



National Bank of the Republic of Macedonia Statistics Department

Skopje, 21 September 2018

Press Release

Monetary developments in the Republic of Macedonia: August 2018

- In August, **the broad money (monetary aggregate M3^{1,2})** increased on a monthly basis by 0.9%, as a result of the increase in demand deposits³ and short-term deposits, in conditions of a decrease in the long-term deposits up to two-years maturity and currency in circulation. On an annual basis, the broad money increased by 11.2%, which is mostly due to the growth in demand deposits, followed by short-term deposits and long-term deposits up to two years.
- In August, **the total deposits⁴** registered monthly increase of 1.4%, given the growth in both sectors, more intensive in the corporate sector. The deposits growth on annual basis continues also in this month, amounting to 11.4%, with the realized growth of deposits in both sectors, with more pronounced contribution of the deposits of the household sector (52.3%)

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

	stocks (in millions of NC)									annual changes (in %)									monthly changes (in %)	
	12.2016 ⁽¹⁾	3.2017	6.2017	9.2017	12.2017 ⁽¹⁾	3.2018	6.2018	7.2018	8.2018	12.2016 ⁽¹⁾	3.2017	6.2017	9.2017	12.2017 ⁽¹⁾	3.2018	6.2018	7.2018	8.2018	7.2018	8.2018
Broad Money M4	354,712	348,470	351,004	354,261	372,931	374,681	386,470	392,317	397,225	6.2	4.2	7.5	6.2	5.1	7.5	10.1	11.5	11.7	1.5	1.3
Broad Money M3	322,199	314,850	316,183	319,137	336,989	337,684	348,090	353,346	356,646	6.0	3.6	6.8	5.4	4.6	7.3	10.1	11.4	11.2	1.5	0.9
of which:																				
Currency in Circulation	28,193	26,802	28,473	28,968	29,968	28,658	29,681	31,122	30,847	7.2	4.2	9.7	9.9	6.3	6.9	4.2	5.0	5.7	4.9	-0.9
Total Deposits	321,888	317,720	318,426	320,952	339,314	340,135	349,816	354,273	359,404	5.7	4.2	7.6	6.0	5.4	7.1	9.9	11.3	11.4	1.3	1.4
of which:																				
Corporations	87,377	82,420	80,885	80,304	89,248	85,791	90,295	92,343	95,544	13.4	8.8	10.8	5.6	2.1	4.1	11.6	13.5	13.7	2.3	3.5
Households	217,394	217,554	219,505	221,570	230,744	233,485	236,832	238,175	239,142	2.5	1.8	6.5	5.6	6.1	7.3	7.9	9.0	8.8	0.6	0.4
Total Loans	284,782	282,037	288,227	288,854	300,257	298,059	306,049	307,139	307,855	-0.1	-1.1	4.1	4.1	5.4	5.7	6.2	6.2	6.2	0.4	0.2
of which:																				
Corporations	154,225	148,730	150,998	148,668	157,722	152,187	155,427	154,823	154,565	-5.3	-7.2	-0.4	-0.9	2.3	2.3	2.9	2.7	2.7	-0.4	-0.2
Households	129,321	132,080	136,034	138,951	141,232	144,491	149,254	150,923	151,900	7.0	6.6	9.5	9.8	9.2	9.4	9.7	10.0	9.9	1.1	0.6

1) Data in accordance with the final balance sheets submission

Source: NBRM.

¹ Starting from June 2018, the NBRM will use 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.

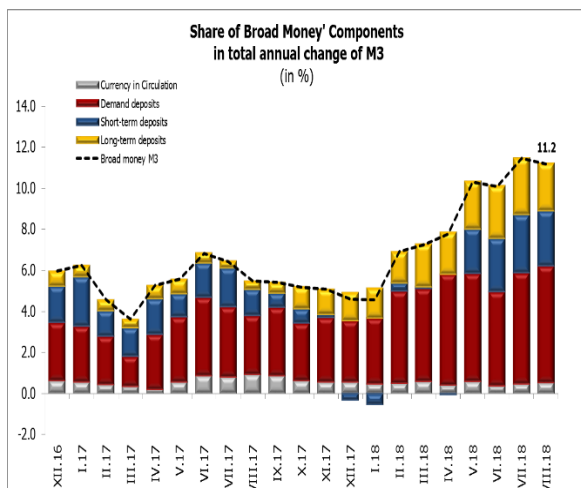
⁴ Total deposits include all deposits included in the monetary aggregate M4.

⁵ The annual rates of loans in the period June 2016 – May 2017 were affected by the effects of the NBRM's measure for write-off of the claims that have been fully covered for more than two years.

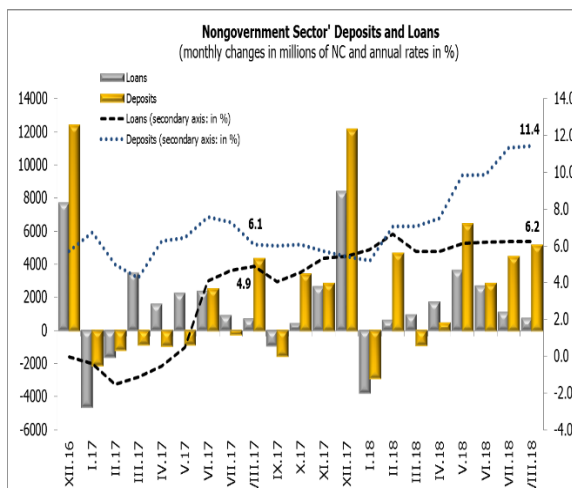


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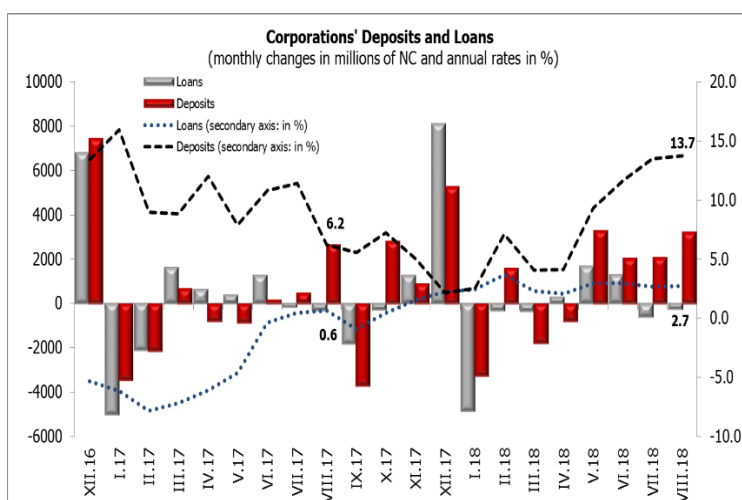
- In August, **total loans** increased by 0.2% on a monthly basis, which in conditions of reduced lending to the corporate sector, is entirely due to the increase in the lending to the household sector. Analyzed on an annual basis, the growth of total loans, for the third month in a row, amounts 6.2% and mostly arises from the growth of lending of the household sector (contribution of 75.8%).



Source: NBRM.



1. Deposits and loans of the corporate sector⁶



Source: NBRM.

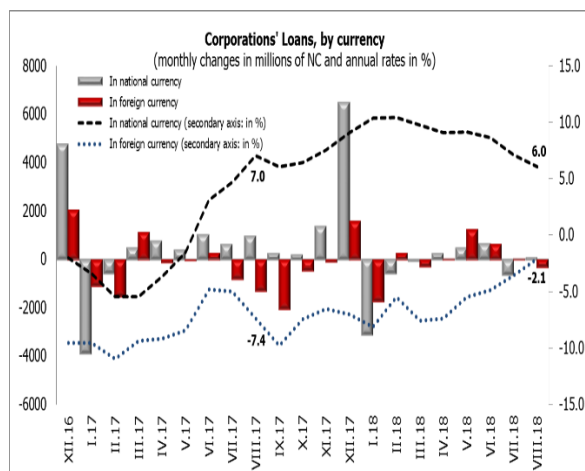
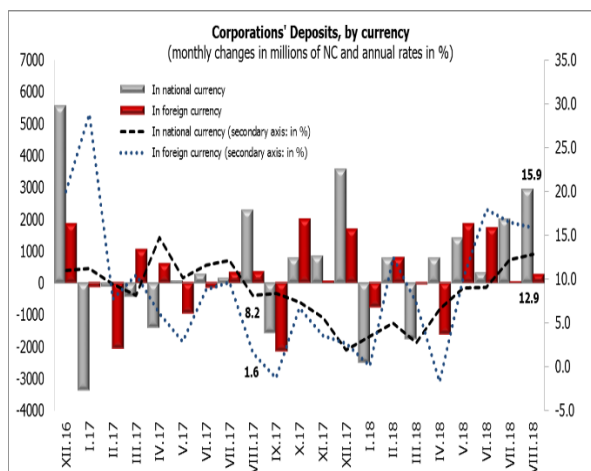
- Upward monthly and annual change of 3.5% and 13.7%, respectively was registered in the total **deposits of the corporate sector** in August, with the demand deposits and the short-term foreign currency deposits being the main driver of the growth on a monthly and annual basis.
- In August, the **loans to the corporate sector**⁷ registered a minimal monthly decrease of 0.2%, which resulted from the decrease in the foreign currency loans, with the

⁶ For the purposes of this press release, the corporate sector includes public and private non-financial corporations.



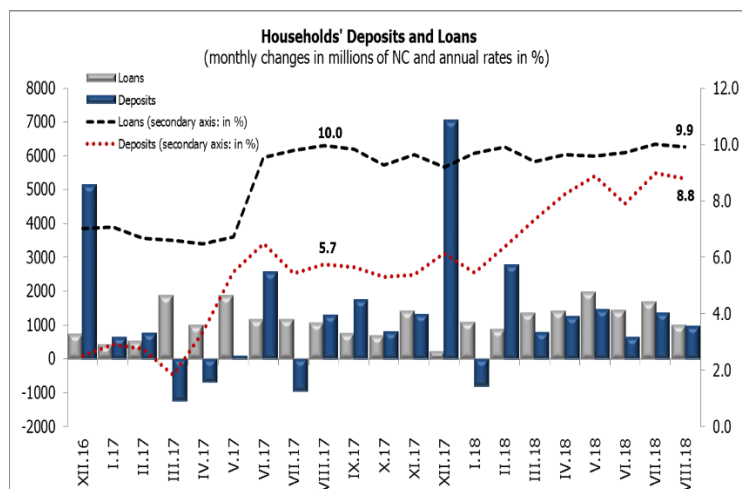
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growth in the denar lending. The annual credit growth is 2.7% and is completely determined by the increased denar lending to the corporate sector, in conditions when the lending in foreign currency decreases.



Source: NBRM.

2. Deposits and loans of the households⁸



Source: NBRM.

- The total **household deposits** in August registered monthly and annual growth of 0.4% and 8.8%, respectively, given the growth of denar and foreign currency deposits. From the aspect of the currency structure, the deposits in foreign currency (share of 69.5%) registered a higher contribution to the growth on monthly basis, while the annual growth was due to the slightly higher contribution of denar deposits (a share of 54.0%).

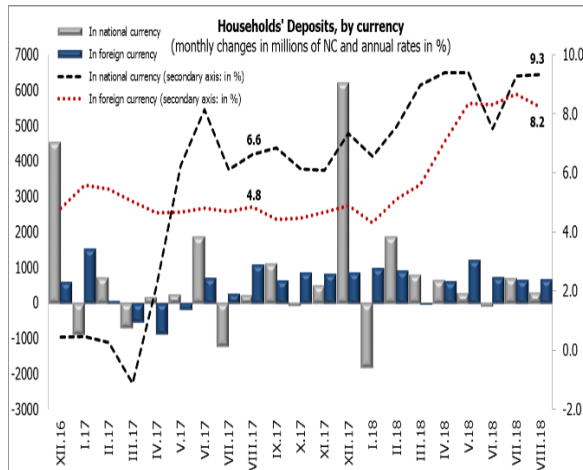
⁷ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause are included in foreign currency.

⁸ For the purposes of this press release, households refer to individuals and self-employed professionals.

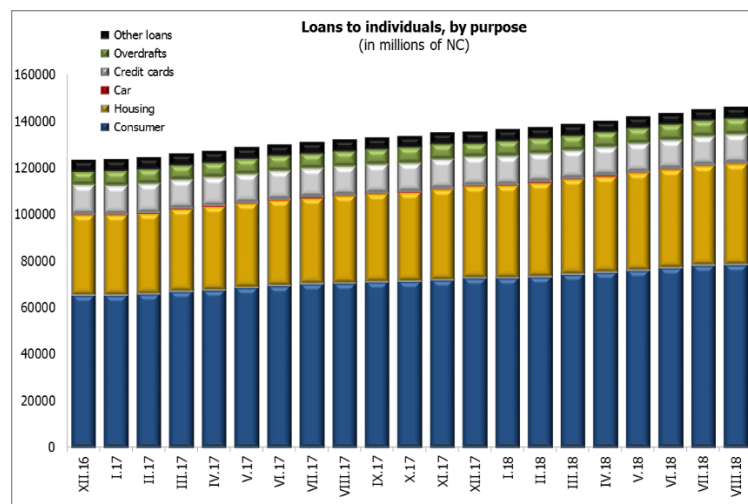
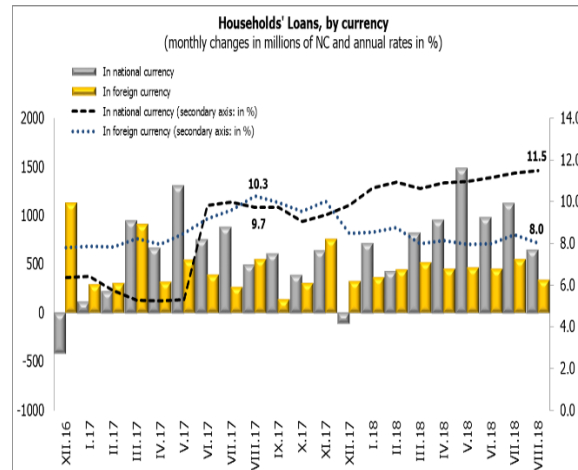


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- In August, total **household loans** registered a monthly and annual increase of 0.6% and 9.9%, respectively, which was mostly due to the growth of denar loans (contribution to the growth of 65.8% and 63.2%, respectively).



Source: NBRM.



Source: NBRM.

Table 2. Banks and savings houses loans granted to individuals, by purpose

	Stocks (in millions of NC)								annual changes (in %)								monthly changes (in %)	
	12.2016 ¹⁾	3.2017	6.2017	9.2017	12.2017 ¹⁾	3.2018	6.2018	7.2018	8.2018	12.2016 ¹⁾	3.2017	6.2017	9.2017	12.2017 ¹⁾	3.2018	6.2018	7.2018	8.2018
Consumer loans	65,438	67,041	69,424	71,068	72,595	74,218	77,100	78,080	78,427	13.4	12.8	11.8	11.9	10.9	10.7	11.1	11.2	11.1
Housing loans	34,608	35,448	36,815	37,788	39,535	40,899	42,309	42,930	43,411	14.3	13.4	13.6	14.1	14.2	15.4	14.9	16.0	15.7
Car loans	323	309	307	308	316	318	307	306	303	-19.1	-18.5	-11.9	-5.2	-2.2	2.9	0.2	0.7	0.1
Credit cards	12,380	12,294	12,295	12,341	12,281	12,157	12,192	12,197	12,262	0.3	0.5	-0.4	-1.0	-0.8	-1.1	-0.8	-1.0	-0.9
Overdrafts	5,795	6,275	6,366	6,510	5,896	6,300	6,672	6,700	6,736	3.6	2.7	1.3	3.7	1.8	0.4	4.8	4.2	3.5
Other loans	4,584	4,558	4,628	4,575	4,564	4,534	4,593	4,586	4,544	7.3	5.6	2.9	0.5	-0.4	-0.5	-0.8	-0.3	-0.8

1) Data in accordance with the final balance sheets submission

Source: NBRM.



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- In August, analyzing the purpose of loans granted to individuals, the most common category – **consumer and housing loans** registered a monthly growth of 0.4% and 1.1%, respectively, which equals 11.1% and 15.7%, respectively on an annual basis. During this month, **car loans** registered a monthly decline of 0.9%, amid minimal annual growth of 0.1%, while **credit card** loans registered a monthly increase of 0.5%, amid an annual decline of 0.9%. In August, **overdrafts** registered a monthly and annual growth of 0.5% and 3.5%, respectively, while loans granted on **other basis** registered a monthly and annual decrease of 0.9% and 0.8%, 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.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

Next publications: Advance Release Calendar

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

Monetary developments in the Republic of Macedonia: 19 October 2018 (reference period as of September 2018).

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).