



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 19 February 2021

Press Release

Monetary developments in the Republic of North Macedonia: January 2021

- In January 2021, in accordance with the seasonal dynamics, **the broad money (monetary aggregate M3^{1,2})** experienced a monthly decline of 0.5%, mainly due to reduced demand deposits, and less to currency in circulation and long-term deposits up to two years, amid growth in short-term deposits. On annual basis, broad money increased by 9.0%, mainly reflecting the increase in demand deposits, with positive contribution of currency in circulation and short-term deposits. Long-term deposits up to two years declined on an annual basis.

Table 1. Total deposits and loans^{3,4} of the non-government sector

	stocks (in millions of NC)					annual changes (in %)					monthly changes (in %)	
	3.2020	6.2020	9.2020	12.2020	1.2021	3.2020	6.2020	9.2020	12.2020	1.2021	12.2020	1.2021
Broad Money M4	455,834	468,912	469,050	486,989	484,490	8.9	9.8	6.9	6.9	7.7	3.1	-0.5
Broad Money M3	403,714	416,935	418,556	436,231	433,902	8.3	9.7	7.6	8.0	9.0	3.5	-0.5
<i>of which:</i>												
Currency in Circulation	37,891	41,125	41,667	43,701	43,405	21.3	26.3	24.9	21.0	27.3	5.8	-0.7
Total Deposits	409,200	418,916	418,644	434,915	432,539	8.3	8.4	6.1	5.9	6.3	3.0	-0.5
<i>of which:</i>												
Corporations	108,138	110,550	112,505	123,212	119,518	12.5	11.2	8.0	10.1	12.0	5.8	-3.0
<i>In national currency</i>	75,876	77,609	79,641	86,323	82,808	13.8	9.3	5.4	5.4	9.2	6.5	-4.1
<i>In foreign currency</i>	32,261	32,941	32,865	36,889	36,709	9.5	15.9	14.9	22.8	18.8	4.4	-0.5
Households	275,574	280,512	278,469	285,216	285,657	8.6	8.7	6.1	4.6	4.7	2.3	0.2
<i>In national currency</i>	147,532	149,204	145,806	150,991	150,011	11.9	10.1	6.2	3.3	3.9	3.8	-0.6
<i>In foreign currency</i>	128,042	131,309	132,663	134,225	135,646	5.1	7.1	6.0	6.2	5.7	0.5	1.1
Total Loans	343,702	352,718	352,824	357,296	356,943	5.8	6.6	7.3	4.7	4.6	1.1	-0.1
<i>of which:</i>												
Corporations	167,654	172,978	168,086	169,826	169,440	1.8	4.6	5.2	1.1	1.6	1.9	-0.2
<i>In national currency</i>	103,597	106,688	101,925	102,688	102,625	0.4	3.3	2.7	-0.9	-0.1	1.9	-0.1
<i>In foreign currency</i>	64,057	66,290	66,161	67,138	66,815	4.0	6.9	9.3	4.3	4.3	2.0	-0.5
Households	174,634	178,384	183,431	185,814	185,851	10.1	8.8	9.5	8.0	7.4	0.4	0.0
<i>In national currency</i>	96,643	99,469	103,939	105,049	105,161	8.8	8.7	12.0	10.5	9.7	0.0	0.1
<i>In foreign currency</i>	77,990	78,916	79,492	80,765	80,689	11.9	8.9	6.4	5.0	4.6	1.0	-0.1

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

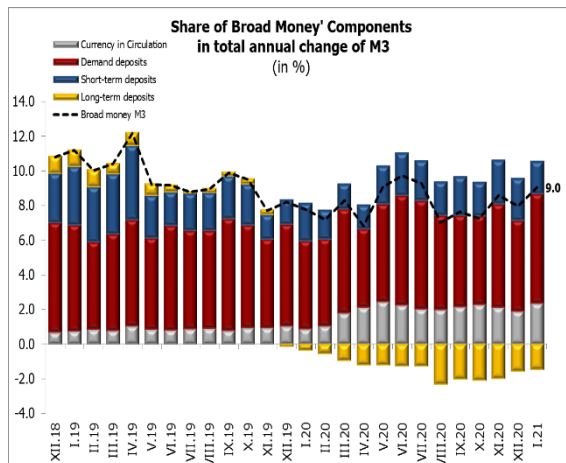
³ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

⁴ 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.

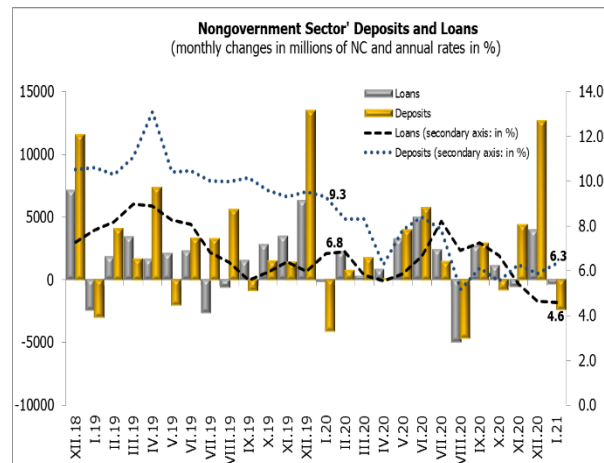


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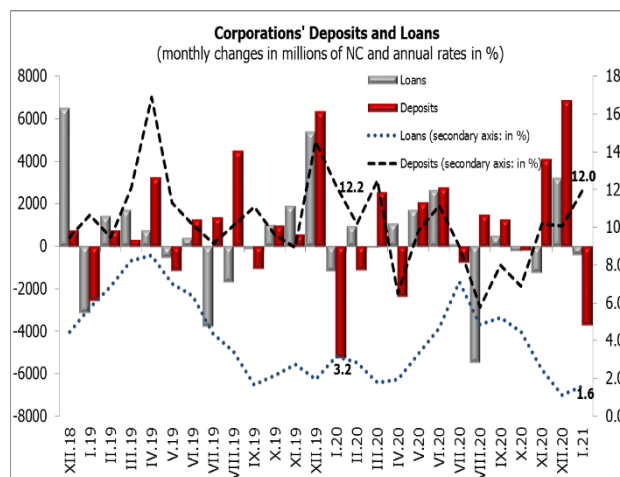
- In January, **total deposits**⁵ dropped by 0.5% on a monthly basis, which fully reflects the decline in corporate sector deposits. Compared to the same month last year, total deposits increased by 6.3%, with almost equal contribution to the growth of both sectors.
- In January 2021, **total loans**⁶, decreased by 0.1%, as a result of reduced lending to the corporate sector, while lending to households did not change on a monthly basis. On annual basis, total loans increased by 4.6%, with greater contribution of households.



Source: NBRNM.



1. Deposits and loans of the corporate sector⁷



Source: NBRNM.

⁵ Total deposits consist of all deposits included in the monetary aggregate M4.

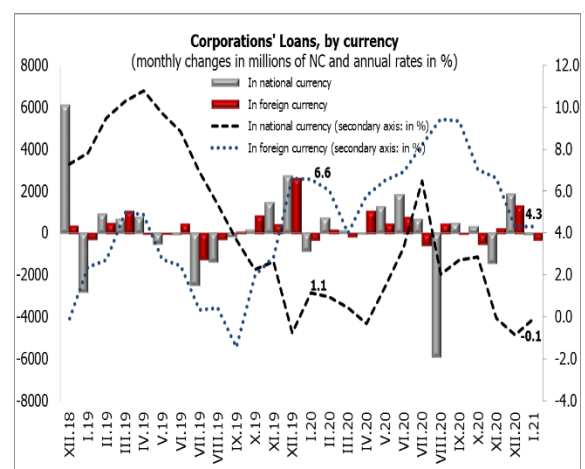
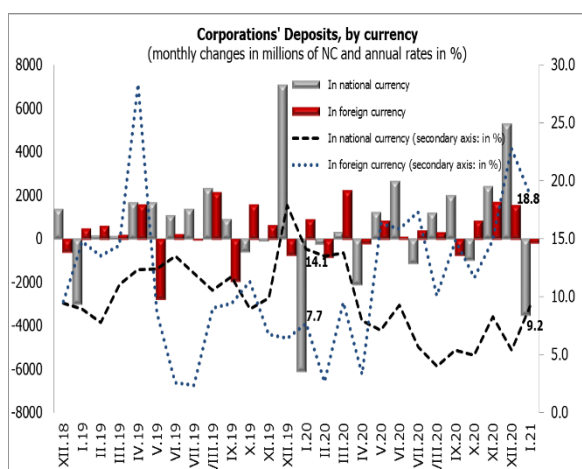
⁶ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims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

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



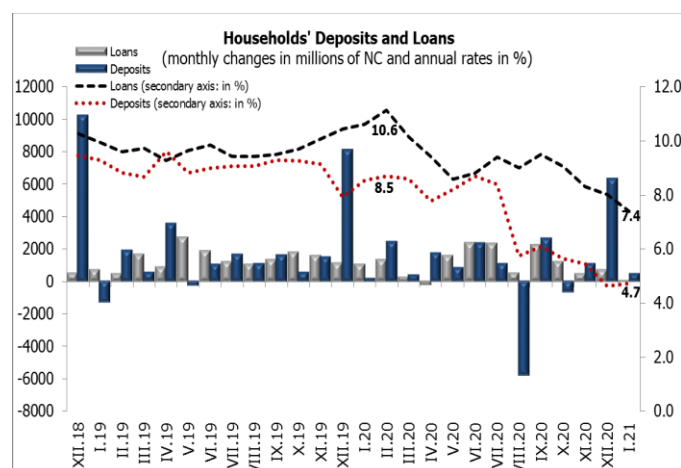
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- In January 2021, total **corporate deposits** went down by 3.0% on a monthly basis. Thus the decline mostly results from the reduction of demand deposits, with smaller contribution of short-term deposits, amid moderate growth of long-term deposits. Annually, deposits increased by 12.0%, primarily reflecting higher demand deposits short-term and long-term foreign currency deposits, amid fall in short-term and long-term denar deposits.
- In January, **corporate loans**⁸ dropped by 0.2%, on a monthly basis. The reduction was primarily due to the decrease in foreign currency loans, with a smaller contribution of denar loans. Compared to the same period last year, loans to the corporate sector were higher by 1.6%, which fully reflects the growth of foreign currency loans, amid a small decline in denar loans.



Source: NBRNM.

2. Deposits and loans of the households⁹



Source: NBRNM.

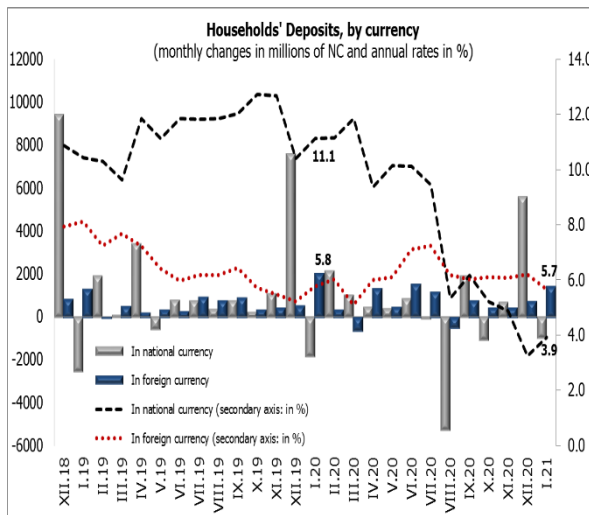
⁸ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

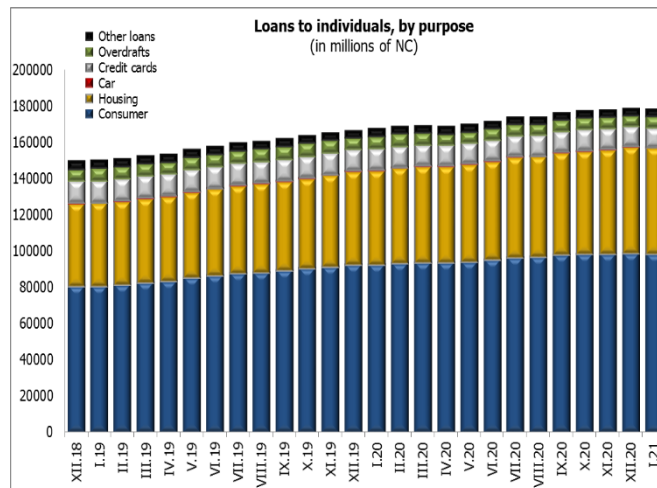
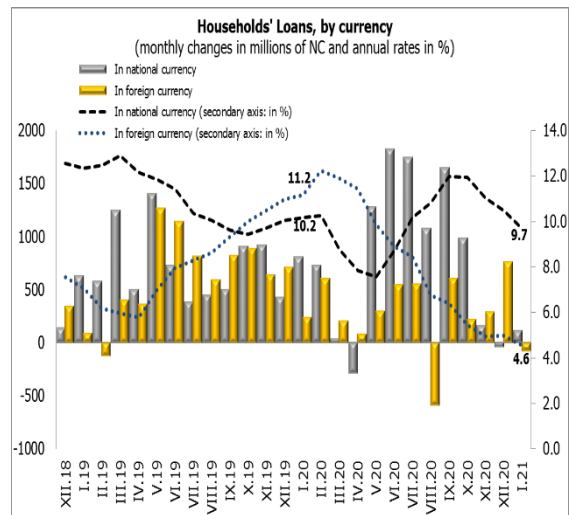


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- This month, **total household deposits** went up by 0.2% on a monthly level. The increase is mostly due to short-term foreign currency deposits as well as the growth of short-term denar deposits, although to a lesser extent, amid a decline in demand deposits. Analyzed annually, household deposits increased by 4.7% as a result of the higher demand deposits and short-term deposits in foreign currency, amid fall in other components.
- In January, total **household loans** remained unchanged on a monthly basis. On annual basis, these loans increased by 7.4%, due to the increase of loans in both domestic and foreign currency, with more pronounced increase of denar loans.



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	1.2021	3.2020	6.2020	9.2020	12.2020	1.2021	12.2020	1.2021
Consumer loans	93,440	94,982	97,850	98,772	98,023	13.5	10.0	9.9	6.9	6.3	0.5	-0.8
Housing loans	52,959	54,392	55,985	58,306	58,548	13.9	13.8	14.0	13.6	13.0	1.9	0.4
Car loans	306	292	291	282	276	-4.1	-8.6	-7.9	-10.9	-10.5	-2.6	-1.9
Credit cards	11,570	11,508	11,649	11,205	10,900	-4.5	-4.2	-2.6	-6.1	-8.0	-1.6	-2.7
Overdrafts	6,499	6,205	6,280	5,818	6,352	-4.8	-9.4	-10.8	-5.0	-8.1	-9.9	9.2
Other loans	3,969	3,946	3,912	3,871	3,800	-6.7	-6.4	-6.7	-6.0	-6.9	0.3	-1.8

Source: NBRNM.

- Analyzed by purpose of loans granted to individuals, the most common category - **consumer loans** recorded a small monthly decrease of 0.8% and annual growth of 6.3%. **Housing loans** registered a monthly and annual increase of 0.4% and 13.0%, respectively. **Car loans** registered a monthly and annual decline of 1.9% and 10.5%, respectively, while **credit card** loans decreased by 2.7% and 8.0%, on a monthly and annual basis, respectively. This month, **overdrafts** registered a monthly growth of 9.2% and an annual decrease of 8.1%. In January, loans granted on **other bases** registered a monthly and annual decline of 1.8% and 6.9%, 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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Next publications: Advance Release Calendar

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Monetary developments in the Republic of North Macedonia: 19 March 2021 (reference period as of February 2021).

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