



National Bank of the Republic of Macedonia Statistics Department

Skopje, 21 January 2019

Press Release

Monetary developments in the Republic of Macedonia: December 2018

- In December 2018, **broad money (monetary aggregate M3^{1,2})** registered a significant monthly growth of 3.7%, typical for this month of the year. The monthly increase is due to the growth of all components, with the most significant contribution of demand deposits³ explaining 72.6% in the total monthly change. The annual growth rate of broad money is 10.8% and is mostly due to the growth of demand deposits and short-term deposits (contribution of 84.8%) and to a lesser extent long-term deposits up to two years and currency in circulation.
- **Total deposits⁴** registered a monthly growth rate of 3.2% in December, amid an annual growth of 10.5%. Thus, the monthly and annual change is mainly due to the growth of household deposits, whose share in the total deposits growth is 88.5% and 61.1%, respectively.

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⁾	12.2017 ¹⁾	3.2018	6.2018	9.2018	11.2018	12.2018	12.2016 ¹⁾	12.2017 ¹⁾	3.2018	6.2018	9.2018	11.2018	12.2018	11.2018	12.2018
Broad Money M4	354,712	372,931	374,681	386,470	395,840	403,087	416,813	6.2	5.1	7.5	10.1	11.7	12.2	11.8	1.3	3.4
Broad Money M3	322,199	336,989	337,684	348,090	353,862	360,274	373,434	6.0	4.6	7.3	10.1	10.9	11.3	10.8	1.3	3.7
of which:																
Currency in Circulation	28,193	29,968	28,658	29,681	30,665	29,720	32,232	7.2	6.3	6.9	4.2	5.9	7.6	7.6	0.1	8.5
Total Deposits	321,888	339,314	340,135	349,816	358,126	363,494	375,046	5.7	5.4	7.1	9.9	11.6	11.1	10.5	0.6	3.2
of which:																
Corporations	87,377	89,248	85,791	90,295	93,775	96,974	97,703	13.4	2.1	4.1	11.6	16.8	15.5	9.5	1.1	0.8
Households	217,394	230,744	233,485	236,832	240,139	242,344	252,563	2.5	6.1	7.3	7.9	8.4	8.3	9.5	0.7	4.2
Total Loans	284,782	300,257	298,059	306,049	311,558	315,003	322,094	-0.1	5.4	5.7	6.2	7.9	7.9	7.3	0.6	2.3
of which:																
Corporations	154,225	157,722	152,187	155,427	157,165	158,302	164,770	-5.3	2.3	2.3	2.9	5.7	5.8	4.5	0.6	4.1
Households	129,321	141,232	144,491	149,254	152,990	155,252	155,734	7.0	9.2	9.4	9.7	10.1	10.1	10.3	0.6	0.3

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.

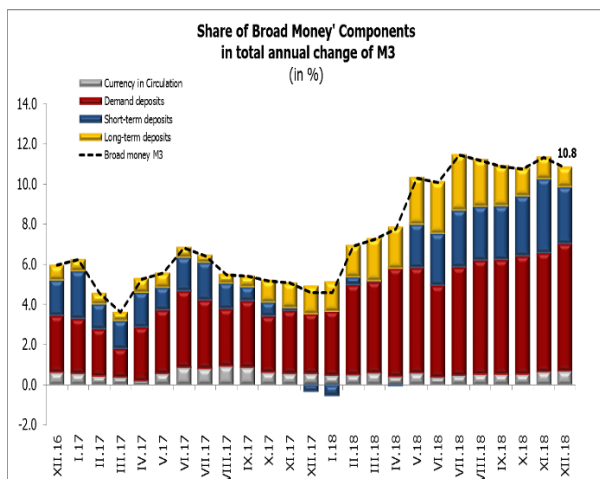
⁴ Total deposits include all deposits included in the monetary aggregate M4.

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

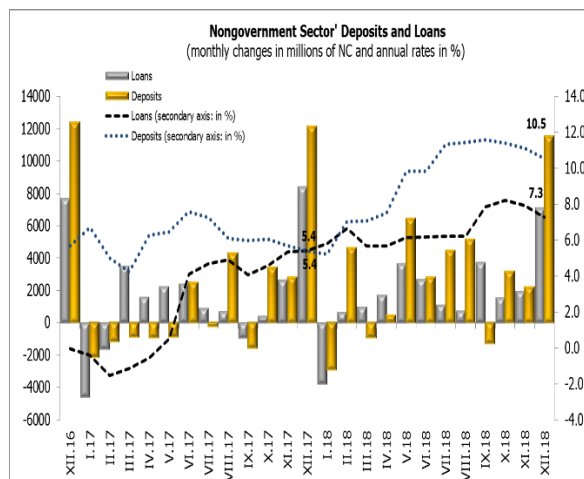


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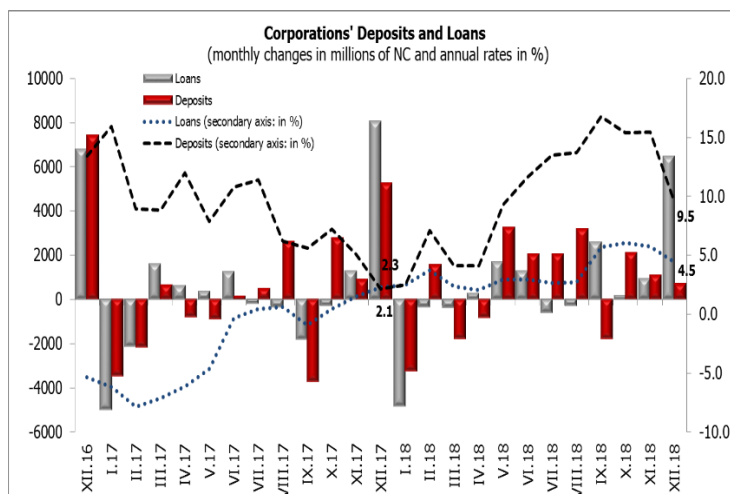
- In December 2018, according to the seasonal dynamics, **total loans** also registered a significant monthly growth of 2.3%. The growth (91.2%) is entirely due to the increased lending to the corporate sector. Annually, loans increased by 7.3% influenced by the increasing lending the household and corporate sector, which have a share of 66.4% and 32.3% respectively, in the total annual growth of loans.



Source: NBRM.



1. Deposits and loans of the corporate sector⁶



Source: NBRM.

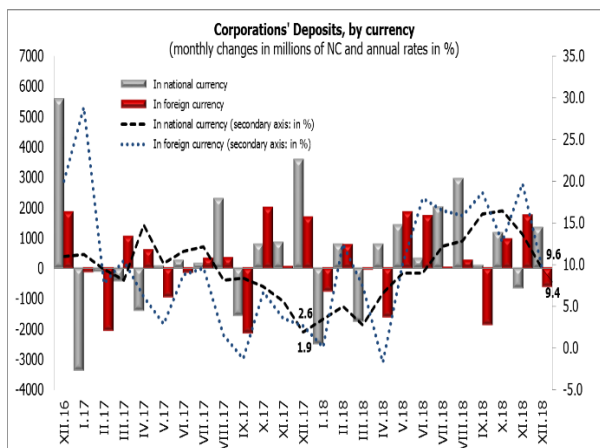
- In December, the total **corporate deposits** increased by 0.8%. The growth is due to the increase of demand deposits, short-term deposits in denars, as well as long-term deposits in foreign currency, amid the decrease of short-term deposits in foreign currency and long-term deposits in denars. Annually, deposits increased by 9.5%, amid the growth of deposits in denars and foreign currency, with the exception of long-term deposits in foreign currency which registered a slight annual decline. In terms of maturity structure, demand deposits and short-term deposits make the largest contribution to the annual growth i.e. 98.4% of the change.

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

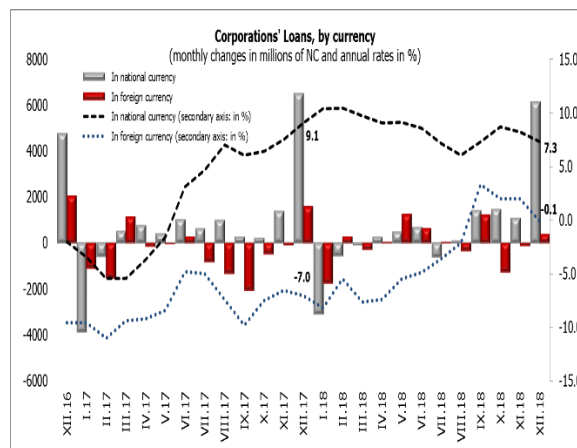


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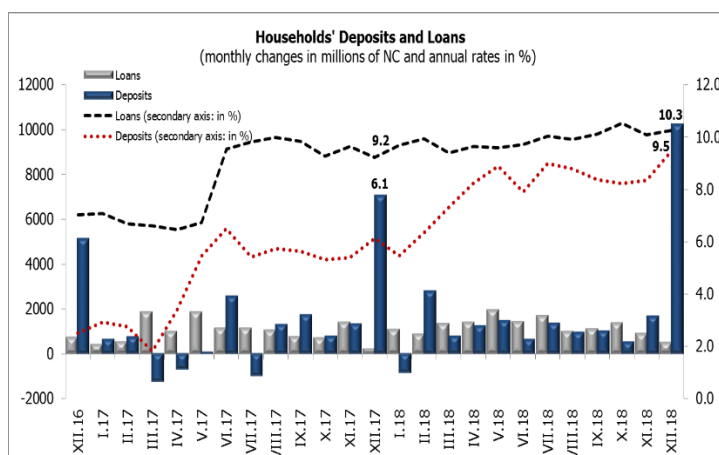
- In December, total **corporate loans**⁷ registered a monthly and annual growth of 4.1% and 4.5%, respectively. The monthly and annual loans growth is entirely due to the increased denar lending to the corporate sector.



Source: NBRM.



2. Deposits and loans of the households⁸



Source: NBRM.

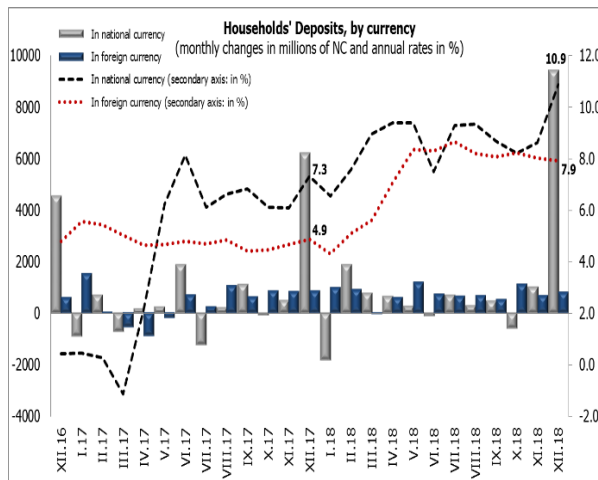
- In December, total **household deposits** registered a monthly increase of 4.2%, mostly influenced by the growth of demand deposits (78.8%) amid a mild increase of other deposit types. The annual deposit growth for 2018 is 9.5% and is mostly due to the increase of demand deposits and short-term deposits in foreign currency, amid although moderate growth of long-term deposits in denars and in foreign currency.
- In December, total **household loans** registered an upward change on a monthly and annual basis of 0.3% and 10.3%, respectively. Analyzing the currency structure, foreign currency loans have a larger share in the monthly growth (70.8%), while the annual growth is mainly due to the increase of denar loans (66.5%).

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

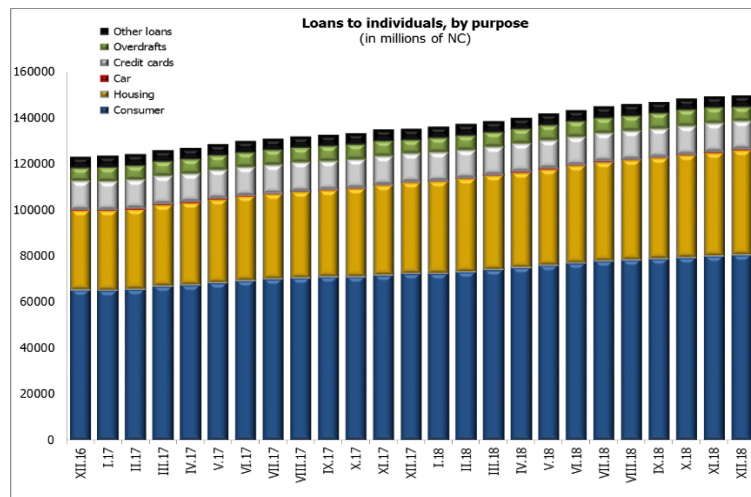
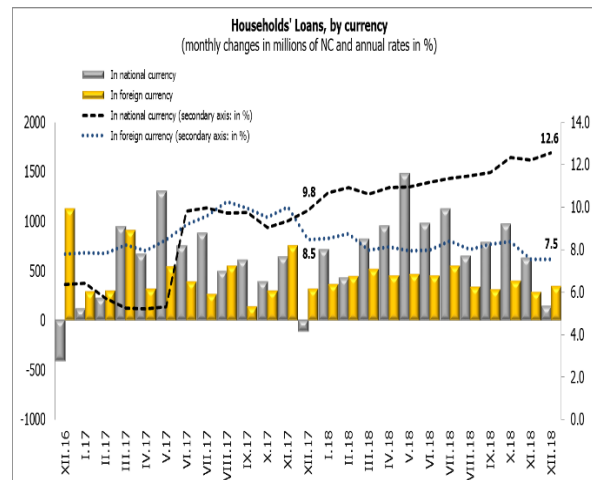
⁸ For the purposes of this press release, households refer to individuals and self-employed professionals.



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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⁾	12.2017 ²⁾	3.2018	6.2018	9.2018	11.2018	12.2018	12.2016 ¹⁾	12.2017 ¹⁾	3.2018	6.2018	9.2018	11.2018	12.2018	11.2018	12.2018
Consumer loans	65,438	72,595	74,218	77,100	78,964	80,052	80,632	13.4	10.9	10.7	11.1	11.1	11.4	11.1	0.7	0.7
Housing loans	34,608	39,535	40,899	42,309	43,896	44,950	45,539	14.3	14.2	15.4	14.9	16.2	15.1	15.2	1.2	1.3
Car loans	323	316	318	307	301	312	312	-19.1	-2.2	2.9	0.2	-2.2	0.0	-1.3	2.1	-0.2
Credit cards	12,380	12,281	12,157	12,192	12,235	12,353	12,246	0.3	-0.8	-1.1	-0.8	-0.9	-0.4	-0.3	0.2	-0.9
Overdrafts	5,795	5,896	6,300	6,672	6,881	6,848	6,232	3.6	1.8	0.4	4.8	5.7	3.7	5.7	-2.0	-9.0
Other loans	4,584	4,564	4,534	4,593	4,566	4,609	4,607	7.3	-0.4	-0.5	-0.8	-0.2	0.3	0.9	0.9	-0.1

1) Data in accordance with the final balance sheets submission

Source: NBRM.



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- In December, analyzing the purpose of loans granted to individuals, the most common category – **consumer and housing loans** registered a monthly growth of 0.7% and 1.3%, respectively, which on annual basis is 11.1% and 15.2%, respectively. In December, **car loans** and **credit card** loans registered a monthly drop of 0.2% and 0.9%, respectively, amid a simultaneous annual reduction of 1.3% and 0.3%, respectively. In the last month of the year, **overdrafts** registered a seasonal monthly decrease of 9.0%, while registering a growth of 5.7% on annual basis. Compared to November this year, loans granted on **other basis**, decreased insignificantly by 0.1%, however, analyzed annually, they increased by 0.9%.

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.nsp>

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: 21 February 2019 (reference period as of January 2019).

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).