



## National Bank of the Republic of North Macedonia Statistics Department

Skopje, 19 July 2019

### Press Release

### Monetary developments in the Republic of North Macedonia: June 2019

- In June 2019, **broad money (monetary aggregate M3<sup>1,2</sup>)** registered a monthly growth of 0.8%, mainly as a result of the increased demand deposits<sup>3</sup>, followed by short-term deposits and currency in circulation, amid a slight decline in long-term deposits up to 2 years. Annually, the broad money growth amounts to 9.2%. The annual change is determined by the growth in all broad money components, with the greatest influence of demand deposits (share of 65.8%), followed by short-term deposits, currency in circulation and long-term deposits up to 2 years.
- In June, **total deposits<sup>4</sup>** registered a monthly growth of 0.9%, which is a result of the deposit growth in both sectors. On annual basis, the growth of total deposits was 10.5%. The annual change is a result of the deposits growth of both sectors, with a slightly larger 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>5)</sup>	12.2017 <sup>1)</sup>	3.2018	6.2018	9.2018	12.2018 <sup>3)</sup>	5.2019	6.2019	12.2016 <sup>5)</sup>	12.2017 <sup>1)</sup>	3.2018	6.2018	9.2018	12.2018 <sup>3)</sup>	5.2019	6.2019	5.2019	6.2019
<b>Broad Money M4</b>	<b>354,712</b>	<b>372,931</b>	<b>374,681</b>	<b>386,470</b>	<b>395,840</b>	<b>416,814</b>	<b>423,711</b>	<b>427,071</b>	<b>6.2</b>	<b>5.1</b>	<b>7.5</b>	<b>10.1</b>	<b>11.7</b>	<b>11.8</b>	<b>10.6</b>	<b>10.5</b>	<b>-0.7</b>	<b>0.8</b>
<b>Broad Money M3</b>	<b>322,199</b>	<b>336,989</b>	<b>337,684</b>	<b>348,090</b>	<b>353,862</b>	<b>373,436</b>	<b>377,090</b>	<b>379,982</b>	<b>6.0</b>	<b>4.6</b>	<b>7.3</b>	<b>10.1</b>	<b>10.9</b>	<b>10.8</b>	<b>9.2</b>	<b>9.2</b>	<b>-0.9</b>	<b>0.8</b>
<i>of which:</i>																		
Currency in Circulation	28,193	29,968	28,658	29,681	30,665	32,233	32,212	32,554	7.2	6.3	6.9	4.2	5.9	7.6	10.0	9.7	-1.1	1.1
<b>Total Deposits</b>	<b>321,888</b>	<b>339,314</b>	<b>340,135</b>	<b>349,816</b>	<b>358,126</b>	<b>375,046</b>	<b>383,162</b>	<b>386,461</b>	<b>5.7</b>	<b>5.4</b>	<b>7.1</b>	<b>9.9</b>	<b>11.6</b>	<b>10.5</b>	<b>10.4</b>	<b>10.5</b>	<b>-0.5</b>	<b>0.9</b>
<i>of which:</i>																		
Corporations	87,377	89,248	85,791	90,295	93,775	97,703	98,221	99,456	13.4	2.1	4.1	11.6	16.8	9.5	11.3	10.1	-1.1	1.3
Households	217,394	230,744	233,485	236,832	240,139	252,563	257,057	258,100	2.5	6.1	7.3	7.9	8.4	9.5	8.8	9.0	-0.1	0.4
<b>Total Loans</b>	<b>284,782</b>	<b>300,257</b>	<b>298,059</b>	<b>306,049</b>	<b>311,558</b>	<b>322,089</b>	<b>328,459</b>	<b>330,726</b>	<b>-0.1</b>	<b>5.4</b>	<b>5.7</b>	<b>6.2</b>	<b>7.9</b>	<b>7.3</b>	<b>8.3</b>	<b>8.1</b>	<b>0.6</b>	<b>0.7</b>
<i>of which:</i>																		
Corporations	154,225	157,722	152,187	155,427	157,165	164,765	164,930	165,305	-5.3	2.3	2.3	2.9	5.7	4.5	7.0	6.4	-0.3	0.2
Households	129,321	141,232	144,491	149,254	152,990	155,734	162,085	163,963	7.0	9.2	9.4	9.7	10.1	10.3	9.6	9.9	1.7	1.2

Source: NBRN

<sup>1</sup> 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.

<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.

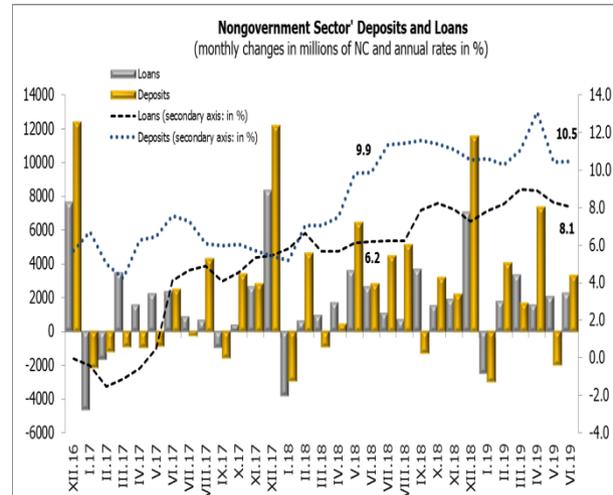
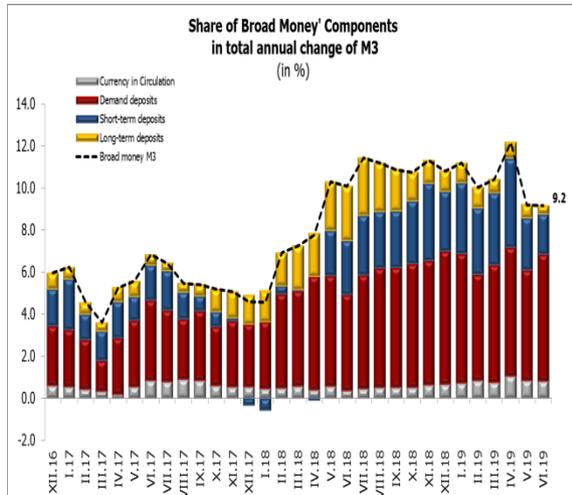
<sup>4</sup> Total deposits consist of all deposits included in the monetary aggregate M4.

<sup>5</sup> 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.



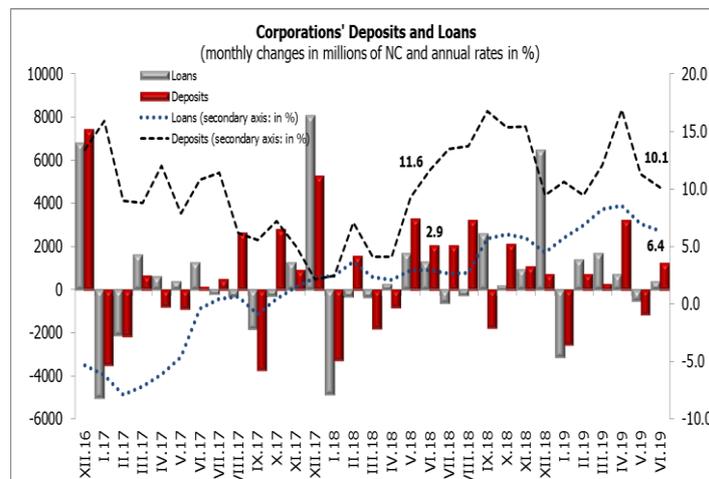
## National Bank of the Republic of North Macedonia Statistics Department

- This month, **total loans** increased by 0.7% on a monthly level, resulting from the enhanced lending to the household sector, and to a lesser extent also from the increased corporate lending. On an annual basis, the loan growth amounts to 8.1% and is a result of the bank lending to both sectors.



Source: NBRNM.

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



Source: NBRNM.

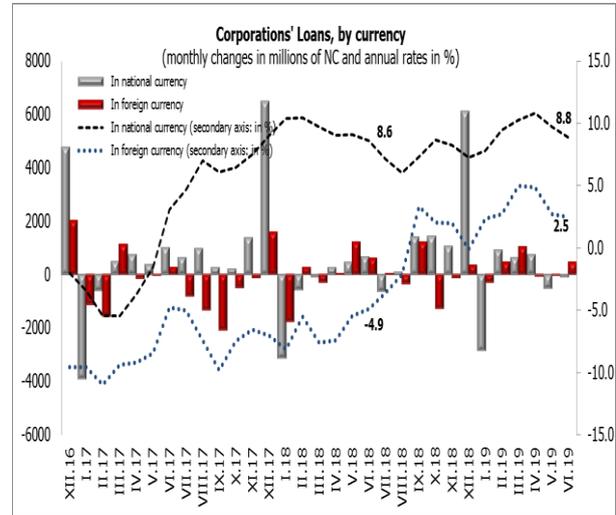
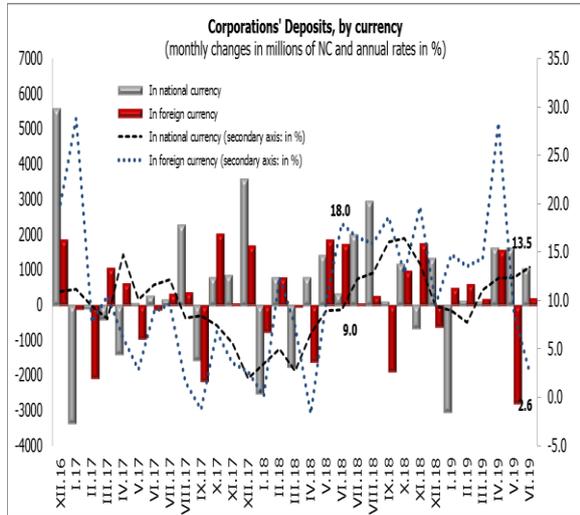
- In June 2019, the total **corporate deposits** registered a monthly growth of 1.3%, arising from the growth of demand deposits, short-term foreign currency deposits and long-term denar deposits, amid a slight decline in long-term foreign currency deposits. The annual growth rate of deposits amounts to 10.1% and is a result of the increase in all categories, with the largest contribution of demand deposits which account for two thirds of the growth.

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



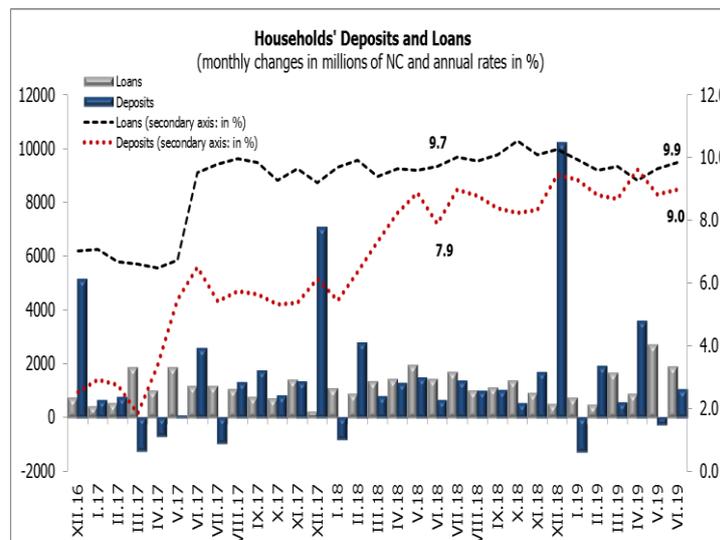
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- In June, **corporate loans**<sup>7</sup> registered a slight monthly growth of 0.2%, which is entirely due to the increased foreign currency lending. On an annual basis, a growth of 6.4% was registered, which is mostly due to loans in domestic currency.



Source: NBRNM.

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



Source: NBRNM.

- The total **household deposits** registered a monthly growth of 0.4%, mostly due to the growth of demand deposits, as well as the growth of term deposits in denars and in foreign currency. The annual growth amounts to 9.0% and arises from the increase in demand deposits, short-term foreign currency deposits and long-term denar and foreign currency deposits.

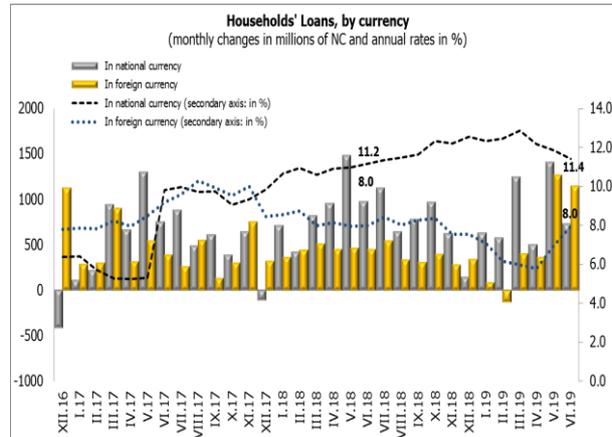
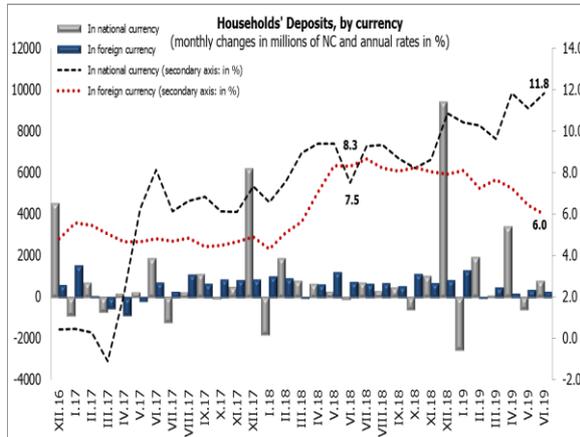
<sup>7</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause are included in the foreign currency.

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

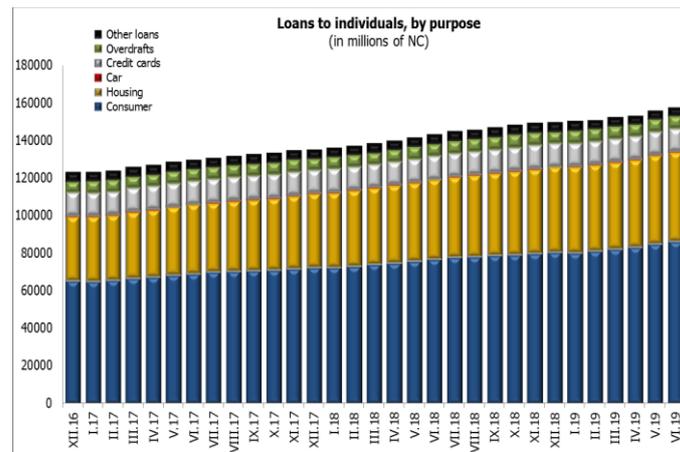


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- In June, banks and savings houses approved **loans to households** which are higher by 1.2% on a monthly level, while on an annual level they are higher by 9.9%. On a monthly level, lending to households in foreign currency is greater than the lending in domestic currency, while on annual level it is the other way round, i.e. the contribution of denar lending is greater compared to foreign currency lending.



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 <sup>(1)</sup>	12.2017 <sup>(1)</sup>	3.2018	6.2018	9.2018	12.2018 <sup>(1)</sup>	5.2019	6.2019	12.2016 <sup>(1)</sup>	12.2017 <sup>(1)</sup>	3.2018	6.2018	9.2018	12.2018 <sup>(1)</sup>	5.2019	6.2019	5.2019	6.2019
Consumer loans	65,438	72,595	74,218	77,100	78,964	80,632	85,085	86,335	13.4	10.9	10.7	11.1	11.1	11.1	11.8	12.0	2.2	1.5
Housing loans	34,608	39,535	40,899	42,309	43,896	45,539	47,311	47,785	14.3	14.2	15.4	14.9	16.2	15.2	13.2	12.9	1.1	1.0
Car loans	323	316	318	307	301	312	323	320	-19.1	-2.2	2.9	0.2	-2.2	-1.3	3.2	4.0	0.1	-1.2
Credit cards	12,380	12,281	12,157	12,192	12,235	12,246	12,056	12,007	0.3	-0.8	-1.1	-0.8	-0.9	-0.3	-1.1	-1.5	-0.3	-0.4
Overdrafts	5,795	5,896	6,300	6,672	6,881	6,232	6,721	6,850	3.6	1.8	0.4	4.8	5.7	5.7	0.3	2.7	4.7	1.9
Other loans	4,584	4,564	4,534	4,593	4,566	4,607	4,199	4,217	7.3	-0.4	-0.5	-0.8	-0.2	0.9	-8.0	-8.2	-0.4	0.4

Source: NBRNM.



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- Analyzing by purpose of loans to individuals, the most common categories - **consumer and housing loans** registered a monthly growth of 1.5% and 1.0%, respectively, amid an annual increase of 12.0% and 12.9%, respectively. This month, **car loans** registered a monthly fall of 1.2%, amid annual growth of 4.0%, while **credit card** loans registered a monthly and annual decrease of 0.4% and 1.5%, respectively. **Overdrafts** registered monthly and annual increase of 1.9% and 2.7%, respectively, while loans granted on **other basis** registered a monthly growth of 0.4%, given simultaneous annual decline of 8.2%.

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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 North Macedonia: 21 August 2019 (reference period as of July 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](mailto:contact.statistika@nbrm.mk) or on the telephone number 02 3215 181 extension 116 (or 110/108).