



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 February 2019

Press Release

Monetary developments in the Republic of North Macedonia: January 2019

- **The broad money (monetary aggregate M3^{1,2})** in January 2019 registers downward monthly change of 1.1%, mainly under the influence of seasonal movements in the demand deposits³ and the currency in circulation, that exceeded the increase in the short-term and long-term deposits up to two years. On an annual basis, the growth, which reached 11.2% in January, continued. The annual change is mostly determined by the increase in demand deposits and short-term deposits (with contribution of 85.0%), given low growth also in the long-term deposits up to two years and currency in circulation.
- In January, **total deposits⁴** registered a monthly fall of 0.8%, which is mainly due to the decrease in corporate deposits, given more moderate fall also in the household deposits. Annually, the deposit growth remains solid and equals 10.6%. The annual change is a result of the deposit growth of both sectors, with a more pronounced contribution of household deposits (59.9%).

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	12.2018 ¹⁾	1.2019	12.2016 ¹⁾	12.2017 ¹⁾	3.2018	6.2018	9.2018	12.2018 ¹⁾	1.2019	12.2018 ¹⁾	1.2019
Broad Money M4	354,712	372,931	374,681	386,470	395,840	416,814	412,965	6.2	5.1	7.5	10.1	11.7	11.8	12.0	3.4	-0.9
Broad Money M3	322,199	336,989	337,684	348,090	353,862	373,436	369,217	6.0	4.6	7.3	10.1	10.9	10.8	11.2	3.7	-1.1
of which:																
Currency in Circulation	28,193	29,968	28,658	29,681	30,665	32,233	30,826	7.2	6.3	6.9	4.2	5.9	7.6	8.7	8.5	-4.4
Total Deposits	321,888	339,314	340,135	349,816	358,126	375,046	372,090	5.7	5.4	7.1	9.9	11.6	10.5	10.6	3.2	-0.8
of which:																
Corporations	87,377	89,248	85,791	90,295	93,775	97,703	95,160	13.4	2.1	4.1	11.6	16.8	9.5	10.6	0.8	-2.6
Households	217,394	230,744	233,485	236,832	240,139	252,563	251,301	2.5	6.1	7.3	7.9	8.4	9.5	9.3	4.2	-0.5
Total Loans	284,782	300,257	298,059	306,049	311,558	322,089	319,644	-0.1	5.4	5.7	6.2	7.9	7.3	7.8	2.2	-0.8
of which:																
Corporations	154,225	157,722	152,187	155,427	157,165	164,765	161,659	-5.3	2.3	2.3	2.9	5.7	4.5	5.7	4.1	-1.9
Households	129,321	141,232	144,491	149,254	152,990	155,734	156,450	7.0	9.2	9.4	9.7	10.1	10.3	9.9	0.3	0.5

1) Data in accordance with the final balance sheets submission

Source: NBRNM.

¹ Starting from June 2018, the NBRNM 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.

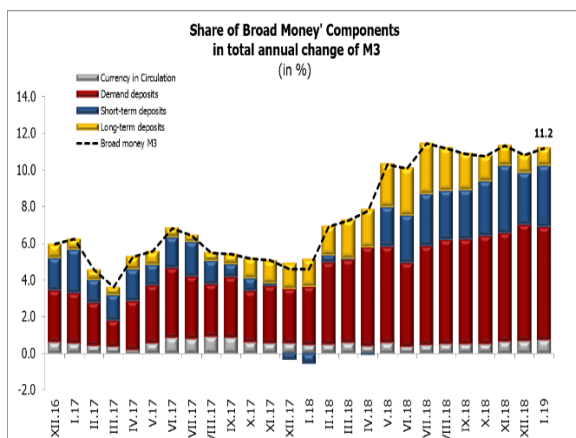
⁴ Total deposits include all deposits included in the monetary aggregate M4.

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

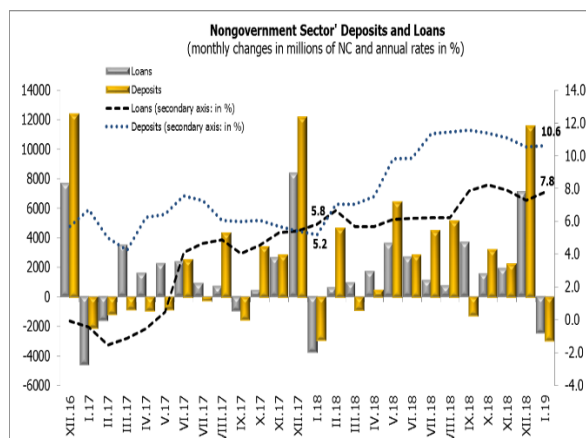


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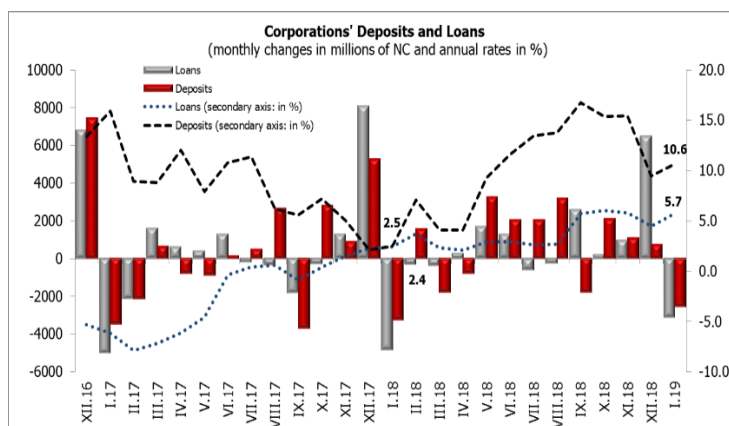
- After the seasonally high growth in December, **total loans** in January declined by 0.8% on a monthly basis. In conditions of increased lending to the household sector, the monthly decrease was entirely determined by the reduced lending to the corporate sector, which registered significant increase in the previous month. On an annual basis, the loan growth rate equals 7.8% and largely arises from the growth of loans granted to the household sector.



Source: NBRNM.



1. Deposits and loans of the corporate sector⁶



Source: NBRNM.

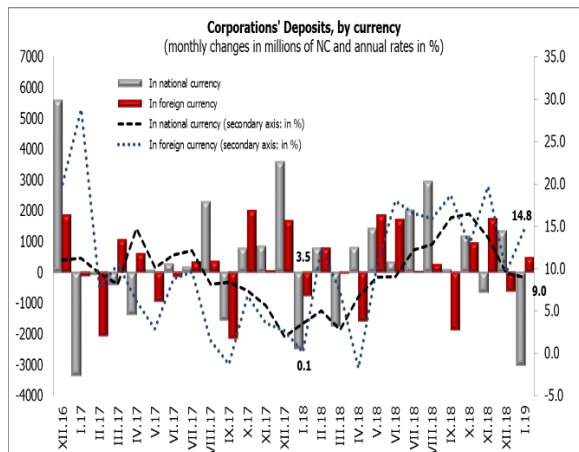
- In the total **corporate deposits** in January, a downward monthly change of 2.6% has been registered, which mainly arises from the decrease in the demand deposits, and to a lesser extent, from the decline in the short-term deposits in denars and the long-term deposits in foreign currency. The annual increase in the corporate deposits amounts to 10.6% and is mostly a result of the increase in short-term deposits (in foreign currency and in denars), as well as demand deposits.

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

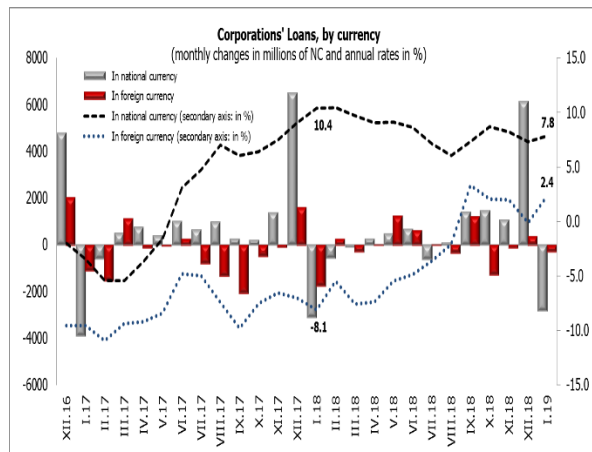


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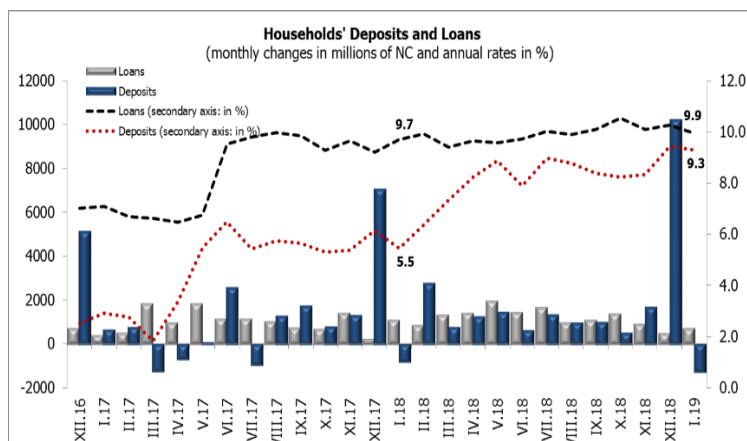
- In January, **the corporate loans⁷** register monthly fall of 1.9%, while annually, they increased by 5.7%. Thus, loans granted in denars made the largest contribution to the monthly fall, i.e. the annual increase.



Source: NBRNM.



2. Deposits and loans of the households⁸



Source: NBRNM.

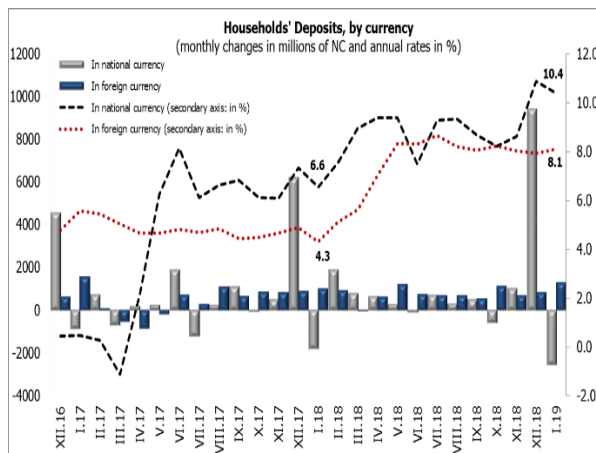
- The total **household deposits** registered monthly fall of 0.5%, which is fully due to the decrease in the demand deposits, in conditions of a growth of term deposits in denars and in foreign currency. Analyzed by currency structure, on an annual basis, a growth rate of 9.3% was registered, which resulted from the growth in denar and foreign currency deposits, with a more significant contribution of denar deposits (57.4%).
- In January, total **loans to households** registered a monthly and annual increase of 0.5% and 9.9%, respectively. Moreover, the upward change on monthly and annual basis is a result of the increased loan activity towards the household sector through denar loans (a share of 88.1% and 67.6%, respectively).

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.

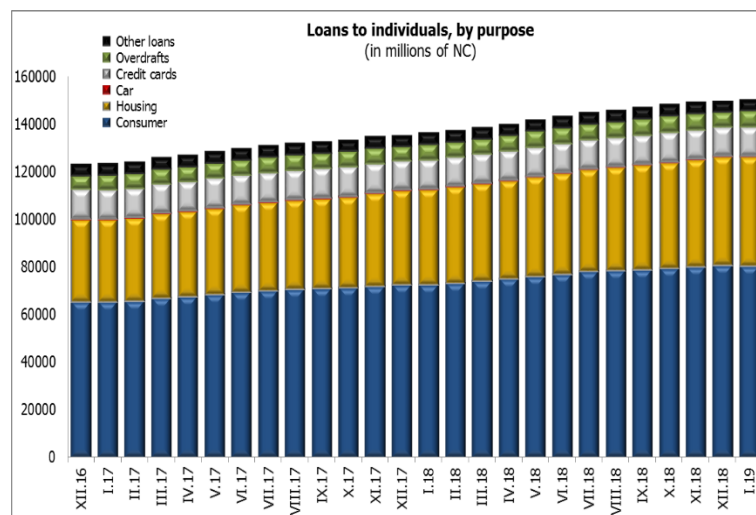
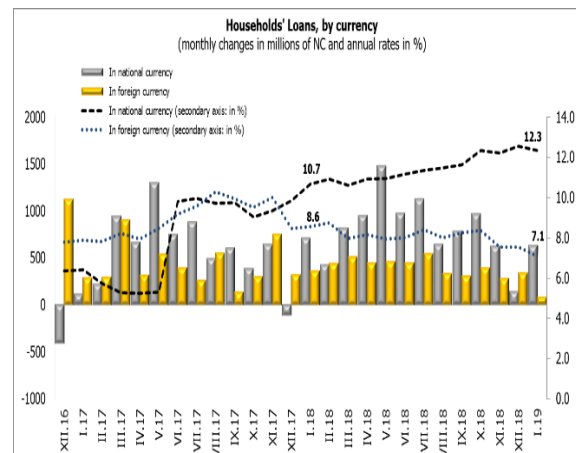
⁸ For the purposes of this press release, households refer to individuals and self-employed professionals.



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Source: NBRNM.



Source: NBRNM.

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 ¹⁾	3.2018	6.2018	9.2018	12.2018 ¹⁾	1.2019	12.2016 ¹⁾	12.2017 ¹⁾	3.2018	6.2018	9.2018	12.2018 ¹⁾	1.2019	12.2018 ¹⁾	1.2019
Consumer loans	65,438	72,595	74,218	77,100	78,964	80,632	80,525	13.4	10.9	10.7	11.1	11.1	11.1	10.9	0.7	-0.1
Housing loans	34,608	39,535	40,899	42,309	43,896	45,539	45,772	14.3	14.2	15.4	14.9	16.2	15.2	14.5	1.3	0.5
Car loans	323	316	318	307	301	312	315	-19.1	-2.2	2.9	0.2	-2.2	-1.3	1.1	-0.2	1.0
Credit cards	12,380	12,281	12,157	12,192	12,235	12,246	12,176	0.3	-0.8	-1.1	-0.8	-0.9	-0.3	-0.6	-0.9	-0.6
Overdrafts	5,795	5,896	6,300	6,672	6,881	6,232	6,805	3.6	1.8	0.4	4.8	5.7	5.7	4.8	-9.0	9.2
Other loans	4,584	4,564	4,534	4,593	4,566	4,607	4,583	7.3	-0.4	-0.5	-0.8	-0.2	0.9	1.6	-0.1	-0.5

1) Data in accordance with the final balance sheets submission

Source: NBRNM.



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- Analyzed according to the purpose of the loans granted to individuals, usually for the first month of the year, the most common category - **consumer loans** recorded monthly decrease of 0.1%, while on annual basis, growth of 10.9% was registered. **Housing loans** continue to register monthly and annual growth, which this month slows down, amounting to 0.5% and 14.5%, respectively. In January, **car loans** registered monthly and annual increase of 1.0% and 1.1%, respectively, while the **credit cards** loans register downward monthly and annual change of 0.6%, respectively. This month, **overdrafts** registered monthly and annual increase of 9.2% and 4.8%, respectively, while loans granted on **other basis** registered a monthly fall of 0.5%, given simultaneous annual rise of 1.6%.

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

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 North Macedonia: 21 March 2019 (reference period as of February 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).