



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 January 2020

Press Release

Monetary developments in the Republic of North Macedonia: December 2019

- In December, in accordance with the seasonal dynamics, **broad money (monetary aggregate M3^{1,2})** registered a monthly increase of 4.1%. The growth is mainly due to the increase in demand deposits³, given the growth in both currency in circulation and short-term deposits, while long-term deposits up to two years decreased. On an annual basis, broad money was higher by 8.2%, largely due to the increase in demand deposits, with a lower growth of short-term deposits and currency in circulations, amid slight decline in long-term deposits up to two-years.
- In December, **total deposits⁴**, registered monthly and annual increase of 3.4% and 9.5%, respectively. The monthly and annual increase is due to the growth in both sectors, which is more pronounced in household sector.

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

	stocks (in millions of NC)							annual changes (in %)							monthly changes (in %)	
	12.2017 ¹⁾	3.2018	6.2018	9.2018	12.2018 ¹⁾	11.2019	12.2019	12.2017 ¹⁾	3.2018	6.2018	9.2018	12.2018 ¹⁾	11.2019	12.2019	11.2019	12.2019
Broad Money M4	372,931	374,681	386,470	395,840	416,814	438,633	455,408	5.1	7.5	10.1	11.7	11.8	8.8	9.3	-0.2	3.8
Broad Money M3	336,989	337,684	348,090	353,862	373,436	388,060	404,025	4.6	7.3	10.1	10.9	10.8	7.7	8.2	-0.4	4.1
of which:																
Currency in Circulation	29,968	28,658	29,681	30,665	32,233	33,124	36,105	6.3	6.9	4.2	5.9	7.6	11.5	12.0	0.2	9.0
Total Deposits	339,314	340,135	349,816	358,126	375,046	397,333	410,794	5.4	7.1	9.9	11.6	10.5	9.3	9.5	0.3	3.4
of which:																
Corporations	89,248	85,791	90,295	93,775	97,703	105,642	111,947	2.1	4.1	11.6	16.8	9.5	8.9	14.6	0.5	6.0
Households	230,744	233,485	236,832	240,139	252,563	264,495	272,605	6.1	7.3	7.9	8.4	9.5	9.1	7.9	0.6	3.1
Total Loans	300,257	298,059	306,049	311,558	322,089	335,142	341,389	5.4	5.7	6.2	7.9	7.3	6.4	6.0	1.0	1.9
of which:																
Corporations	157,722	152,187	155,427	157,165	164,765	162,618	167,951	2.3	2.3	2.9	5.7	4.5	2.7	1.9	1.2	3.3
Households	141,232	144,491	149,254	152,990	155,734	170,877	172,014	9.2	9.4	9.7	10.1	10.3	10.1	10.5	0.9	0.7

Source: NBRNM.

¹ Starting from June 2018, the National Bank uses 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.

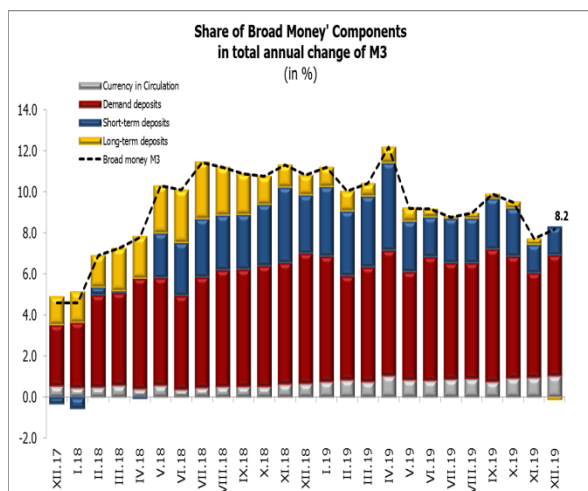
⁴ Total deposits consist of all deposits included in the monetary aggregate M4.

⁵ The annual loan rates since July 2019 have been determined by the NBRNM's measure for writing-off of claims fully covered for more than a year.

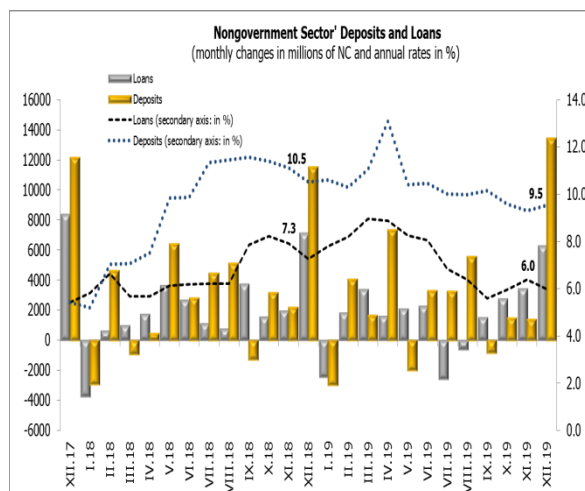


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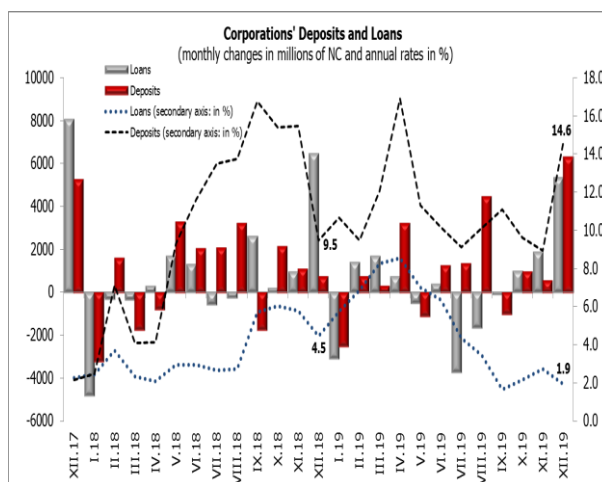
- In December, **total loans** increased by 1.9% compared to the previous month, as a result of the increased lending to both sectors, with larger contribution of the corporate sector. On an annual basis, total loans are higher by 6.0%, given the higher growth of lending to households. Taking into account the effect of the transfer of doubtful and contested claims from on-balance sheet to off-balance sheet records, pursuant to the regulatory changes⁶ made with the decision of the National Bank, total loans in December registered an annual growth of 7.2%.



Source: NBRNM.



1. Deposits and loans of the corporate sector⁷



Source: NBRNM.

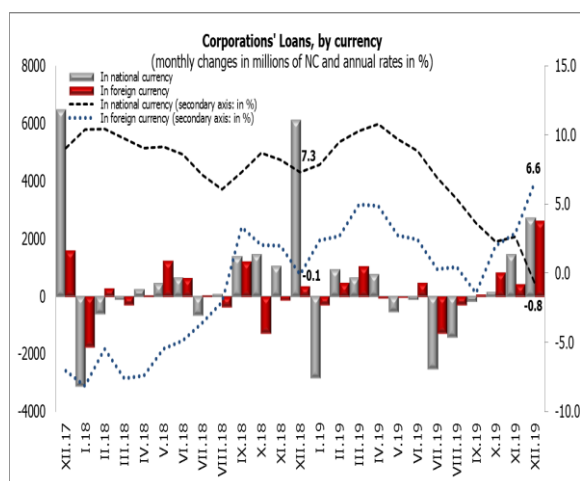
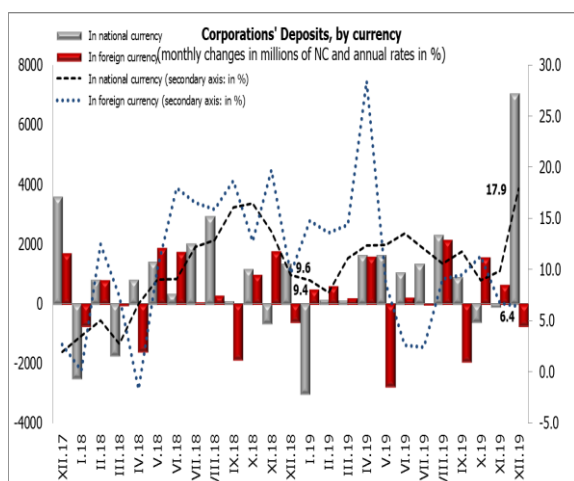
⁶ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims that have been fully booked for more than a year. Despite the transfer of these claims to the off-balance sheet record, the banks reserve the right for their collection.

⁷ For the purposes of this press release, the corporate sector includes public and private non-financial corporations.



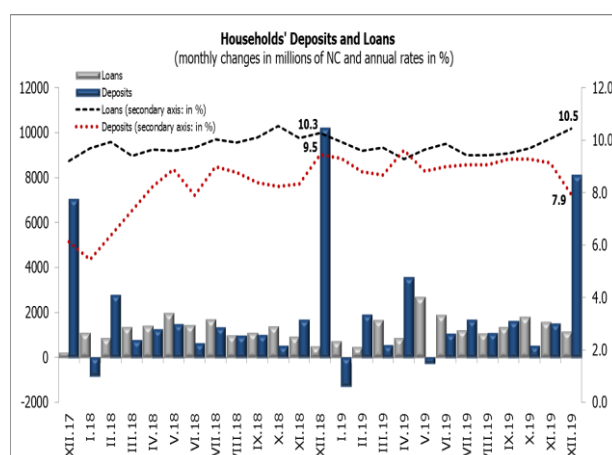
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- In December, total **corporate deposits** increased by 6.0% on a monthly basis, almost entirely due to the growth in demand deposits. The annual growth of corporate deposits amounts to 14.6%, with the largest contribution of demand deposits, long-term denar deposits and foreign currency deposits (short-term and long-term), while short-term denar deposits decreased.
- In December, **corporate loans**⁸ registered a monthly and annual growth of 3.3% and 1.9%, respectively. In terms of the currency structure, denar loans registered a slightly higher share in the monthly increase, while the annual increase is entirely due to foreign currency loans (reduced lending in denars). Excluding the effect of the write-off of doubtful and contested claims, pursuant to the National Bank decision, the annual growth of loans to the corporate sector equaled 3.9% in December.



Source: NBRNM

2. Deposits and loans of the households⁹



Source: NBRNM.

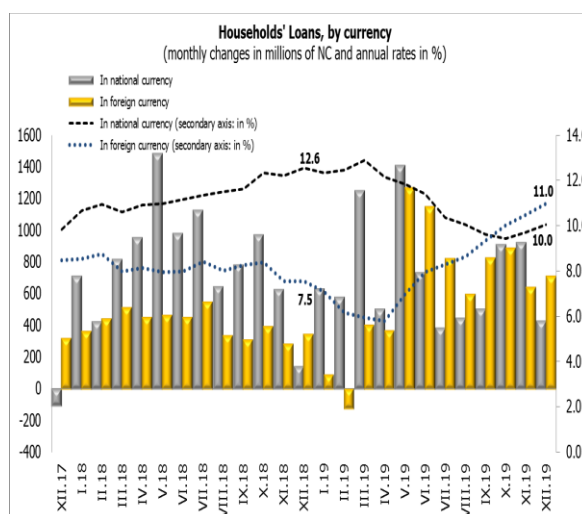
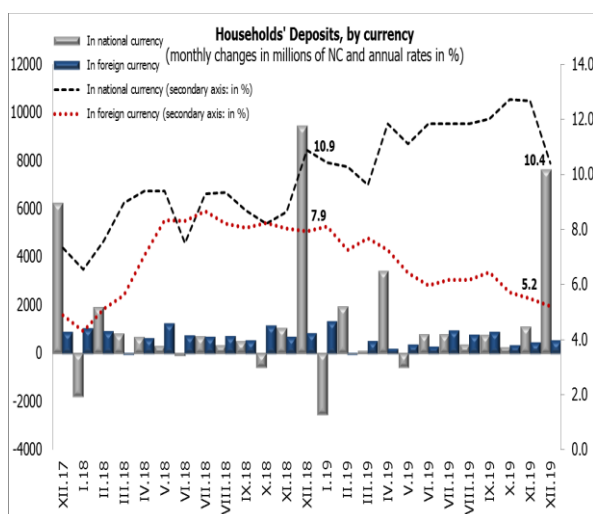
⁸ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause are included in the foreign currency.

⁹ For the purposes of this press release, households refer to individuals and self-employed professionals.

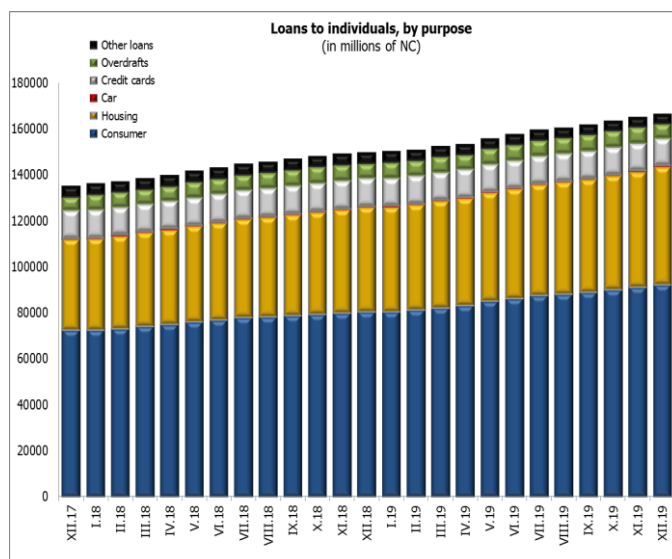


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- In December 2019, total **household deposits** were higher by 3.1% compared to the previous month, mainly due to the increased demand deposits. On an annual basis, the growth rate amounts to 7.9% and is a result of the increase in all components, with a pronounced contribution of demand deposits and short-term foreign currency deposits.
- In December, total **household loans** registered a monthly increase of 0.7%, with the foreign currency loans having a larger contribution. Observed annually, lending to households registered a growth of 10.5%, amid slightly more pronounced growth in denar lending. By excluding the effect of the transfer of doubtful and contested claims from the on-balance sheet to the off-balance sheet records, pursuant to the National Bank decision, the annual household loan growth equaled 11.2% in December.



Source: NBRNM.



Source: NBRNM.



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Table 2. Bank and savings house loans granted to individuals, by purpose

	Stocks (in millions of NC)							annual changes (in %)							monthly changes (in %)	
	12.2017 ⁽¹⁾	3.2018	6.2018	9.2018	12.2018 ⁽¹⁾	11.2019	12.2019	12.2017 ⁽¹⁾	3.2018	6.2018	9.2018	12.2018 ⁽¹⁾	11.2019	12.2019	11.2019	12.2019
Consumer loans	72,595	74,218	77,100	78,964	80,632	91,243	92,430	10.9	10.7	11.1	11.1	11.1	14.0	14.6	1.1	1.3
Housing loans	39,535	40,899	42,309	43,896	45,539	50,352	51,338	14.2	15.4	14.9	16.2	15.2	12.0	12.7	1.6	2.0
Car loans	316	318	307	301	312	311	316	-2.2	2.9	0.2	-2.2	-1.3	-0.3	1.4	-1.0	1.6
Credit cards	12,281	12,157	12,192	12,235	12,246	11,965	11,928	-0.8	-1.1	-0.8	-0.9	-0.3	-3.1	-2.6	-0.4	-0.3
Overdrafts	5,896	6,300	6,672	6,881	6,232	7,054	6,123	1.8	0.4	4.8	5.7	5.7	3.0	-1.7	-1.2	-13.2
Other loans	4,564	4,534	4,593	4,566	4,607	4,134	4,118	-0.4	-0.5	-0.8	-0.2	0.9	-10.3	-10.6	-0.8	-0.4

Source: NBRNM.

- In December, analyzing by purpose of loans to individuals, the most common categories - **consumer and housing loans** registered a monthly growth of 1.3% and 2.0%, respectively, as well as an annual increase of 14.6% and 12.7%, respectively. In December, **car loans** registered a monthly and annual increase of 1.6% and 1.4%, respectively. Loans on **credit cards** decreased by 0.3% and 2.6% on a monthly and annual basis, respectively. This month, **overdrafts** registered a monthly and annual decline of 13.2% and 1.7%, respectively, while loans granted on **other basis** registered a monthly and annual decrease of 0.4% and 10.6%, respectively.

Supporting information

Time series of data: Balance sheets and list of depository institutions, monthly data
http://www.nbrm.mk/monetarna_statistika-en.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



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Monetary developments in the Republic of North Macedonia: 21 February 2020 (reference period as of January 2020).

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).