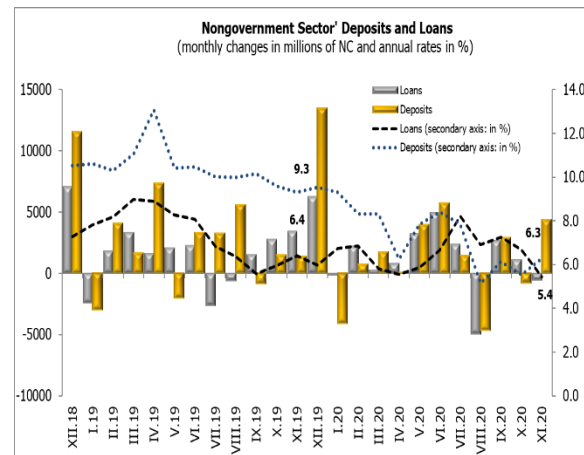
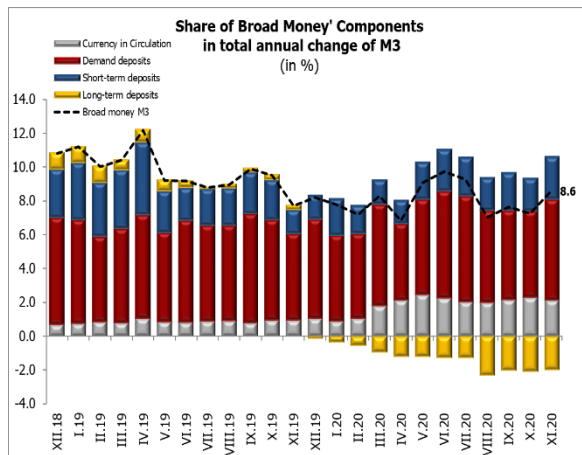
<sup>3</sup> The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

<sup>4</sup> Data on monetary aggregates and total deposits and loans as of August 2020 do not include data on a bank whose founding and operating license was revoked and who went into bankruptcy in August 2020.



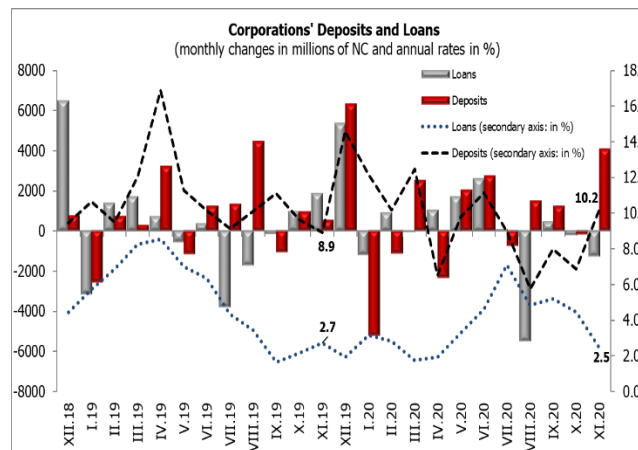
## National Bank of the Republic of North Macedonia Statistics Department

- In November, **total deposits**<sup>5</sup> increased by 1.0% on a monthly basis, mainly due to the increased corporate deposits, amid increase though slower in household deposits. On an annual basis, the deposit growth amounts to 6.3% and is due to the growth of deposits in both sectors, with a more pronounced contribution of the household sector.
- In November, **total loans**<sup>6</sup> registered a monthly fall of 0.2%, which, in circumstances of growth in household loans, entirely results from the reduced lending to the corporate sector. Analyzed on an annual basis, the loan growth amounts to 5.4% and is a result of the higher lending to both sectors, which is more pronounced in the household sector.



Source: NBRNM.

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



Source: NBRNM

<sup>5</sup> Total deposits consist of all deposits included in the monetary aggregate M4.

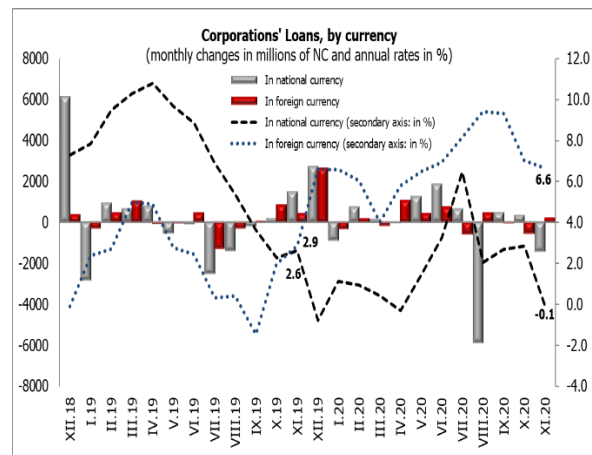
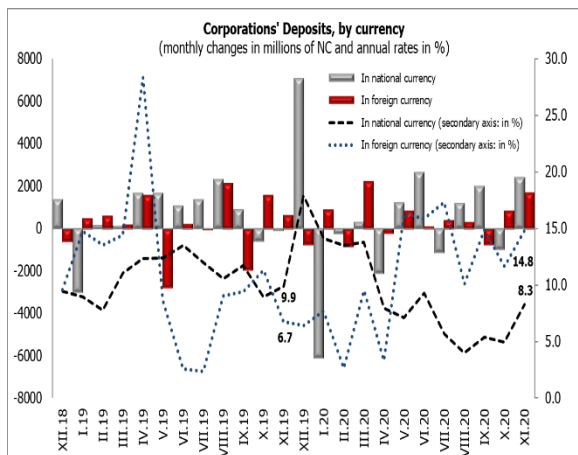
<sup>6</sup> On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims that have been fully booked for more than a year. The Decision on the methodology for credit risk management has been applied since 1 July 2019, with the base effect being exhausted as of July 2020. Hence, the difference in the annual growth rates of loans with and without the effect of write offs are insignificant, and therefore these comparisons have been discontinued as of the August release.

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



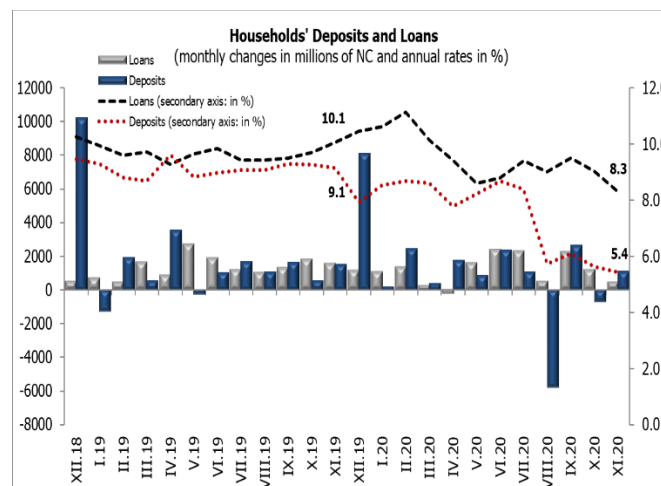
## National Bank of the Republic of North Macedonia Statistics Department

- In November, total **corporate deposits** grew by 3.6% on a monthly basis. The change is mostly due to the increase in demand deposits and short-term foreign currency deposits, amid a smaller, but positive contribution of long-term foreign currency deposits and short-term denar deposits. The annual rate of growth of corporate deposits is 10.2%, mainly due to the increase in demand deposits and short-term deposits in foreign currency, amid decline in short-term and long-term deposits in denars.
- **Corporate loans**<sup>8</sup> registered a monthly decrease of 0.7% completely due to the fall in denar loans, amid small increase in foreign currency loans. On an annual basis, the lending to the corporate sector registered an increase of 2.5%, which resulted from the growth of foreign currency loans, in circumstances when the denar loans registered a decrease.



Source: NBRNM.

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



Source: NBRNM.

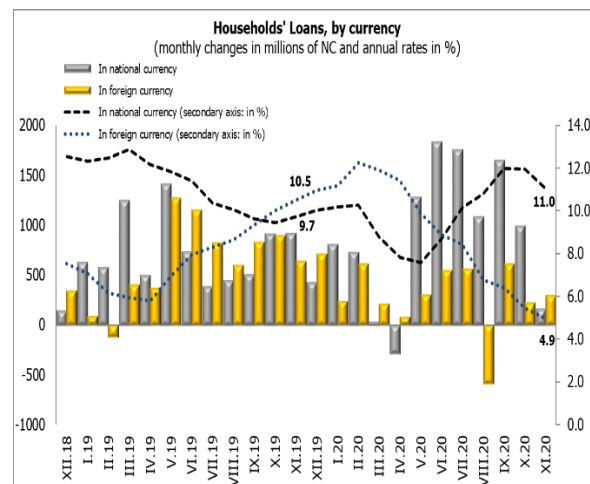
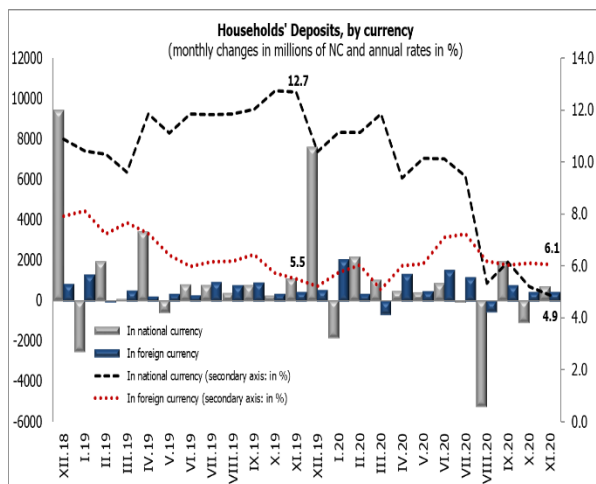
<sup>8</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

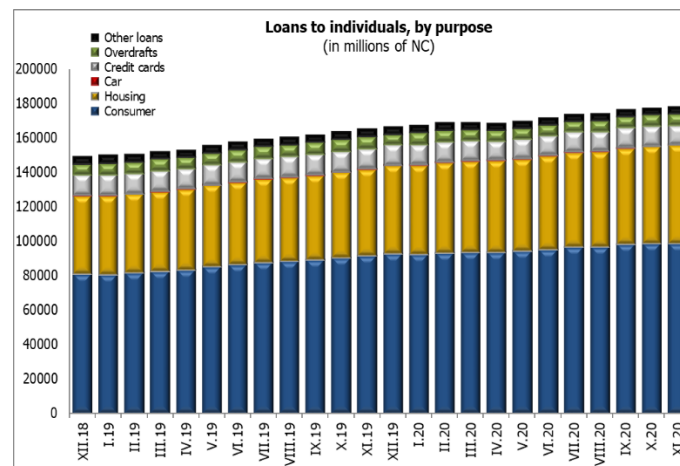


## National Bank of the Republic of North Macedonia Statistics Department

- This month, total **household deposits** registered a monthly growth of 0.4%. The growth is mostly due to the increased demand deposits, amid growth in the other components, with the exception of long-term denar deposits, which declined. On an annual basis, household deposits increased by 5.4%, which mainly reflects the higher demand deposits and short-term deposits in foreign currency, amid fall in other components.
- In November, total **household loans** registered a monthly and annual growth of 0.2% and 8.3%, respectively. Moreover, on a monthly basis, lending to households in foreign currency is greater than the lending in domestic currency, while on annual level the contribution of denar lending is greater compared to foreign currency lending.



Source: NBRNM.



Source: NBRNM.



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

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

	Stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	3.2019	6.2019	9.2019	12.2019	10.2020	11.2020	3.2019	6.2019	9.2019	12.2019	10.2020	11.2020	10.2020	11.2020
Consumer loans	82,324	86,335	89,042	92,430	98,208	98,303	10.9	12.0	12.8	14.6	8.8	7.7	0.4	0.1
Housing loans	46,477	47,785	49,116	51,338	56,603	57,205	13.6	12.9	11.9	12.7	14.2	13.6	1.1	1.1
Car loans	319	320	316	316	283	289	0.4	4.0	4.8	1.4	-9.8	-7.0	-2.6	2.1
Credit cards	12,113	12,007	11,956	11,928	11,585	11,393	-0.4	-1.5	-2.3	-2.6	-3.6	-4.8	-0.5	-1.7
Overdrafts	6,830	6,850	7,043	6,123	6,489	6,457	8.4	2.7	2.3	-1.7	-9.2	-8.5	3.3	-0.5
Other loans	4,252	4,217	4,194	4,118	3,887	3,861	-6.2	-8.2	-8.2	-10.6	-6.8	-6.6	-0.7	-0.7

Source: NBRNM.

- In November, considering the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, grew by 0.1% and 1.1%, on a monthly level, respectively and 7.7% and 13.6%, on an annual level, respectively. **Car loans** registered a monthly growth of 2.1%, while annually, they decreased by 7.0%. This month, a decline on both bases was recorded in loans on **credit cards** of 1.7% and 4.8%, respectively. In November, **overdrafts** and loans granted on **other basis** registered a monthly decrease of 0.5% and 0.7%, respectively, as well as an annual decline of 8.5% and 6.6%, respectively.

\*\*\*

### Supporting information

Time series of data: Balance sheets and list of depository institutions, monthly data

[http://www.nbrm.mk/monetarna\\_statistika-en.nspj](http://www.nbrm.mk/monetarna_statistika-en.nspj)

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: 21 January 2020 (reference period as of December 2020).

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 phone: 02 3215 181 extension 116 (or 110/108).