



## National Bank of the Republic of Macedonia Statistics Department

Skopje, 21 August 2018

### Press Release

### Monetary developments in the Republic of Macedonia: July 2018

- In July, **broad money (monetary aggregate M3<sup>1,2</sup>)** registered monthly growth of 1.5%, mostly as a result of the growth in demand deposits<sup>3</sup> and currency in circulation (contribution of 71.2% to the monthly growth). On an annual basis, given the growth in all components, the broad money increased by 11.4%, which is mostly due to the growth in demand deposits, followed by short-term deposits and long-term deposits up to two years.
- In July, **the total deposits<sup>4</sup>** registered monthly increase of 1.3%, given the growth in the two sectors, more intensive in the corporate sector. On an annual basis, the upward trend of growth of deposits, which reached 11.3%, continued in July. These achievements are the result of the growth of deposits of the two sectors, with a more pronounced contribution of household deposits.

Table 1. Total deposits and loans<sup>5</sup> of the non-government sector

	stocks (in millions of NC)								annual changes (in %)								monthly changes (in %)	
	12.2016 <sup>(1)</sup>	3.2017	6.2017	9.2017	12.2017 <sup>(1)</sup>	3.2018	6.2018	7.2018	12.2016 <sup>(1)</sup>	3.2017	6.2017	9.2017	12.2017 <sup>(1)</sup>	3.2018	6.2018	7.2018	6.2018	7.2018
<b>Broad Money M4</b>	<b>354,712</b>	<b>348,470</b>	<b>351,004</b>	<b>354,261</b>	<b>372,931</b>	<b>374,681</b>	<b>386,470</b>	<b>392,317</b>	<b>6.2</b>	<b>4.2</b>	<b>7.5</b>	<b>6.2</b>	<b>5.1</b>	<b>7.5</b>	<b>10.1</b>	<b>11.5</b>	<b>0.9</b>	<b>1.5</b>
<b>Broad Money M3</b>	<b>322,199</b>	<b>314,850</b>	<b>316,183</b>	<b>319,137</b>	<b>336,989</b>	<b>337,684</b>	<b>348,090</b>	<b>353,346</b>	<b>6.0</b>	<b>3.6</b>	<b>6.8</b>	<b>5.4</b>	<b>4.6</b>	<b>7.3</b>	<b>10.1</b>	<b>11.4</b>	<b>0.8</b>	<b>1.5</b>
of which:																		
Currency in Circulation	28,193	26,802	28,473	28,968	29,968	28,658	29,681	31,122	7.2	4.2	9.7	9.9	6.3	6.9	4.2	5.0	1.3	4.9
<b>Total Deposits</b>	<b>321,888</b>	<b>317,720</b>	<b>318,426</b>	<b>320,952</b>	<b>339,314</b>	<b>340,135</b>	<b>349,816</b>	<b>354,273</b>	<b>5.7</b>	<b>4.2</b>	<b>7.6</b>	<b>6.0</b>	<b>5.4</b>	<b>7.1</b>	<b>9.9</b>	<b>11.3</b>	<b>0.8</b>	<b>1.3</b>
of which:																		
Corporations	87,377	82,420	80,885	80,304	89,248	85,791	90,295	92,343	13.4	8.8	10.8	5.6	2.1	4.1	11.6	13.5	2.3	2.3
Households	217,394	217,554	219,505	221,570	230,744	233,485	236,832	238,175	2.5	1.8	6.5	5.6	6.1	7.3	7.9	9.0	0.3	0.6
<b>Total Loans</b>	<b>284,782</b>	<b>282,037</b>	<b>288,227</b>	<b>288,854</b>	<b>300,257</b>	<b>298,059</b>	<b>306,049</b>	<b>307,139</b>	<b>-0.1</b>	<b>-1.1</b>	<b>4.1</b>	<b>4.1</b>	<b>5.4</b>	<b>5.7</b>	<b>6.2</b>	<b>6.2</b>	<b>0.9</b>	<b>0.4</b>
of which:																		
Corporations	154,225	148,730	150,998	148,668	157,722	152,187	155,427	154,823	-5.3	-7.2	-0.4	-0.9	2.3	2.3	2.9	2.7	0.8	-0.4
Households	129,321	132,080	136,034	138,951	141,232	144,491	149,254	150,923	7.0	6.6	9.5	9.8	9.2	9.4	9.7	10.0	1.0	1.1

Source: NBRM.

<sup>1</sup> 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.

<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 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](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.

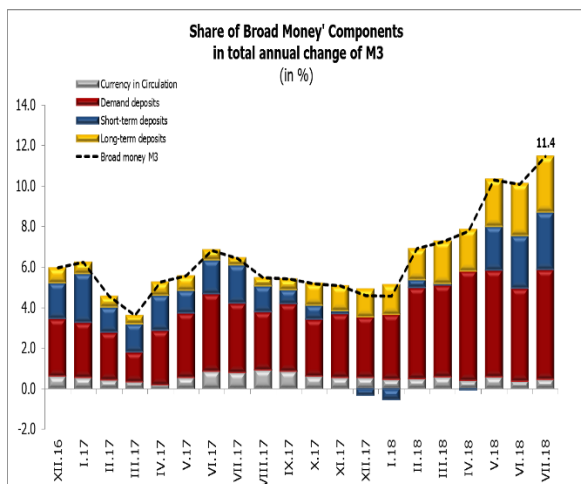
<sup>4</sup> Total deposits include all deposits included in the monetary aggregate M4.

<sup>5</sup> 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.

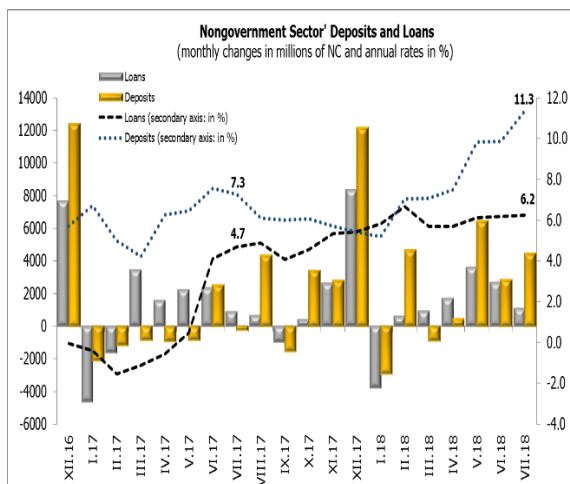


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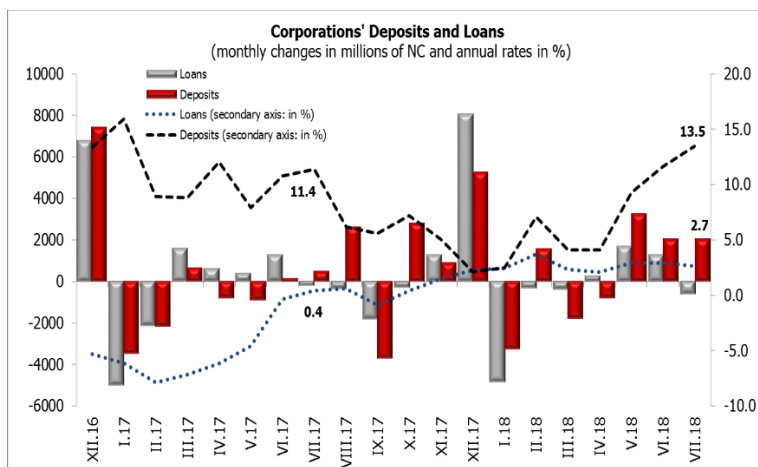
- In July, **total loans** registered an upward monthly change of 0.4%, entirely as a result of the enhanced lending to the households sector, given the reduced lending to the corporate sector. On an annual level, the growth of loans equals 6.2% and is mainly (76.3%) the result of the lending to the households sector.



Source: NBRM.



### 1. Deposits and loans of the corporate sector<sup>6</sup>



Source: NBRM.

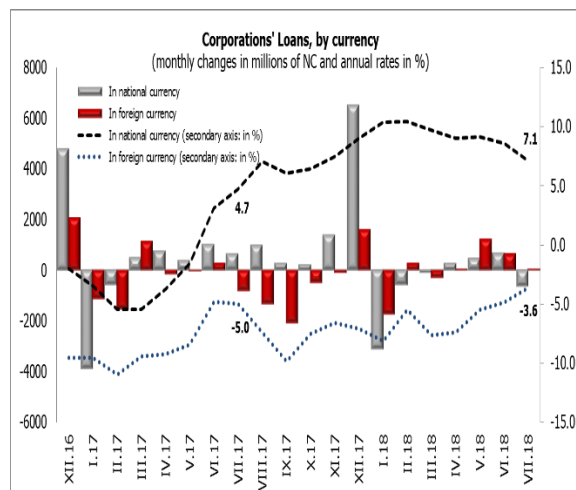
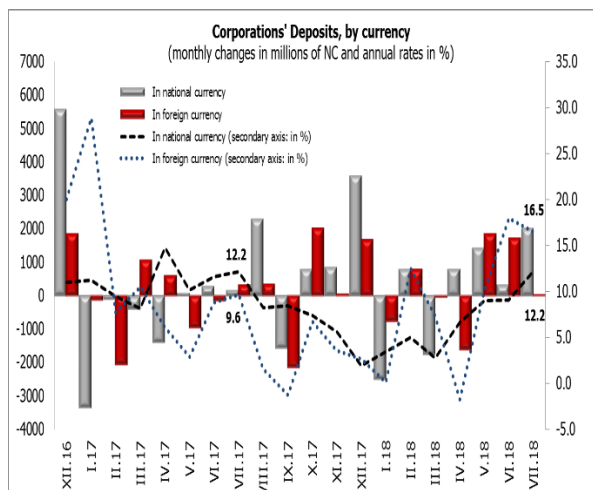
- Total **corporate deposits** registered a monthly growth of 2.3% for the second consecutive month. The monthly growth mainly resulted from the denar component, i.e. from the increase in demand deposits and short-term denar deposits. The annual deposit growth of 13.5%, besides to demand deposits (which account for 58.5% of the annual growth), is also due to the increased short-term and long-term foreign currency deposits.

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



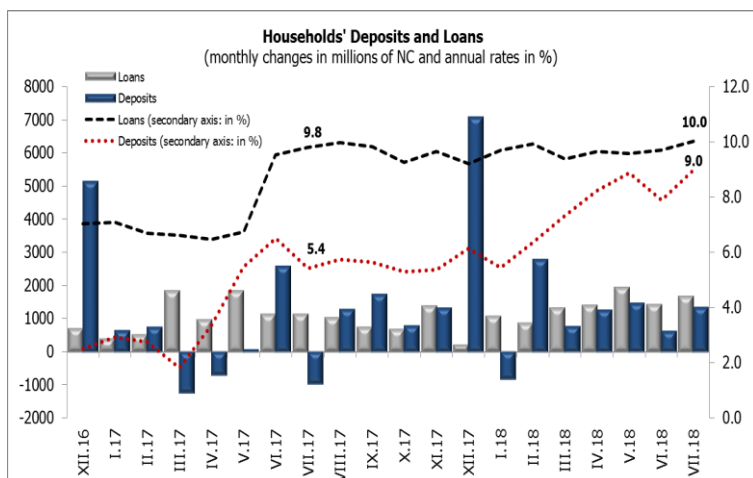
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- In July, the **corporate sector loans**<sup>7</sup> registered a modest monthly decrease of 0.4%. In circumstances of growth in foreign currency loans, the monthly decrease is fully explained by the reduced lending to the corporate sector in denars. On an annual basis, the credit activity registered an increase of 2.7%, which is due to the enhanced denar lending, amid reduced lending in foreign currency.



Source: NBRM.

## 2. Deposits and loans of the households<sup>8</sup>



Source: NBRM.

- In July, the total **household deposits** registered an upward monthly and annual change of 0.6% and 9.0%, respectively. Analyzed by currency structure, the monthly and annual growth drives the growth of both the denar and the foreign exchange component, with slightly more pronounced contribution of denar deposits.

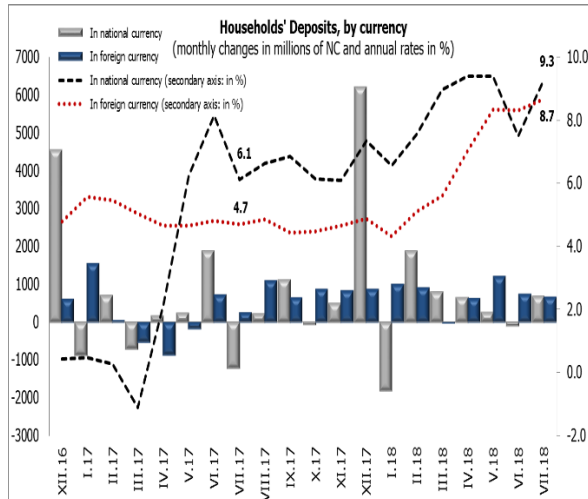
<sup>7</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause are included in foreign currency.

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

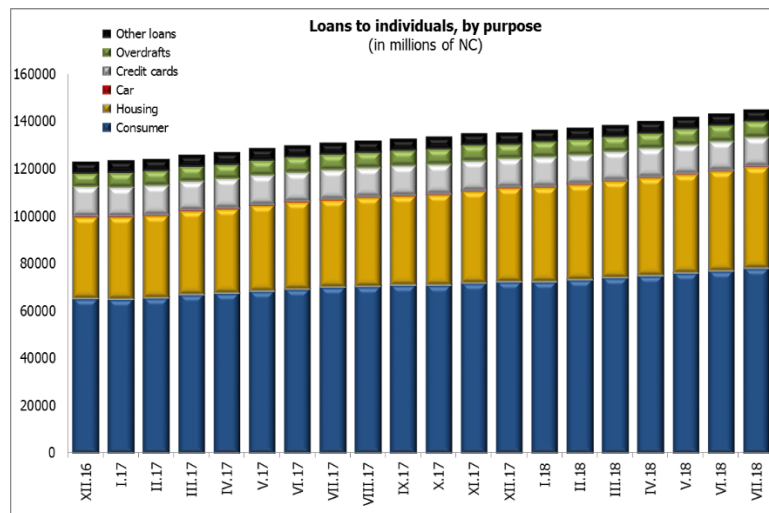
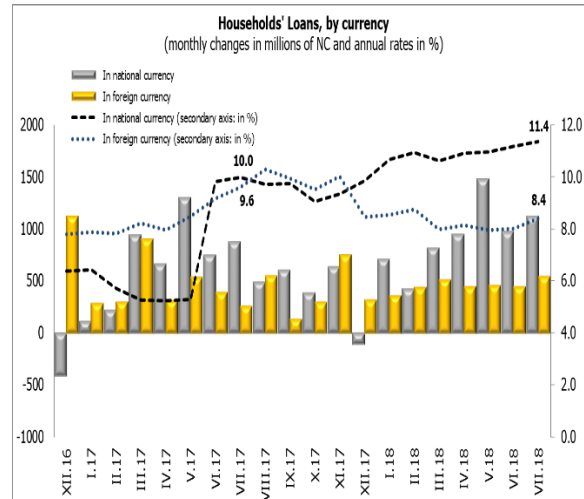


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- In July, total **household loans** registered monthly and annual increase of 1.1% and 10.0%, respectively. Moreover, the monthly and annual growth of lending to the households was largely due to denar loans (share in the growth of 67.3% and 61.8%, 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 <sup>(1)</sup>	3.2017	6.2017	9.2017	12.2017 <sup>(1)</sup>	3.2018	6.2018	7.2018	12.2016 <sup>(1)</sup>	3.2017	6.2017	9.2017	12.2017 <sup>(1)</sup>	3.2018	6.2018	7.2018	6.2018	7.2018
Consumer loans	65,438	67,041	69,424	71,068	72,595	74,218	77,100	78,080	13.4	12.8	11.8	11.9	10.9	10.7	11.1	11.2	1.3	1.3
Housing loans	34,608	35,448	36,815	37,788	39,535	40,899	42,309	42,930	14.3	13.4	13.6	14.1	14.2	15.4	14.9	16.0	1.2	1.5
Car loans	323	309	307	308	316	318	307	306	-19.1	-18.5	-11.9	-5.2	-2.2	2.9	0.2	0.7	-2.0	-0.5
Credit cards	12,380	12,294	12,295	12,341	12,281	12,157	12,192	12,197	0.3	0.5	-0.4	-1.0	-0.8	-1.1	-0.8	-1.0	0.0	0.0
Overdrafts	5,795	6,275	6,366	6,510	5,896	6,300	6,672	6,700	3.6	2.7	1.3	3.7	1.8	0.4	4.8	4.2	-0.5	0.4
Other loans	4,584	4,558	4,628	4,575	4,564	4,534	4,593	4,586	7.3	5.6	2.9	0.5	-0.4	-0.5	-0.8	-0.3	0.6	-0.1

1) Data in accordance with the final balance sheets submission

Source: NBRM.



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- Analyzing by purpose of loans to individuals, in July, the most common categories – **consumer and housing loans** registered a monthly growth of 1.3% and 1.5%, respectively, amid annual growth of 11.2% and 16.0%, respectively. In July, **car loans** recorded a monthly decrease of 0.5%, in conditions of annual growth of 0.7%. This month, **credit card** loans did not register monthly change, while on an annual basis they decreased by 1.0%. In July, **overdrafts** registered a monthly and annual growth of 0.4% and 4.2%, respectively, while loans granted on **other basis** registered a monthly and annual decrease of 0.1% and 0.3%, respectively.

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### Supporting information

Time series of data: Balance sheets and list of depository institutions, monthly data  
<http://www.nbrm.mk/ns-newsarticle-bilansi-i-pregledi-na-depozitnite-institucii---mesečni-podatoci-en.nspix>

Methodological explanations:

[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)

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

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For more information about the disseminated statistical data, please contact us at: [contact.statistika@nbrm.mk](mailto:contact.statistika@nbrm.mk) or on the telephone number 02 3215 181 extension 116 (or 110/108).