



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 May 2021

Press Release

Monetary developments in the Republic of North Macedonia: April 2021

- In April 2021 **the broad money (monetary aggregate M3^{1,2})** decreased by 0.1% on an annual basis, which is primarily a result of the reduced demand deposits³, and less of the long-term deposits up to two years, in conditions of a registered growth in other components. Compared on an annual basis, broad money increased by 8.5% and is largely due to the higher demand deposits, amid a positive contribution also of short-term deposits and currency in circulation, in conditions of a decline in long-term deposits up to two years.

Table 1. Total deposits and loans^{4,5} of the non-government sector

	stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	3.2020	6.2020	9.2020	12.2020	3.2021	4.2021	3.2020	6.2020	9.2020	12.2020	3.2021	4.2021	3.2021	4.2021
Broad Money M4	455,834	468,912	469,050	486,989	491,717	491,007	8.9	9.8	6.9	6.9	7.9	7.1	0.7	-0.1
Broad Money M3	403,714	416,935	418,556	436,231	441,478	441,230	8.3	9.7	7.6	8.0	9.4	8.5	0.9	-0.1
<i>of which:</i>														
Currency in Circulation	37,891	41,125	41,667	43,701	43,350	44,424	21.3	26.3	24.9	21.0	14.4	9.4	0.1	2.5
Total Deposits	409,200	418,916	418,644	434,915	439,343	437,357	8.3	8.4	6.1	5.9	7.4	6.9	0.7	-0.5
<i>of which:</i>														
Corporations	108,138	110,550	112,505	123,212	122,085	120,973	12.5	11.2	8.0	10.1	12.9	14.3	1.7	-0.9
<i>In national currency</i>	75,876	77,609	79,641	86,323	85,618	81,951	13.8	9.3	5.4	5.4	12.8	11.1	3.3	-4.3
<i>In foreign currency</i>	32,261	32,941	32,865	36,889	36,467	39,022	9.5	15.9	14.9	22.8	13.0	21.8	-2.0	7.0
Households	275,574	280,512	278,469	285,216	289,941	290,432	8.6	8.7	6.1	4.6	5.2	4.7	0.2	0.2
<i>In national currency</i>	147,532	149,204	145,806	150,991	152,839	152,984	11.9	10.1	6.2	3.3	3.6	3.4	-0.2	0.1
<i>In foreign currency</i>	128,042	131,309	132,663	134,225	137,102	137,448	5.1	7.1	6.0	6.2	7.1	6.3	0.6	0.3
Total Loans	343,702	352,718	352,824	357,296	361,561	364,194	5.8	6.6	7.3	4.7	5.2	5.7	0.9	0.7
<i>of which:</i>														
Corporations	167,654	172,978	168,086	169,826	171,117	172,529	1.8	4.6	5.2	1.1	2.1	2.3	0.7	0.8
<i>In national currency</i>	103,597	106,688	101,925	102,688	103,024	105,634	0.4	3.3	2.7	-0.9	-0.6	2.0	0.1	2.5
<i>In foreign currency</i>	64,057	66,290	66,161	67,138	68,093	66,895	4.0	6.9	9.3	4.3	6.3	2.8	1.5	-1.8
Households	174,634	178,384	183,431	185,814	188,697	189,907	10.1	8.8	9.5	8.0	8.1	8.9	1.0	0.6
<i>In national currency</i>	96,643	99,469	103,939	105,049	106,994	107,349	8.8	8.7	12.0	10.5	10.7	11.4	1.1	0.3
<i>In foreign currency</i>	77,990	78,916	79,492	80,765	81,703	82,558	11.9	8.9	6.4	5.0	4.8	5.7	0.9	1.0

Source: NBRNM.

¹ 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.

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, 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

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

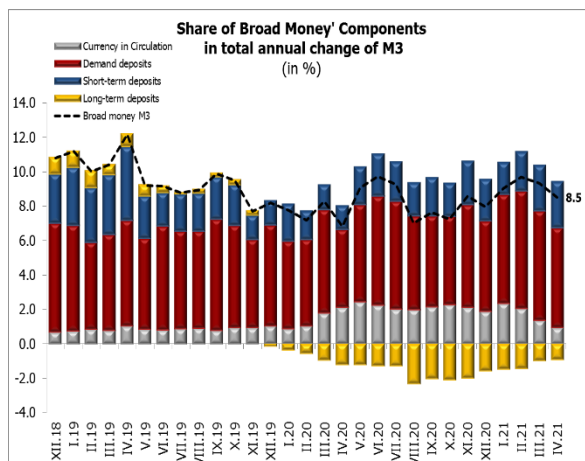
⁴ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

⁵ 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.

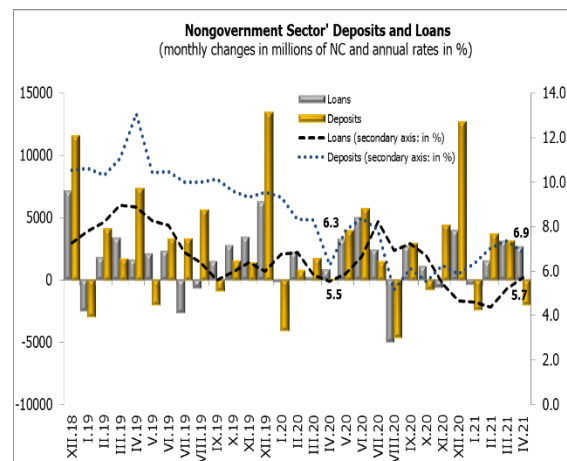


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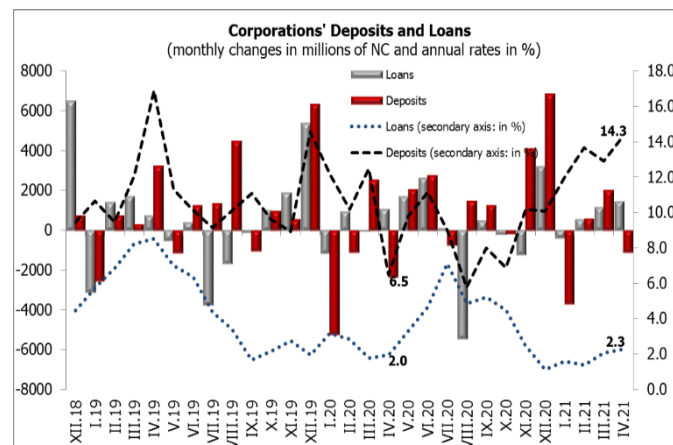
- In April, **total deposits**⁶ registered monthly decrease of 0.5%, as a result of the decrease in the corporate deposits, in conditions of moderate deposit growth with households. Compared to the same period of the previous year, the total deposits increased by 6.9%, amid a deposit growth in both sectors, which is more pronounced in the corporate sector.
- **The total loans**⁷ this month registered monthly increase of 0.7%, given increased lending with both sectors, with larger contribution of corporate sector. The annual growth rate equals 5.7% and stems from the increased lending to both sectors, but it is more pronounced in the household sector.



Source: NBRNM.



1. Deposits and loans of the corporate sector⁸



Source: NBRNM.

⁶ Total deposits consist of all deposits included in the monetary aggregate M4.

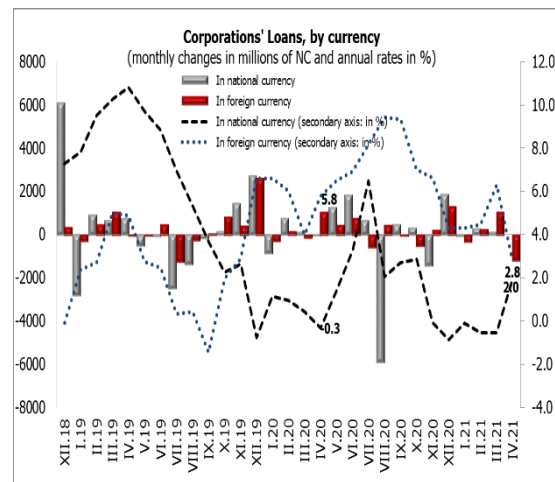
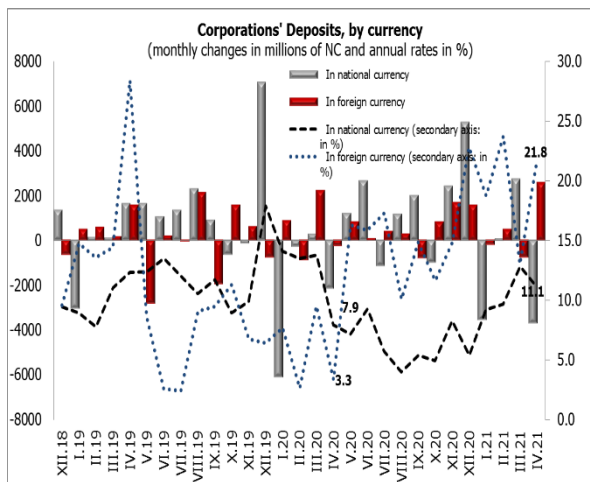
⁷ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims 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.

⁸ For the purposes of this press release, corporate sector includes public and private non-financial corporations.



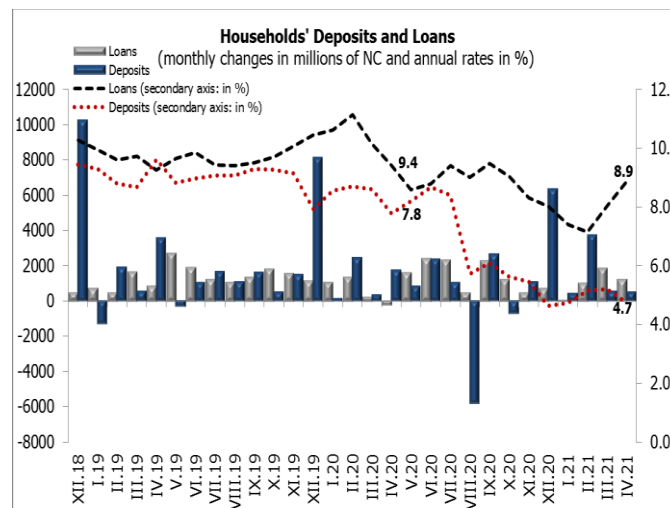
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- In April, total **corporate deposits** decreased by 0.9% on a monthly basis. The decrease is mostly due to the reduced demand deposits and to a lesser extent, to long-term denar deposits, given the increase in other components. Analyzed on annual basis, the corporate sector deposits increased by 14.3%, mostly as a result of the increase in demand deposits, amid an additional positive contribution also of short-term and long-term foreign currency deposits, given a decline in other components.
- In April, **the corporate sector loans**⁹, registered monthly rise of 08%, fully as a result of the intensified denar lending, in conditions of a decrease in the foreign currency loans. The annual growth of 2.3% is due to the increased denar and foreign currency loans, with a more pronounced share of denar loans.



Source: NBRNM.

2. Deposits and loans of the households¹⁰



Source: NBRNM.

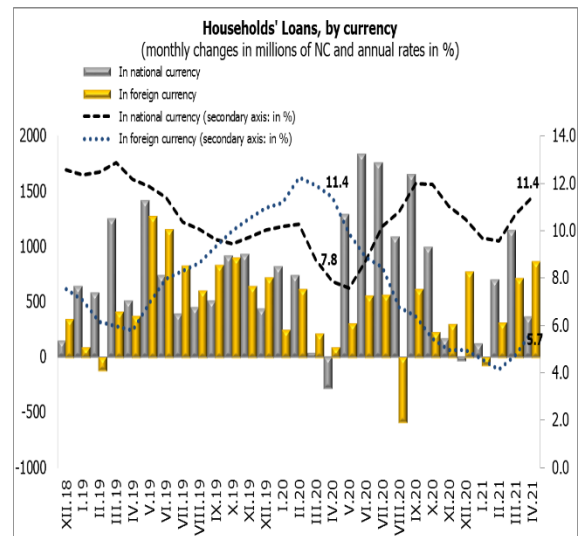
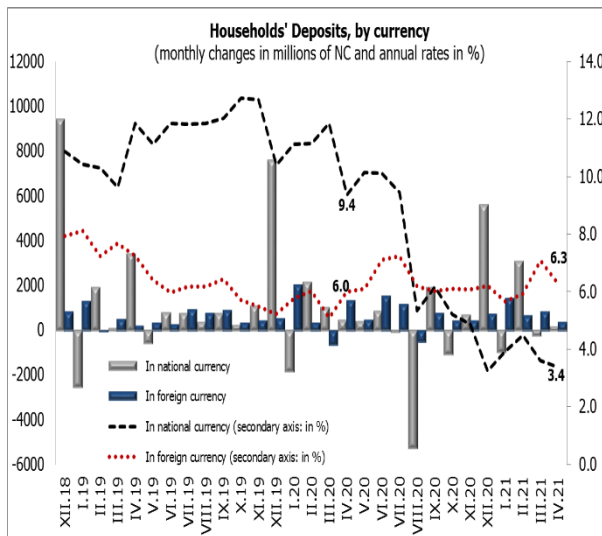
⁹ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

¹⁰ For the purposes of this press release, households refer to individuals and self-employed professionals.

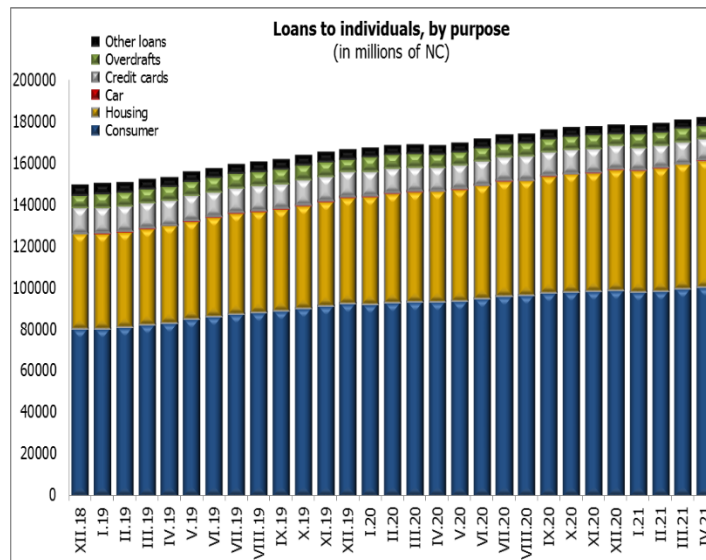


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- The total **household deposits** registered quarterly and annual increase of 0.2% and 4.7%, respectively, in April. The upward change on both bases is explained with increase in demand deposits and short-term foreign currency deposits, amid fall in other components.
- In April, the **household loans** went up by 0.6% on a monthly basis and 8.9% annually. 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 significantly larger compared to foreign currency lending.



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 %)	
	3.2020	6.2020	9.2020	12.2020	3.2021	4.2021	3.2020	6.2020	9.2020	12.2020	3.2021	4.2021	3.2021	4.2021
Consumer loans	93,440	94,982	97,850	98,772	99,721	100,620	13.5	10.0	9.9	6.9	6.7	7.7	1.1	0.9
Housing loans	52,959	54,392	55,985	58,306	59,901	60,702	13.9	13.8	14.0	13.6	13.1	14.1	1.1	1.3
Car loans	306	292	291	282	263	259	-4.1	-8.6	-7.9	-10.9	-14.0	-14.5	-1.5	-1.7
Credit cards	11,570	11,508	11,649	11,205	10,539	10,417	-4.5	-4.2	-2.6	-6.1	-8.9	-8.1	-1.0	-1.2
Overdrafts	6,499	6,205	6,280	5,818	6,399	6,093	-4.8	-9.4	-10.8	-5.0	-1.5	0.6	2.3	-4.8
Other loans	3,969	3,946	3,912	3,871	3,736	3,711	-6.7	-6.4	-6.7	-6.0	-5.8	-6.6	-0.7	-0.7

Source: NBRNM.

- In April, considering the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered monthly growth of 0.9% and 1.3%, respectively, amid annual growth of 7.7% and 14.1%, respectively. **Car loans** a monthly and annual decline of 1.7% and 14.5%, respectively. During this month, the funds approved on **credit cards** reduced by 1.2% on a monthly basis, while annually, they are lower by 8.1%. In April, the **overdrafts** register monthly drop of 4.8%, while annually, they increased by 0.6%. In April loans granted on **other bases** registered a monthly and annual decline of 0.7% 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.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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Monetary developments in the Republic of North Macedonia: 21 June 2021 (reference period as of May 2021).

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