



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

Skopje, 21 June 2021

### Press Release

### Monetary developments in the Republic of North Macedonia: May 2021

- **Broad money (monetary aggregate M3<sup>1,2</sup>)**, in May 2021, registered a monthly increase of 1.2%, which mostly results from higher demand deposits<sup>3</sup>, amid lower positive contribution of short-term deposits, amid decline in other components. Annually, broad money increased by 8.6%, mainly as a result of the increased demand deposits, and less of the short-term deposits and currency in circulation, given the decline in long-term deposits up to two years.

Table 1. Total deposits and loans<sup>4,5</sup> 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	5.2021	3.2020	6.2020	9.2020	12.2020	3.2021	4.2021	5.2021	4.2021	5.2021
<b>Broad Money M4</b>	<b>455,834</b>	<b>468,912</b>	<b>469,050</b>	<b>486,989</b>	<b>491,717</b>	<b>491,007</b>	<b>496,118</b>	<b>8.9</b>	<b>9.8</b>	<b>6.9</b>	<b>6.9</b>	<b>7.0</b>	<b>7.1</b>	<b>7.0</b>	<b>-0.1</b>	<b>1.0</b>
<b>Broad Money M3</b>	<b>403,714</b>	<b>416,935</b>	<b>418,556</b>	<b>436,231</b>	<b>441,478</b>	<b>441,230</b>	<b>446,737</b>	<b>8.3</b>	<b>9.7</b>	<b>7.6</b>	<b>8.0</b>	<b>8.6</b>	<b>8.5</b>	<b>8.6</b>	<b>-0.1</b>	<b>1.2</b>
<i>of which:</i>																
Currency in Circulation	37,891	41,125	41,667	43,701	43,350	44,424	43,935	21.3	26.3	24.9	21.0	5.9	9.4	5.9	2.5	-1.1
<b>Total Deposits</b>	<b>409,200</b>	<b>418,916</b>	<b>418,644</b>	<b>434,915</b>	<b>439,343</b>	<b>437,357</b>	<b>442,712</b>	<b>8.3</b>	<b>8.4</b>	<b>6.1</b>	<b>5.9</b>	<b>7.1</b>	<b>6.9</b>	<b>7.1</b>	<b>-0.5</b>	<b>1.2</b>
<i>of which:</i>																
Corporations	108,138	110,550	112,505	123,212	122,085	120,973	125,086	12.5	11.2	8.0	10.1	16.0	14.3	16.0	-0.9	3.4
<i>In national currency</i>	75,876	77,609	79,641	86,323	85,618	81,951	86,228	13.8	9.3	5.4	5.4	15.0	11.1	15.0	-4.3	5.2
<i>In foreign currency</i>	32,261	32,941	32,865	36,889	36,467	39,022	38,857	9.5	15.9	14.9	22.8	18.3	21.8	18.3	7.0	-0.4
Households	275,574	280,512	278,469	285,216	289,941	290,432	291,526	8.6	8.7	6.1	4.6	4.8	4.7	4.8	0.2	0.4
<i>In national currency</i>	147,532	149,204	145,806	150,991	152,839	152,984	153,244	11.9	10.1	6.2	3.3	3.3	3.4	3.3	0.1	0.2
<i>In foreign currency</i>	128,042	131,309	132,663	134,225	137,102	137,448	138,282	5.1	7.1	6.0	6.2	6.5	6.3	6.5	0.3	0.6
<b>Total Loans</b>	<b>343,702</b>	<b>352,718</b>	<b>352,824</b>	<b>357,296</b>	<b>361,561</b>	<b>364,194</b>	<b>367,256</b>	<b>5.8</b>	<b>6.6</b>	<b>7.3</b>	<b>4.7</b>	<b>5.6</b>	<b>5.7</b>	<b>5.6</b>	<b>0.7</b>	<b>0.8</b>
<i>of which:</i>																
Corporations	167,654	172,978	168,086	169,826	171,117	172,529	173,952	1.8	4.6	5.2	1.1	2.1	2.3	2.1	0.8	0.8
<i>In national currency</i>	103,597	106,688	101,925	102,688	103,024	105,634	106,705	0.4	3.3	2.7	-0.9	1.8	2.0	1.8	2.5	1.0
<i>In foreign currency</i>	64,057	66,290	66,161	67,138	68,093	66,895	67,246	4.0	6.9	9.3	4.3	2.6	2.8	2.6	-1.8	0.5
Households	174,634	178,384	183,431	185,814	188,697	189,907	191,500	10.1	8.8	9.5	8.0	8.8	8.9	8.8	0.6	0.8
<i>In national currency</i>	96,643	99,469	103,939	105,049	106,994	107,349	108,375	8.8	8.7	12.0	10.5	11.0	11.4	11.0	0.3	1.0
<i>In foreign currency</i>	77,990	78,916	79,492	80,765	81,703	82,558	83,125	11.9	8.9	6.4	5.0	6.1	5.7	6.1	1.0	0.7

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

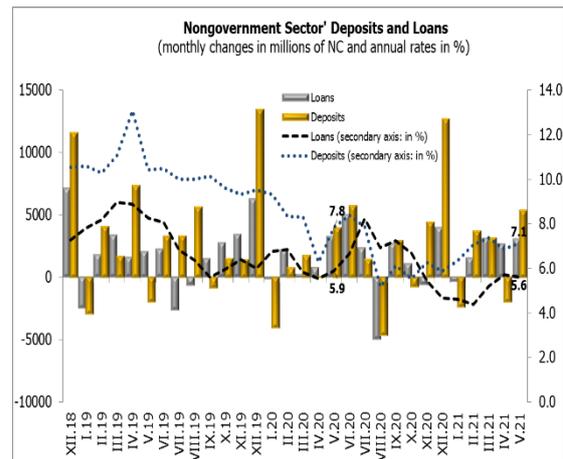
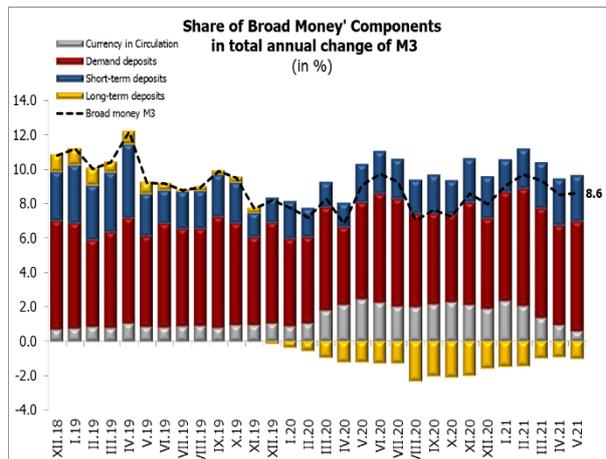
<sup>4</sup> The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

<sup>5</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.



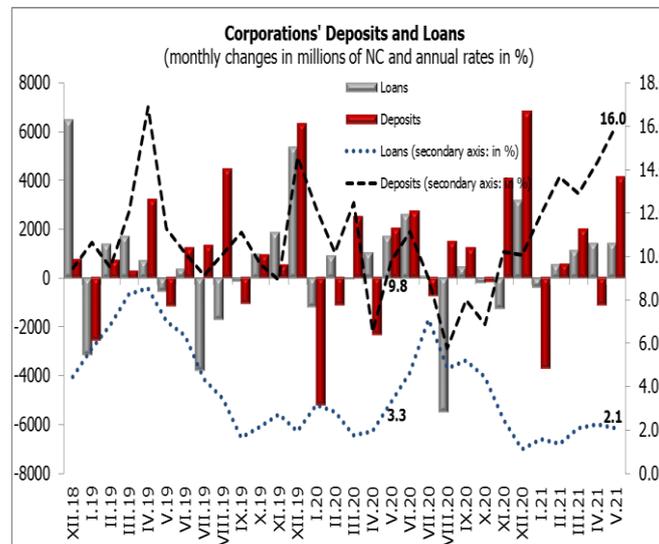
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- **Total deposits<sup>6</sup>**, in May, increased by 1.2% on monthly basis, primarily due to higher corporate deposits, amid moderate growth of household deposits. The annual growth rate is 7.1%, with growth in both sectors, which is more pronounced in the corporate sector.
- In May, **total loans<sup>7</sup>** increased by 0.8% and 5.6%, respectively, on a monthly and annual basis, amid increased lending to both sectors, with a greater contribution of the household sector.



Source: NBRNM.

### 1. Deposits and loans of the corporate sector<sup>8</sup>



Source: NBRNM.

<sup>6</sup> Total deposits consist of all deposits included in the monetary aggregate M4.

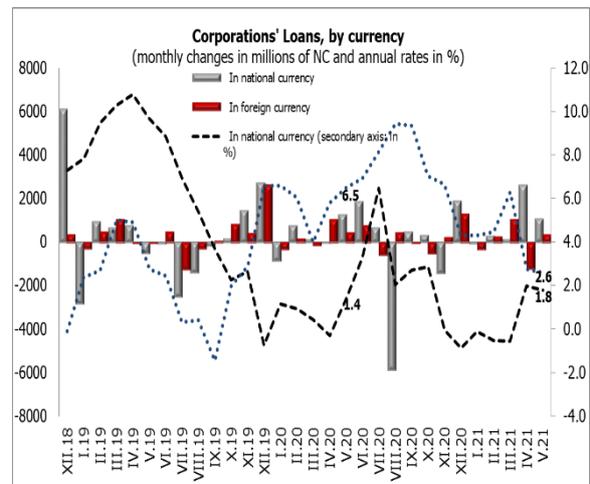
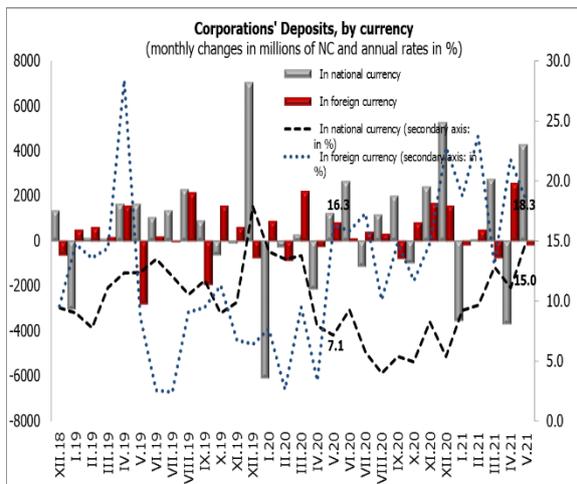
<sup>7</sup> On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records 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>8</sup> For the purposes of this press release, corporate sector includes public and private non-financial corporations.



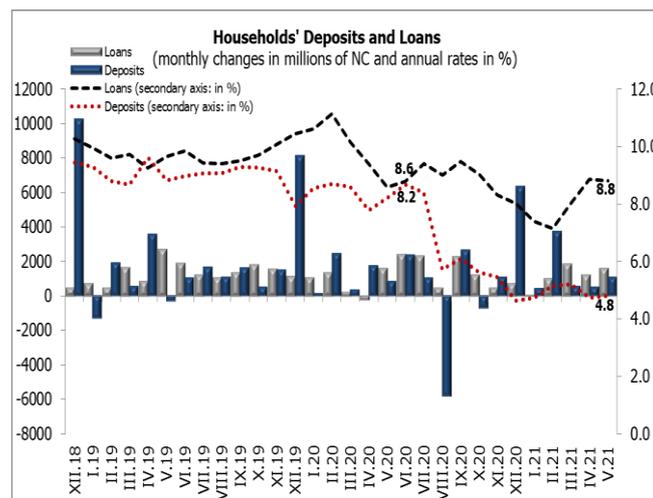
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- This month, total **corporate deposits** increased by 3.4%, compared to the previous month. The growth almost entirely reflects the increased demand deposits, with positive contribution of both short-term denar deposits and long-term foreign currency deposits, amid a decline in other components. The annual growth of 16.0% was mostly driven by the higher demand deposits, with positive contribution of short-term and long-term deposits in foreign currency, amid decline in short-term and long-term deposits in denars.
- In May, **corporate loans**<sup>9</sup>, increased by 0.8% on monthly basis, primarily due to the increased denar loans, with lower positive contribution to foreign currency loans. On an annual basis, corporate loans increased by 2.1%, reflecting increased lending in denars and foreign currency, with a more pronounced share of denar loans.



Source: NBRNM.

## 2. Deposits and loans of the households<sup>10</sup>



Source: NBRNM.

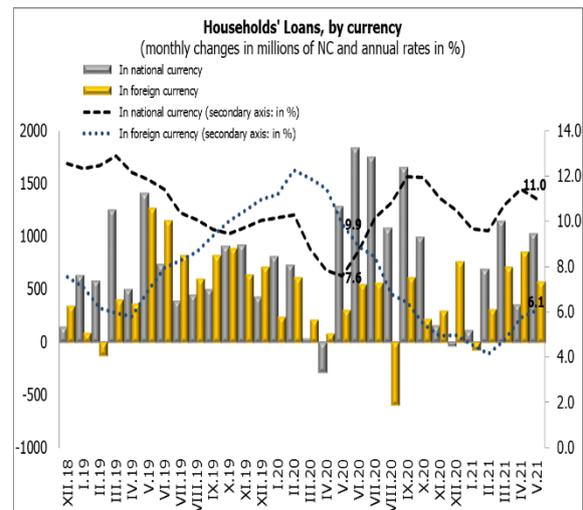
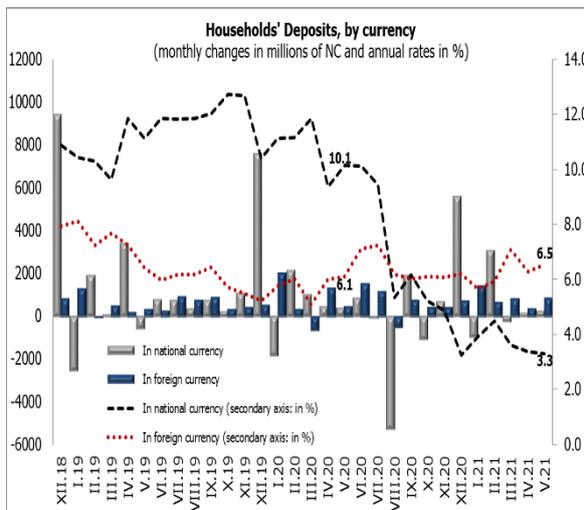
<sup>9</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

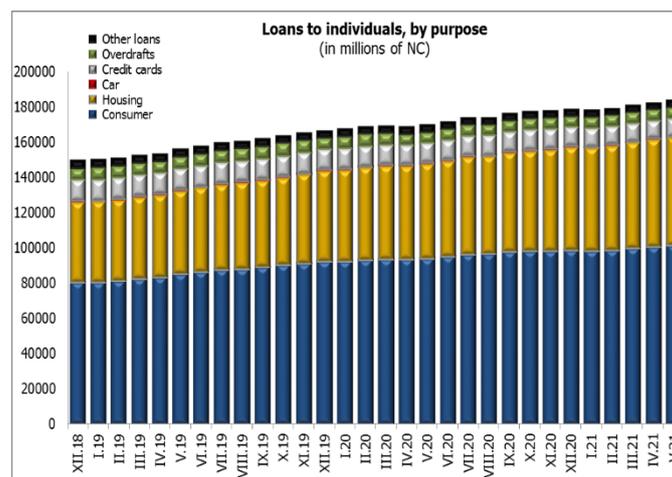


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- In May, the total **household deposits** increased by 0.4% on monthly basis, mostly due to the increased short-term foreign currency deposits, with positive contribution of demand deposits, short-term denar deposits and long-term foreign currency deposits, and decline in long-term denar deposits. The annual growth rate of 4.8% results from the increased demand deposits and short-term deposits in foreign currency, amid fall in other components.
  
- This month, **household loans** registered a monthly and annual increase of 0.8% and 8.8%, respectively. Denar loans made more pronounced contribution to the upward change on a monthly and annual basis.



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	5.2021	3.2020	6.2020	9.2020	12.2020	3.2021	4.2021	5.2021	4.2021	5.2021
Consumer loans	93,440	94,982	97,850	98,772	99,721	100,620	101,209	13.5	10.0	9.9	6.9	6.7	7.7	7.7	0.9	0.6
Housing loans	52,959	54,392	55,985	58,306	59,901	60,702	61,199	13.9	13.8	14.0	13.6	13.1	14.1	14.1	1.3	0.8
Car loans	306	292	291	282	263	259	249	-4.1	-8.6	-7.9	-10.9	-14.0	-14.5	-15.7	-1.7	-3.6
Credit cards	11,570	11,508	11,649	11,205	10,539	10,417	10,432	-4.5	-4.2	-2.6	-6.1	-8.9	-8.1	-9.1	-1.2	0.1
Overdrafts	6,499	6,205	6,280	5,818	6,399	6,093	6,446	-4.8	-9.4	-10.8	-5.0	-1.5	0.6	5.3	-4.8	5.8
Other loans	3,969	3,946	3,912	3,871	3,736	3,711	3,665	-6.7	-6.4	-6.7	-6.0	-5.8	-6.6	-7.3	-0.7	-1.3

Source: NBRNM.

- In May, **consumer and housing loans**, as the most common categories, registered a monthly growth of 0.6% and 0.8%, respectively, and an annual growth of 7.7% and 14.1%, respectively, by purpose of loans granted to individuals. This month, **car loans** decreased by 3.6% and 15.7%, respectively, on a monthly and annual basis, In May, **credit card** loans registered a minor monthly growth of 0.1%, while annually they dropped by 9.1%. In March this year, **overdrafts** registered a monthly and annual rise of 5.8% and 5.3%, respectively. This month, loans granted on **other basis** registered a monthly and annual decline of 1.3% and 7.3%, respectively.

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### Supporting information

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

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

Methodological explanations:

[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)

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)



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Next publications: Advance Release Calendar

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Monetary developments in the Republic of North Macedonia: 21 July 2021 (reference period as of June 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](mailto:contact.statistika@nbrm.mk) or phone: 02 3215 181 extension 116 (or 110/108).