



## National Bank of the Republic of Macedonia Statistics Department

Skopje, 19 October 2018

### Press Release

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

- In September, **broad money (monetary aggregate M3<sup>1,2</sup>)** registered a monthly fall of 0.8%, typical for this time of the year. The reduction is mostly due to the decline in short-term deposits, amid a simultaneous decline in currency in circulation and long-term deposits up to two years. The decline is only partially offset by the moderate growth of demand deposits. On an annual basis, the broad money registered an increase of 10.9%, given the growth of all its components, whereby the largest contribution was made by demand deposits<sup>3</sup>, short-term deposits and long-term deposits up to two years which account for 95.1% of the annual change.
- In September, **total deposits<sup>4</sup>** decreased by 0.4% on a monthly basis, entirely due to the reduction of corporate deposits, which exceeded the growth of household deposits. On an annual basis, the deposit growth remained solid and amounted to 11.6%, due to the increase in deposits in both sectors, with a more significant share of the household sector in the annual change.

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	8.2018	9.2018	12.2016 <sup>1)</sup>	3.2017	6.2017	9.2017	12.2017 <sup>1)</sup>	3.2018	6.2018	8.2018	9.2018	8.2018	9.2018
<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>397,225</b>	<b>395,840</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>11.7</b>	<b>11.7</b>	<b>1.3</b>	<b>-0.3</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>356,646</b>	<b>353,862</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>11.2</b>	<b>10.9</b>	<b>0.9</b>	<b>-0.8</b>
of which:																				
Currency in Circulation	28,193	26,802	28,473	28,968	29,968	28,658	29,681	30,847	30,665	7.2	4.2	9.7	9.9	6.3	6.9	4.2	5.7	5.9	-0.9	-0.6
<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>359,404</b>	<b>358,126</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>11.4</b>	<b>11.6</b>	<b>1.4</b>	<b>-0.4</b>
of which:																				
Corporations	87,377	82,420	80,885	80,304	89,248	85,791	90,295	95,544	93,775	13.4	8.8	10.8	5.6	2.1	4.1	11.6	13.7	16.8	3.5	-1.9
Households	217,394	217,554	219,505	221,570	230,744	233,485	236,832	239,142	240,139	2.5	1.8	6.5	5.6	6.1	7.3	7.9	8.8	8.4	0.4	0.4
<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>307,855</b>	<b>311,558</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>7.9</b>	<b>0.2</b>	<b>1.2</b>
of which:																				
Corporations	154,225	148,730	150,998	148,668	157,722	152,187	155,427	154,565	157,165	-5.3	-7.2	-0.4	-0.9	2.3	2.3	2.9	2.7	5.7	-0.2	1.7
Households	129,321	132,080	136,034	138,951	141,232	144,491	149,254	151,900	152,990	7.0	6.6	9.5	9.8	9.2	9.4	9.7	9.9	10.1	0.6	0.7

1) Data in accordance with the final balance sheets submission

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.

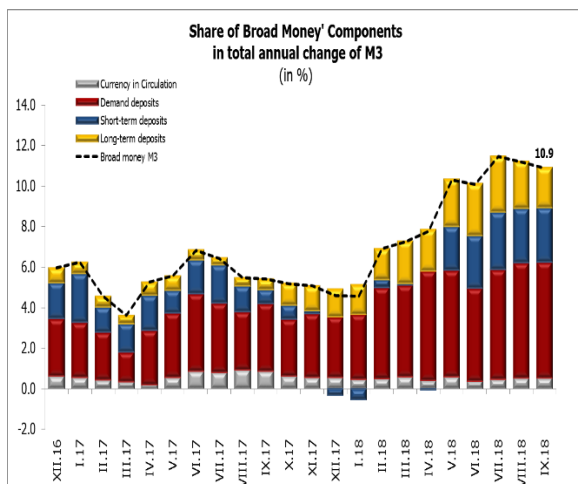
<sup>4</sup> Total deposits include all deposits included in the monetary aggregate M4.

<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.

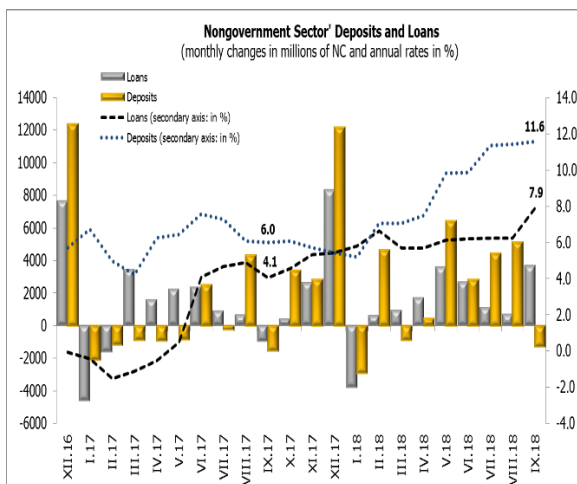


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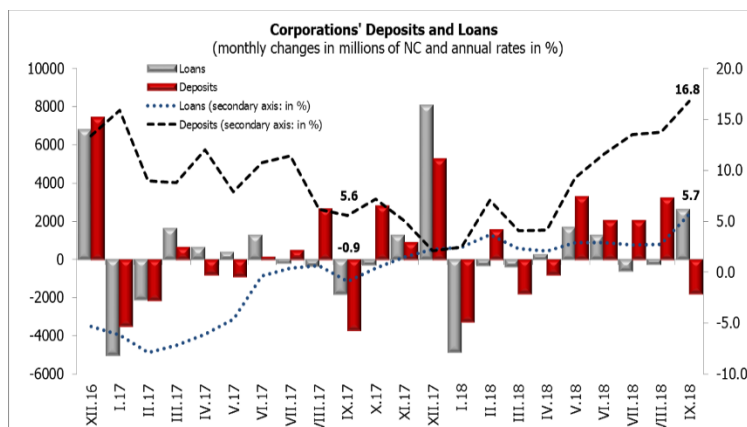
- In September, **total loans** registered monthly growth of 1.2% which is mainly determined by the growth of the lending to the corporate sector (contribution of 70.2%). On an annual basis, the credit growth rate equals 7.9% and is largely (61.8%) due to the growth of loans granted to the household sector.



Source: NBRM.



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



Source: NBRM.

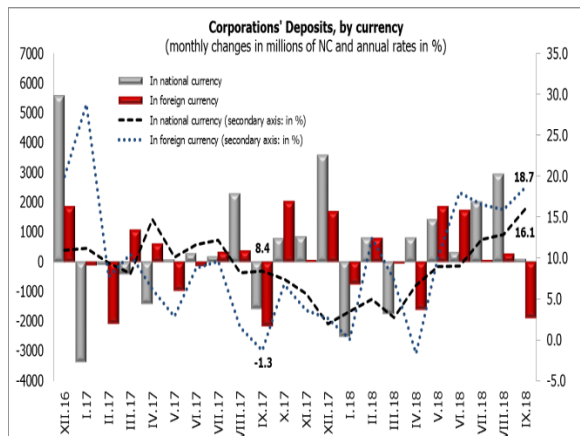
- In September, total **corporate deposits** registered a downward monthly change of 1.9% which is mainly a result of the reduction of the short-term foreign currency deposits. The annual deposit growth amounts to 16.8% and is mostly a result of the increase in demand deposits and short-term foreign currency deposits.
- In September, the **corporate sector loans**<sup>7</sup> registered monthly increase of 1.7%, amid slightly larger contribution (53.7%) to the growth of the denar lending, compared to the lending in foreign currency. On an annual basis, the credit activity registered an increase of 5.7% which is largely due to the increase in denar loans.

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

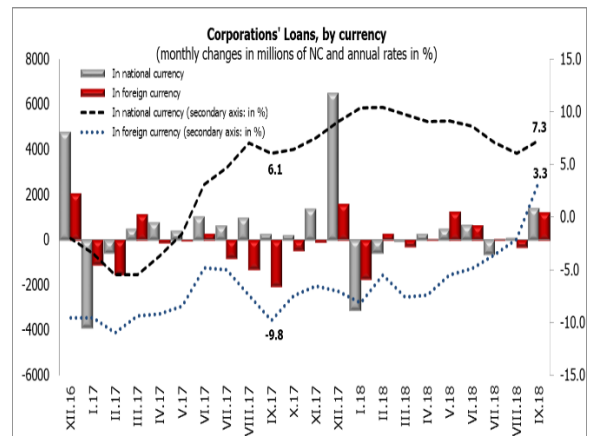
<sup>7</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause are included in the foreign currency.



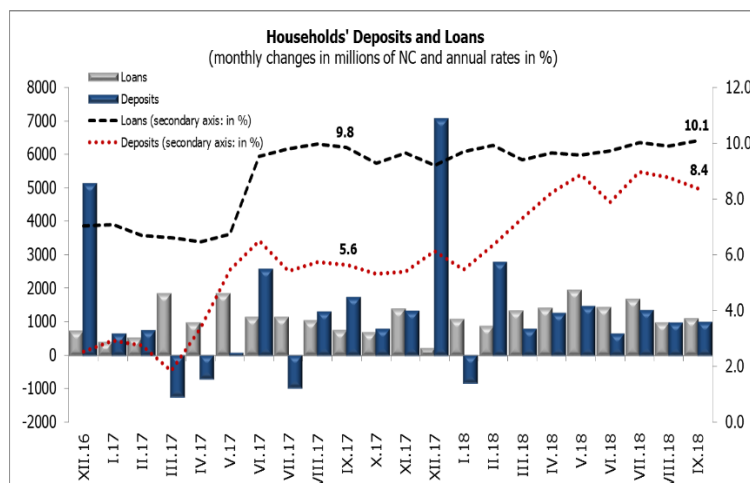
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Source: NBRM.



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



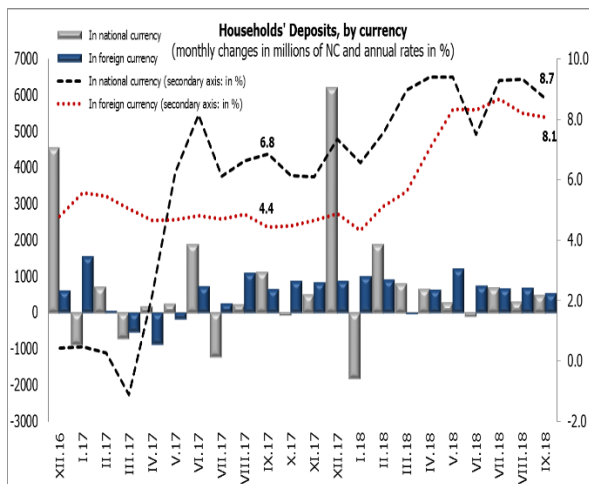
Source: NBRM.

- In September, the total **household deposits** registered monthly and annual increase of 0.4% and 8.4%, respectively. The growth on a monthly and annual basis is distributed between deposits in denars and in foreign currency, whereby the share of foreign currency deposits has a slightly larger share than denar deposits in the monthly change (52.2%), while denar deposits contribute more to the creation of the annual growth (share of 52.8%).
- This month, total **household loans** registered monthly and annual increase of 0.7% and 10.1%, respectively, whereby the increased lending activity is largely due to the growth of denar loans (with a contribution of 71.6% and 62.8% to the monthly and annual growth, respectively).

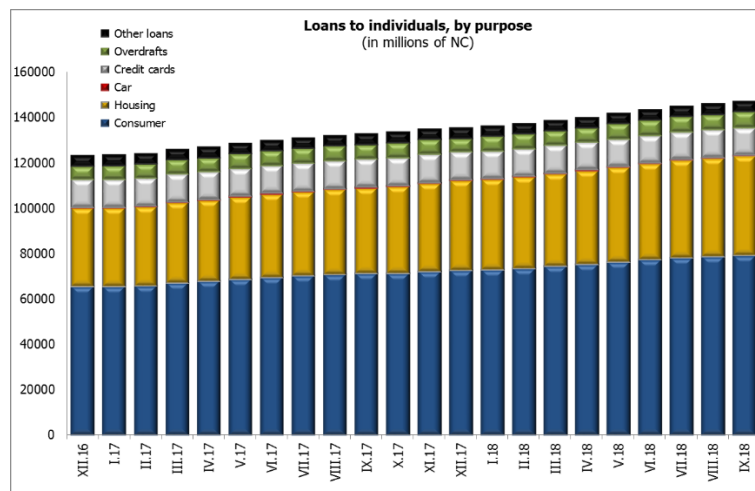
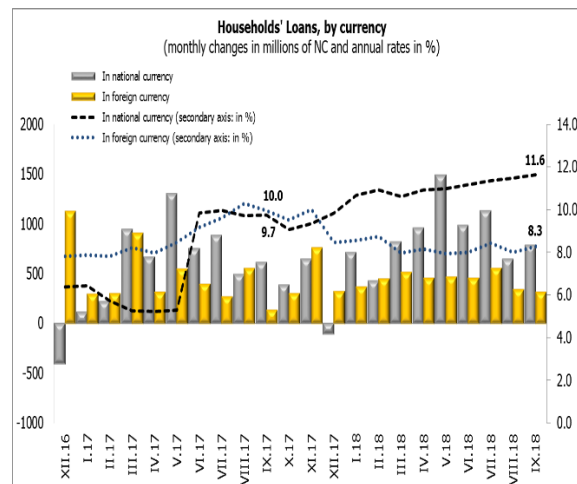
<sup>8</sup> For the purposes of this press release, households refer to individuals and self-employed professionals.



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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 <sup>1)</sup>	3.2017	6.2017	9.2017	12.2017 <sup>1)</sup>	3.2018	6.2018	8.2018	9.2018	12.2016 <sup>1)</sup>	3.2017	6.2017	9.2017	12.2017 <sup>1)</sup>	3.2018	6.2018	8.2018	9.2018	8.2018	9.2018
Consumer loans	65,438	67,041	69,424	71,068	72,595	74,218	77,100	78,427	78,964	13.4	12.8	11.8	11.9	10.9	10.7	11.1	11.1	11.1	0.4	0.7
Housing loans	34,608	35,448	36,815	37,788	39,535	40,899	42,309	43,411	43,896	14.3	13.4	13.6	14.1	14.2	15.4	14.9	15.7	16.2	1.1	1.1
Car loans	323	309	307	308	316	318	307	303	301	-19.1	-18.5	-11.9	-5.2	-2.2	2.9	0.2	0.1	-2.2	-0.9	-0.5
Credit cards	12,380	12,294	12,295	12,341	12,281	12,157	12,192	12,262	12,235	0.3	0.5	-0.4	-1.0	-0.8	-1.1	-0.8	-0.9	-0.9	0.5	-0.2
Overdrafts	5,795	6,275	6,366	6,510	5,896	6,300	6,672	6,736	6,881	3.6	2.7	1.3	3.7	1.8	0.4	4.8	3.5	5.7	0.5	2.2
Other loans	4,584	4,558	4,628	4,575	4,564	4,534	4,593	4,544	4,566	7.3	5.6	2.9	0.5	-0.4	-0.5	-0.8	-0.8	-0.2	-0.9	0.5

1) Data in accordance with the final balance sheets submission

Source: NBRM.



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- Analyzing by purpose of loans to individuals, in September, the most common categories – **consumer and housing loans** registered a monthly growth of 0.7% and 1.1%, respectively, which on an annual basis is 11.1% and 16.2%, respectively. In September, **car loans** and **credit card** loans registered a monthly fall of 0.5% and 0.2%, respectively, amid a simultaneous annual reduction of 2.2% and 0.9%, respectively. This month, **overdrafts** registered an upward monthly and annual change of 2.2% and 5.7%, respectively, while loans approved on **other basis** registered a monthly increase of 0.5%, in conditions of minimal annual decline of 0.2%.

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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 November 2018 (reference period as of October 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](mailto:contact.statistika@nbrm.mk) or on the telephone number 02 3215 181 extension 116 (or 110/108).