



National Bank of the Republic of Macedonia Statistics Department

Skopje, 21 February 2018

Press Release

Monetary developments in the Republic of Macedonia: January 2018

- In January, **broad money (money aggregate M4¹)** registered a monthly decline of 1.2% which also was the usual movement in the previous years. The decrease is mainly explained by the seasonal developments in the demand deposits² and currency in circulation, which were only partially offset by the moderate growth in long-term deposits. On an annual basis, broad money increased by 5.3% (identical to the annual growth rate from December last year), where demand deposits and long-term deposits had the largest contribution in the growth and currency in circulation to a lesser extent, compared to the decline in short-term deposits.
- **Total deposits** registered a monthly decline of 0.9% in January, mainly due to the decline of corporate deposits. On an annual basis, deposits increased by 5.2% mostly due to the growth of household deposits (71.5% of the total deposits growth).

Table 1. Total deposits and loans 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⁾ | 1.2018 | 12.2016 ¹⁾ | 3.2017 | 6.2017 | 9.2017 | 12.2017 ¹⁾ | 1.2018 | 12.2017 ¹⁾ | 1.2018 |
| Broad Money (M4) | 351,222 | 344,729 | 347,157 | 350,513 | 369,882 | 365,438 | 6.1 | 4.2 | 7.8 | 6.4 | 5.3 | 5.3 | 4.1 | -1.2 |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Currency in Circulation | 28,193 | 26,802 | 28,473 | 28,968 | 29,968 | 28,364 | 7.2 | 4.2 | 9.7 | 9.9 | 6.3 | 5.5 | 8.5 | -5.4 |
| Total Deposits | 321,888 | 317,720 | 318,426 | 320,952 | 339,314 | 336,402 | 5.7 | 4.2 | 7.6 | 6.0 | 5.4 | 5.2 | 3.7 | -0.9 |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Corporations | 87,377 | 82,420 | 80,885 | 80,304 | 89,248 | 86,001 | 13.4 | 8.8 | 10.8 | 5.6 | 2.1 | 2.5 | 6.3 | -3.6 |
| Households | 217,394 | 217,554 | 219,505 | 221,570 | 230,744 | 229,928 | 2.5 | 1.8 | 6.5 | 5.6 | 6.1 | 5.5 | 3.2 | -0.4 |
| Total Loans | 282,461 | 280,157 | 286,408 | 286,950 | 298,672 | 294,855 | 0.9 | 0.0 | 4.4 | 4.3 | 5.7 | 6.1 | 3.0 | -1.3 |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Corporations | 151,905 | 146,851 | 149,179 | 146,764 | 156,137 | 151,251 | -3.8 | -5.2 | 0.0 | -0.5 | 2.8 | 2.9 | 5.7 | -3.1 |
| Households | 129,321 | 132,080 | 136,034 | 138,951 | 141,232 | 142,302 | 7.0 | 6.6 | 9.5 | 9.8 | 9.2 | 9.7 | 0.1 | 0.8 |

1) Data in accordance with the final balance sheets submission

Source: NBRM.

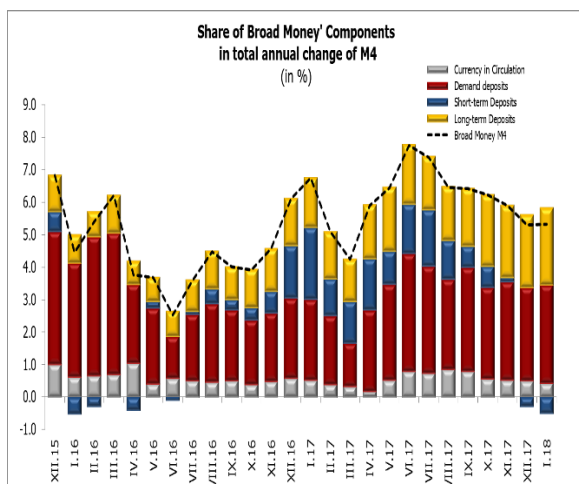
- In January, **total loans** registered a decline of 1.3% on a monthly basis, in conditions when the decline in lending to the corporate sector completely exceeds the monthly loan growth in the household sector. Analyzed on an annual basis, the loan growth rate of 6.1% mostly (74.7%) arises from the growth of loans granted to the households sector (89.4%).

¹ 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 M4 (broad money) besides the monetary aggregate M2 also includes long-term deposits. For more details see the methodology at: <http://www.nbrm.mk/ns-newsarticle-bilansi-i-pregledi-na-depozitni-institucii-en.nspix>

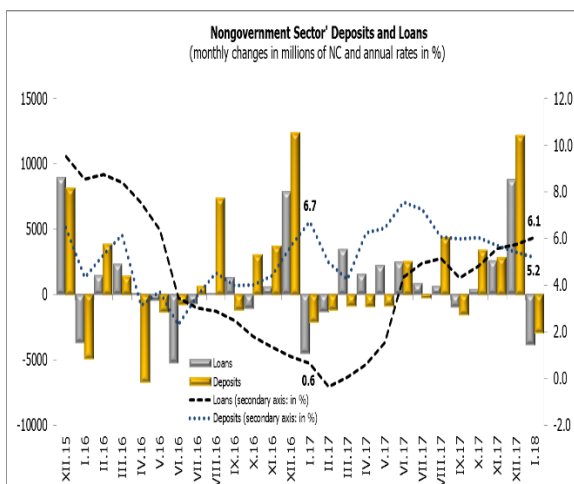
² Demand deposits refer to current accounts with banks and savings houses and current accounts of other financial corporations with the National Bank.



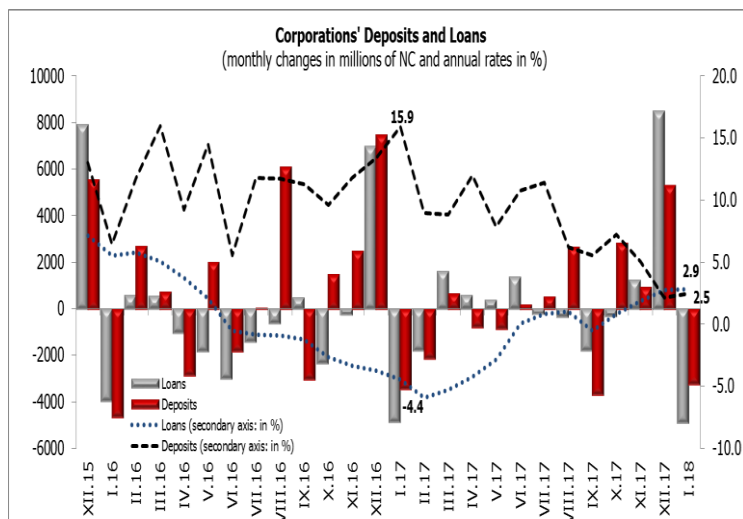
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Source: NBRM.



1. Deposits and loans of the corporate sector³



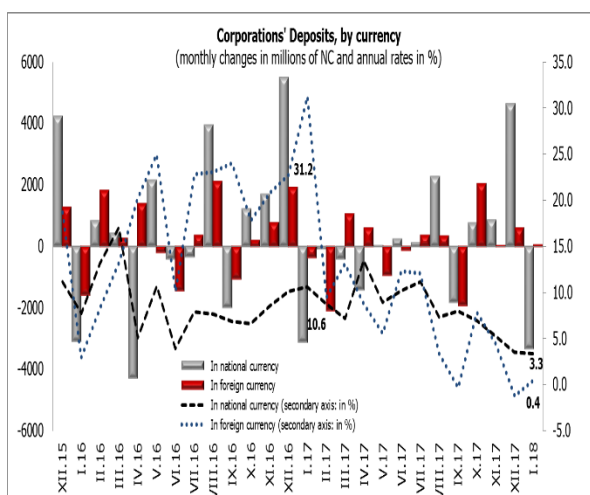
Source: NBRM.

- The downward monthly change in total **corporate deposits** of 3.6% is entirely due to the decline in denar deposits, primarily demand deposits and short-term deposits. On the other hand, the annual deposits growth rate is 2.5% and is mostly determined by the growth in demand deposits and long-term deposits, compared to the decline in short-term deposits.
- In January, **corporate loans** registered a monthly decline of 3.1% while compared annually it registered a growth of 2.9%. Thus, loans granted in denars made largest contribution to the monthly and annual changes.

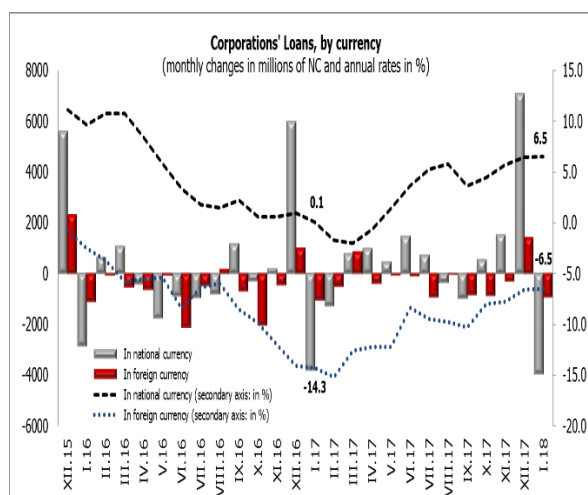
³ For the purposes of this press release, the corporate sector includes public and private non-financial corporations.



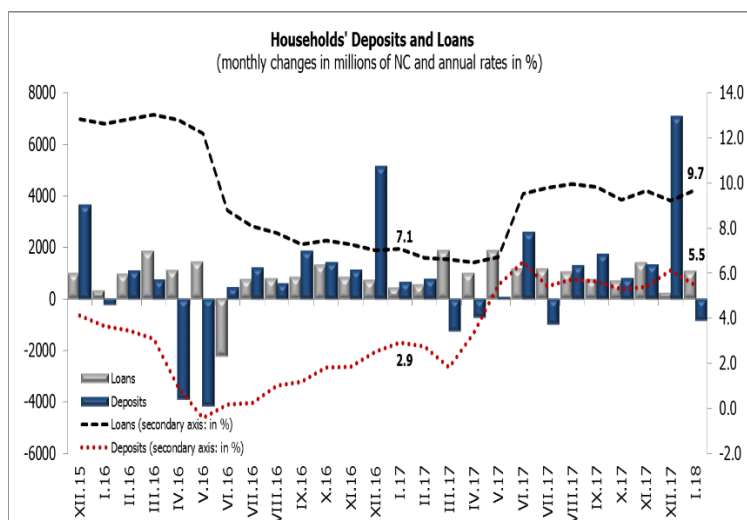
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Source: NBRM.



2. Deposits and loans of the households⁴



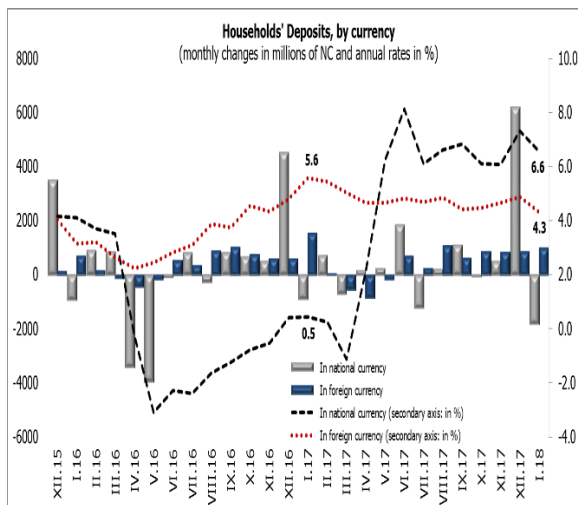
Source: NBRM.

- In January, total **household deposits** decreased by 0.4% on a monthly basis, mainly due to the downward change in demand deposits, in conditions when short-term and long-term deposits, in denars and foreign currency register a monthly growth. On an annual basis, the growth rate is 5.5%, whereby the growth is allocated between the denar and foreign currency component, with a higher share (60.9%) of denar deposits in the growth.
- In January, total **household loans** registered a monthly and an annual growth of 0.8 and 9.7%, respectively, whereby the increased loan activity is mostly realized through denar placements.

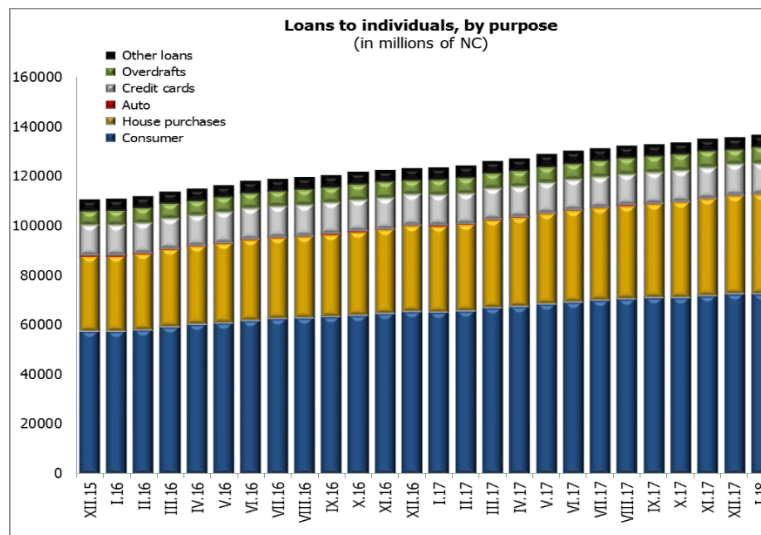
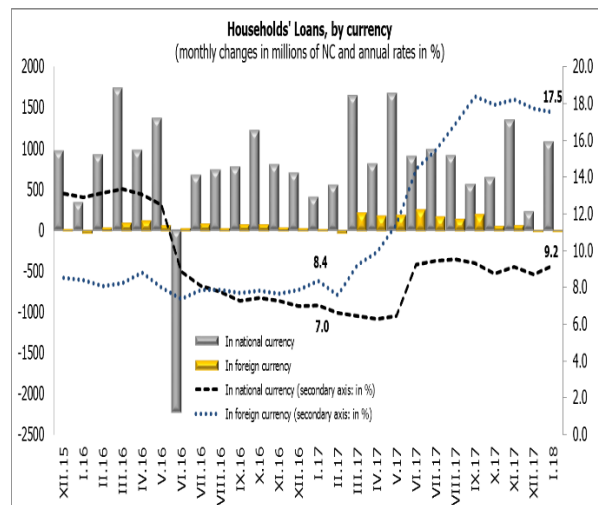
⁴ For the purposes of this press release, households refer to individuals and self-employed professionals.



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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⁾ | 3.2017 | 6.2017 | 9.2017 | 12.2017 ¹⁾ | 1.2018 | 12.2016 ¹⁾ | 3.2017 | 6.2017 | 9.2017 | 12.2017 ¹⁾ | 1.2018 | 12.2017 ¹⁾ | 1.2018 |
| Consumer loans | 65,438 | 67,041 | 69,424 | 71,068 | 72,595 | 72,628 | 13.4 | 12.8 | 11.8 | 11.9 | 10.9 | 11.3 | 1.0 | 0.0 |
| House purchases loans | 34,608 | 35,448 | 36,815 | 37,788 | 39,535 | 39,979 | 14.3 | 13.4 | 13.6 | 14.1 | 14.2 | 15.2 | 1.3 | 1.1 |
| Auto loans | 323 | 309 | 307 | 308 | 316 | 311 | -19.1 | -18.5 | -11.9 | -5.2 | -2.2 | -1.7 | 1.1 | -1.4 |
| Credit cards | 12,380 | 12,294 | 12,295 | 12,341 | 12,281 | 12,250 | 0.3 | 0.5 | -0.4 | -1.0 | -0.8 | -0.6 | -1.0 | -0.3 |
| Overdrafts | 5,795 | 6,275 | 6,366 | 6,510 | 5,896 | 6,492 | 3.6 | 2.7 | 1.3 | 3.7 | 1.8 | 4.2 | -10.7 | 10.1 |
| Other loans | 4,585 | 4,560 | 4,630 | 4,578 | 4,568 | 4,515 | 7.3 | 5.6 | 2.9 | 0.5 | -0.4 | -1.6 | -0.6 | -1.2 |

1) Data in accordance with the final balance sheets submission

Source: NBRM.



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- Analyzed by the purpose of loans granted to individuals, the annual growth rate in the most common category - **consumer loans** was 11.3% in January, without any changes on a monthly basis. **Housing loans** registered a monthly and annual growth of 1.1% and 15.2%, respectively. In the first month of the year, **car loans** and **credit card loans** registered a monthly decline of 1.4% and 0.3%, respectively, amid simultaneous decline of 1.7% and 0.6%, respectively. Furthermore, this month, **overdrafts** registered a monthly and annual growth of 10.1% and 4.2%, respectively, while **loans approved on other basis** registered a monthly and annual decrease of 1.2% and 1.6%, respectively.

Data revisions

Monetary data for December 2017 are revised, in accordance with the changes made in notifying banks and savings houses according to the completed financial reports, common for this period of the year. Based on the revised reports, the most significant changes were recorded in the categories: other accounts receivable, other accounts payable and shares and other equity within the Balance sheets of other depository institutions. The revision did not reflect on the indicators analyzed in this press release.

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-depozitni-institucii-en.nspix>

Methodological explanations:
<http://www.nbrm.mk/ns-newsarticle-bilansi-i-pregledi-na-depozitni-institucii-en.nspix>

Next publications: Advance Release Calendar
http://nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix

Monetary developments in the Republic of Macedonia: 21 March 2018 (reference period as of February 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).