



# National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 June 2019

## Press Release

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

- After the growth in April, in May 2019, **broad money (monetary aggregate M3<sup>1,2</sup>)** registered a monthly fall of 0.9%, mostly under the influence of the reduced short-term deposits and demand deposits<sup>3</sup>. On an annual basis, the broad money registered an increase of 9.2%, primarily due to the faster growth of demand deposits and short-term deposits, given the slower growth in currency in circulation and long-term deposits of up to two years.
- In May, **total deposits<sup>4</sup>** decreased by 0.5% on a monthly basis. The decrease is due to the fall in the deposits in the two sectors, given the faster decrease in corporate deposits compared to household deposits (share of 56.9% and 12.9%, respectively). Compared to the same period last year, deposits increased by 10.4%, generally as a result of the growth of household deposits (share of 57.7%), amid smaller contribution to the growth of corporate deposits (share of 27.6%).

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>	4.2019	5.2019	12.2016 <sup>5)</sup>	12.2017 <sup>1)</sup>	3.2018	6.2018	9.2018	12.2018 <sup>3)</sup>	4.2019	5.2019	4.2019	5.2019
<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>426,808</b>	<b>423,711</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>13.3</b>	<b>10.6</b>	<b>2.0</b>	<b>-0.7</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>380,640</b>	<b>377,090</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>12.2</b>	<b>9.2</b>	<b>2.1</b>	<b>-0.9</b>
of which:																		
Currency in Circulation	28,193	29,968	28,658	29,681	30,665	32,233	32,562	32,212	7.2	6.3	6.9	4.2	5.9	7.6	12.3	10.0	4.2	-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>385,142</b>	<b>383,162</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>13.1</b>	<b>10.4</b>	<b>1.9</b>	<b>-0.5</b>
of which:																		
Corporations	87,377	89,248	85,791	90,295	93,775	97,703	99,347	98,221	13.4	2.1	4.1	11.6	16.8	9.5	16.9	11.3	3.3	-1.1
Households	217,394	230,744	233,485	236,832	240,139	252,563	257,312	257,057	2.5	6.1	7.3	7.9	8.4	9.5	9.6	8.8	1.4	-0.1
<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>326,394</b>	<b>328,459</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>8.9</b>	<b>8.3</b>	<b>0.5</b>	<b>0.6</b>
of which:																		
Corporations	154,225	157,722	152,187	155,427	157,165	164,765	165,453	164,930	-5.3	2.3	2.3	2.9	5.7	4.5	8.5	7.0	0.4	-0.3
Households	129,321	141,232	144,491	149,254	152,990	155,734	159,413	162,085	7.0	9.2	9.4	9.7	10.1	10.3	9.3	9.6	0.5	1.7

Source: NBRNM.

<sup>1</sup> Starting from June 2018, the National Bank has been using 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.

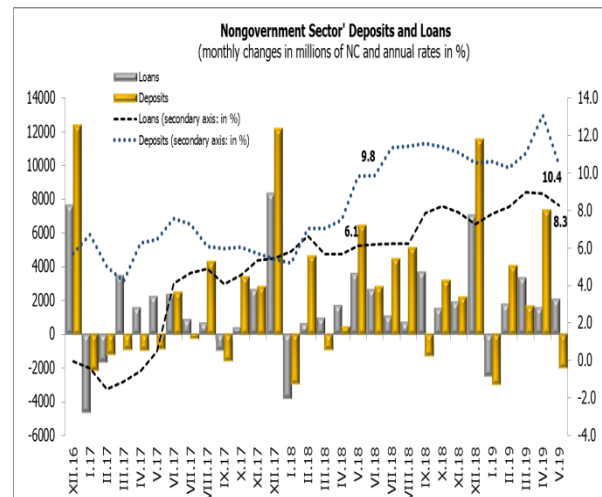
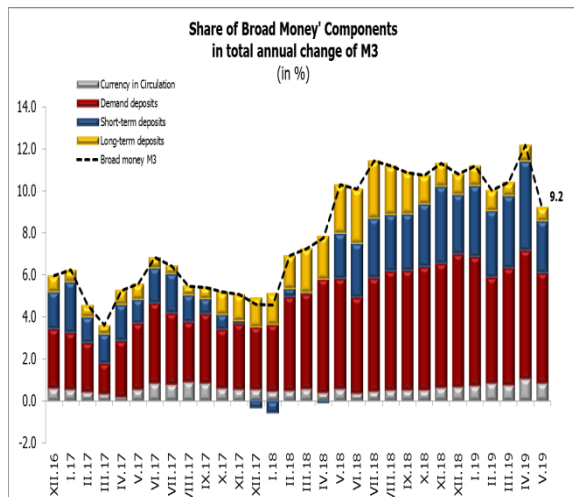
<sup>4</sup> Total deposits consist of all deposits included in the monetary aggregate M4.

<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.



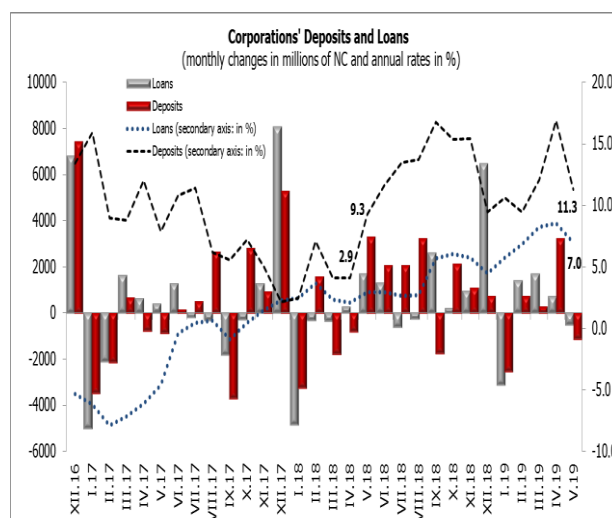
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- In May 2019, **total loans** increased by 0.6% on a monthly basis, in conditions of increased lending to households, while the lending to the corporate sector declined. Total loans increased by 8.3% on an annual basis as well, amid favorable changes in the lending to the two sectors (share in the total growth of 56.8% with households, compared to the share of the corporate sector of 43.0%).



Source: NBRNM.

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



Source: NBRNM.

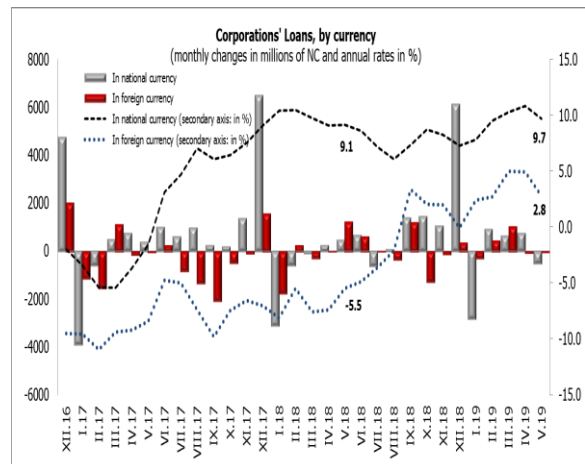
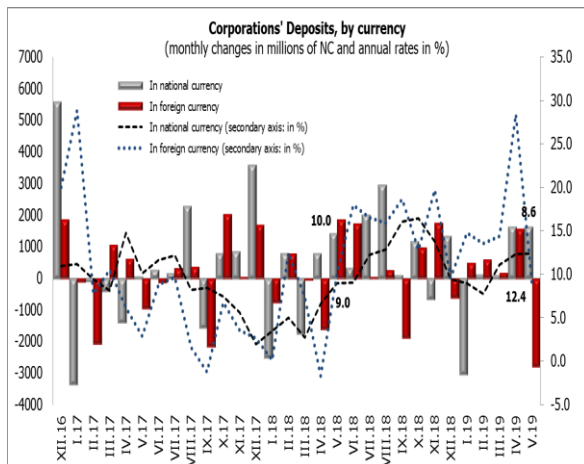
- In May, monthly fall of 1.1% was registered in the total **corporate deposits** primarily due to the reduced short-term and long-term foreign currency deposits. This effect is partially offset by the growth of demand deposits and term deposits (both short-term and long-term) in denars. The annual deposit growth of 11.3% is the result of the higher denar and foreign exchange investments in term deposits and demand deposits.

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



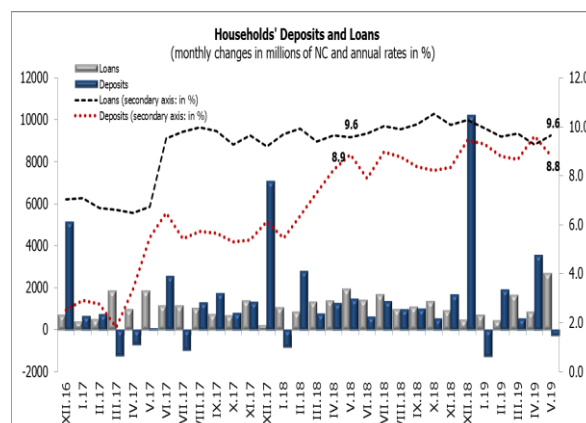
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- The **loans** that banks and savings houses have approved to the **corporate sector**<sup>7</sup>, in May compared to April, decreased by 0.3%, mostly due to the reduction of denar loans. Compared to May 2018, loans increased by 7.0%, most of the change is explained by the higher denar loans, and a positive contribution was also made by the foreign currency loans granted to the corporate sector.



Source: NBRNM.

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



Source: NBRNM.

- Investments in **household deposits** in banks and savings houses, this month insignificantly decreased by 0.1% on a monthly basis, mainly due to the fall in demand deposits, which exceeded the increase in term deposits in denars and in foreign currency. On an annual level, the total household deposits increased by 8.8%, which is largely explained by the growth of demand deposits and term deposits in denars (contribution of 64.6% to the growth), but also by the growth of term deposits in foreign currency.

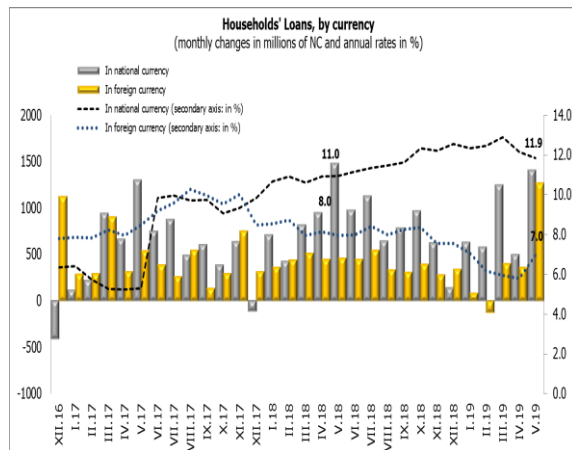
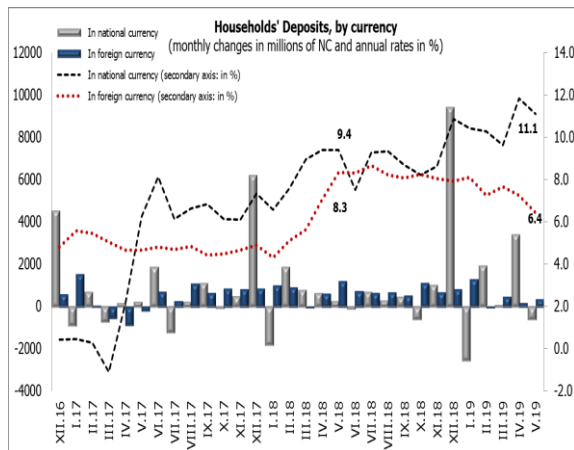
<sup>7</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause are included in the foreign currency.

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

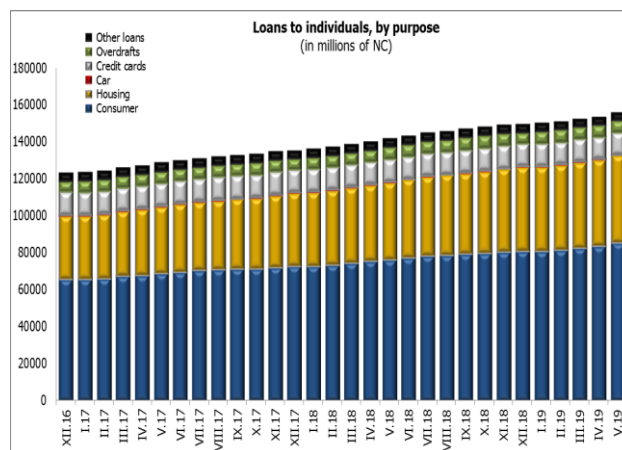


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- In May, banks and savings houses approved **loans to households** higher by 1.7% and 9.6% on a monthly and annual level, respectively. The contribution of lending to households in denars to the monthly and annual growth is slightly greater than the contribution of foreign exchange 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>	4.2019	5.2019	12.2016 <sup>(1)</sup>	12.2017 <sup>(1)</sup>	3.2018	6.2018	9.2018	12.2018 <sup>(1)</sup>	4.2019	5.2019	4.2019	5.2019
Consumer loans	65,438	72,595	74,218	77,100	78,964	80,632	83,292	85,085	13.4	10.9	10.7	11.1	11.1	11.1	10.9	11.8	1.2	2.2
Housing loans	34,608	39,535	40,899	42,309	43,896	45,539	46,797	47,311	14.3	14.2	15.4	14.9	16.2	15.2	13.2	13.2	0.7	1.1
Car loans	323	316	318	307	301	312	323	323	-19.1	-2.2	2.9	0.2	-2.2	-1.3	2.4	3.2	1.2	0.1
Credit cards	12,380	12,281	12,157	12,192	12,235	12,246	12,086	12,056	0.3	-0.8	-1.1	-0.8	-0.9	-0.3	-0.7	-1.1	-0.2	-0.3
Overdrafts	5,795	5,896	6,300	6,672	6,881	6,232	6,419	6,721	3.6	1.8	0.4	4.8	5.7	5.7	1.1	0.3	-6.0	4.7
Other loans	4,584	4,564	4,534	4,593	4,566	4,607	4,214	4,199	7.3	-0.4	-0.5	-0.8	-0.2	0.9	-7.8	-8.0	-0.9	-0.4

Source: NBRNM.



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- **Consumer and housing loans** that banks and savings houses approved to households, in May, registered a monthly increase of 2.2% and 1.1%, respectively, while on an annual level, the growth amounted to 11.8% and 13.2%, respectively. This month, **car loans** increased by 0.1% on a monthly basis, while annually, they increased by 3.2%. Monthly and annual decrease of 0.3% and 1.1%, respectively, was registered in **credit card** loans. **Overdrafts** registered a monthly and annual upward change of 4.7% and 0.3%, respectively. The loans that banks and savings houses approved on **other basis** registered a monthly drop of 0.4% i.e. an annual drop of 8.0%.

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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: 19 July 2019 (reference period as of June 2019).

We kindly ask journalists to contact the Governor's Office for any queries.

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