



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 19 April 2019

Press Release

Monetary developments in the Republic of North Macedonia: March 2019

- In March 2019, **broad money (monetary aggregate M3^{1,2})**, registered a moderate monthly growth of 0.2% as a result to the increase in all components, more pronounced in short-term deposits and demand deposits³. On annual basis, the increase of broad money was 10.4%, mainly due to the increase in demand deposits and short-term deposits, amid a slight positive contribution to the annual growth of currency in circulation and deposits up to two years.
- During March, **total deposits⁴** registered a monthly and annual growth of 0.4%⁵ and 11.1%, respectively, amid deposit growth in both sectors, more pronounced in the household sector.

Table 1. Total deposits and loans⁶ of the non-government sector

	stocks (in millions of NC)								annual changes (in %)								monthly changes (in %)	
	12.2016 ⁶⁾	12.2017 ¹⁾	3.2018	6.2018	9.2018	12.2018 ²⁾	2.2019	3.2019	12.2016 ¹⁾	12.2017 ²⁾	3.2018	6.2018	9.2018	12.2018 ¹⁾	2.2019	3.2019	2.2019	3.2019
Broad Money M4	354,712	372,931	374,681	386,470	395,840	416,814	417,149	418,499	6.2	5.1	7.5	10.1	11.7	11.8	11.2	11.7	1.0	0.3
Broad Money M3	322,199	336,989	337,684	348,090	353,862	373,436	372,136	372,833	6.0	4.6	7.3	10.1	10.9	10.8	10.0	10.4	0.8	0.2
of which:																		
Currency in Circulation	28,193	29,968	28,658	29,681	30,665	32,233	31,232	31,236	7.2	6.3	6.9	4.2	5.9	7.6	10.0	9.0	1.3	0.0
Total Deposits	321,888	339,314	340,135	349,816	358,126	375,046	376,155	377,800	5.7	5.4	7.1	9.9	11.6	10.5	10.3	11.1	1.1	0.4
of which:																		
Corporations	87,377	89,248	85,791	90,295	93,775	97,703	95,879	96,147	13.4	2.1	4.1	11.6	16.8	9.5	9.5	12.1	0.8	0.3
Households	217,394	230,744	233,485	236,832	240,139	252,563	253,207	253,748	2.5	6.1	7.3	7.9	8.4	9.5	8.8	8.7	0.8	0.2
Total Loans	284,782	300,257	298,059	306,049	311,558	322,089	321,439	324,798	-0.1	5.4	5.7	6.2	7.9	7.3	8.2	9.0	0.6	1.0
of which:																		
Corporations	154,225	157,722	152,187	155,427	157,165	164,765	163,044	164,734	-5.3	2.3	2.3	2.9	5.7	4.5	6.9	8.2	0.9	1.0
Households	129,321	141,232	144,491	149,254	152,990	155,734	156,903	158,550	7.0	9.2	9.4	9.7	10.1	10.3	9.6	9.7	0.3	1.0

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.

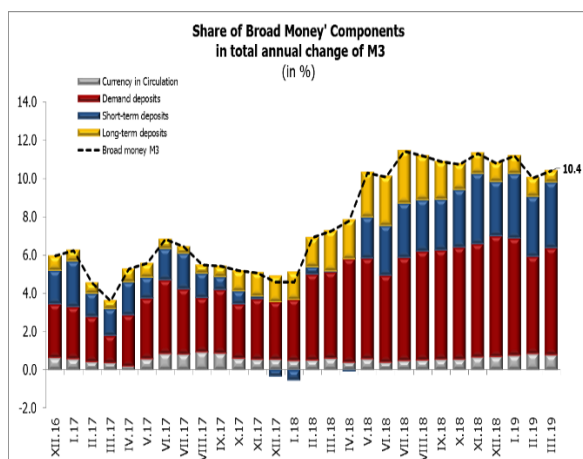
⁵ In March 2019, the monthly growth of total deposits, in addition to the corporate and household sector, was also due to the increased deposits of other financial institutions.

⁶ 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.

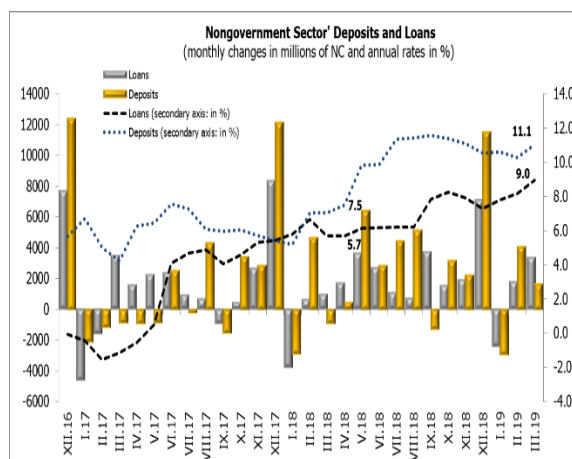


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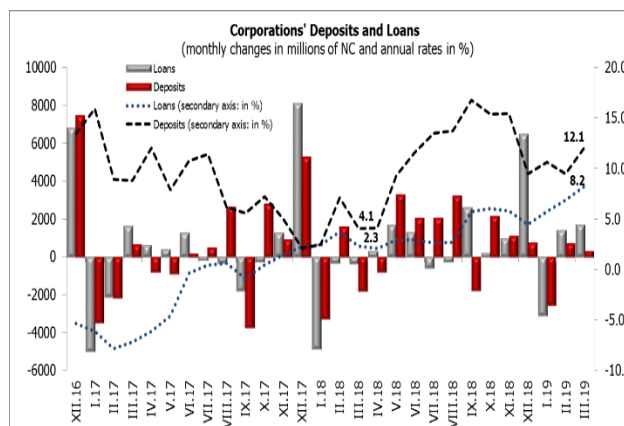
- This month, **total loans** increased by 1.0% on a monthly basis due to the increased lending to both sectors which have almost equal share in the monthly growth. On annual basis, the loan growth was 9.0% and is explained by the increase in lending to both sectors, slightly more pronounced in the household sectors (share of 52.6% in the growth).



Source: NBRNM.



1. Deposits and loans of the corporate sector⁷



Source: NBRNM.

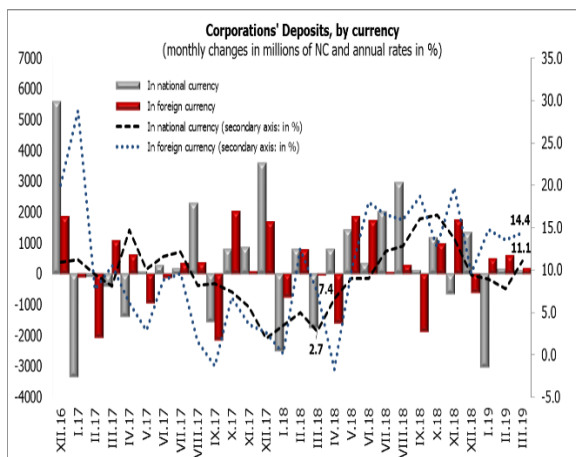
- In March 2019, total **corporate deposits** are higher by 0.3% on a monthly basis. The growth arises from the increase in long-term denar deposits, short-term foreign currency deposits and demand deposits, which was partially neutralized through the decline of short-term denar deposits and long-term foreign currency deposits. Analyzed on an annual basis, corporate deposits increased by 12.1%, mostly due to the increase of demand deposits and short-term deposits in foreign currency and denar, amid minor, yet positive contribution of long-term deposits (in foreign currency and denars).

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

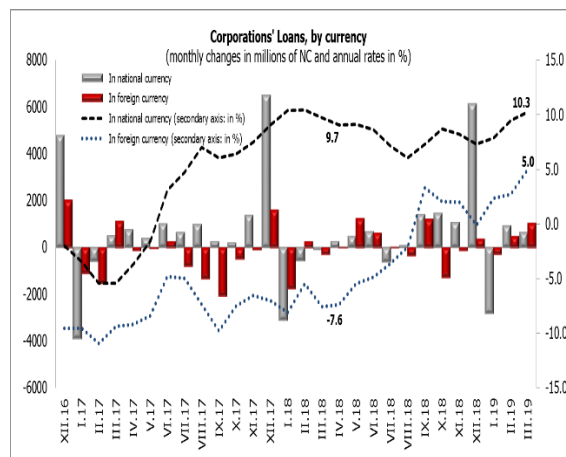


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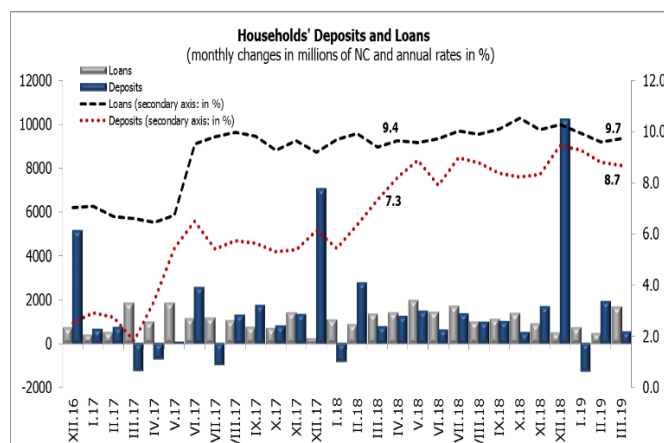
- In March 2019, **corporate loans**⁸ registered a monthly and annual increase of 1.0% and 8.2%, respectively. According to the currency structure, loans granted in foreign currency have a greater share in the monthly growth, while the annual growth is mostly due to the loans granted in denars.



Source: NBRNM.



2. Deposits and loans of the households⁹



Source: NBRNM.

- In March, total **household deposits** registered a monthly growth of 0.2% which is due to the increase in long-term deposits (in denars and foreign currency) and short-term foreign currency deposits, amid a decline in demand deposits. The annual growth rate of household deposits was 8.7%, primarily due to the growth in demand deposits and short-term foreign currency deposits, amid a positive contribution of long-term deposits (in denars and foreign currency).

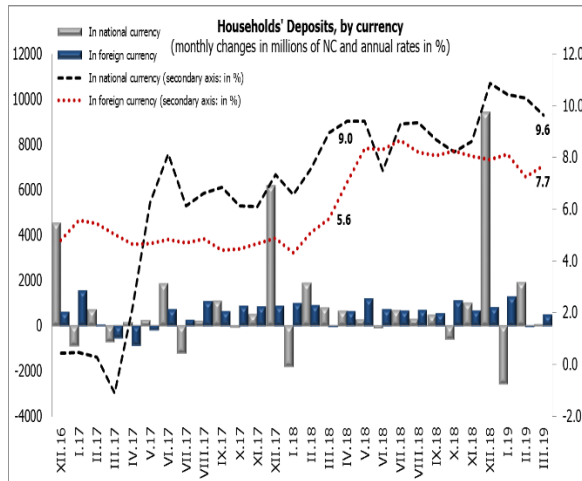
⁸ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause are included in the foreign currency.

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

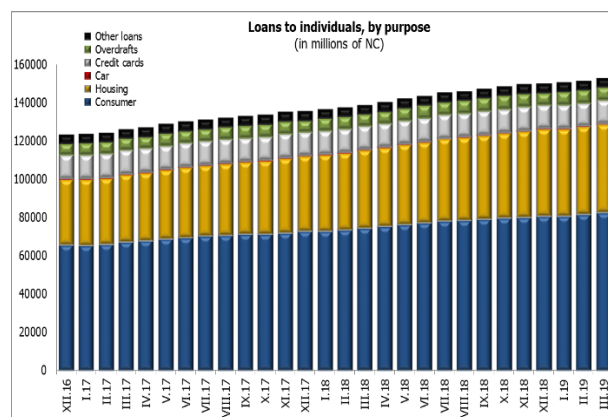
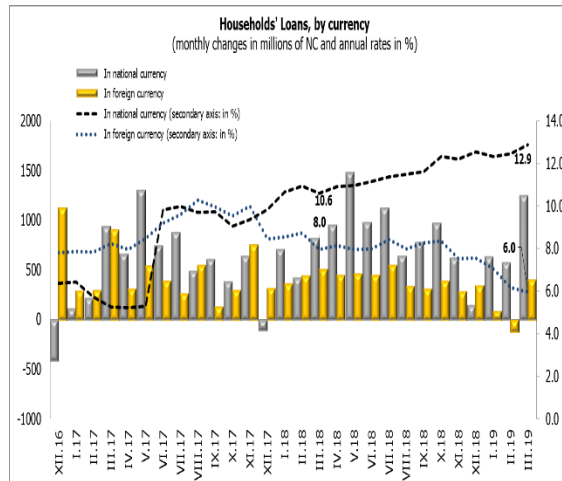


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- In March 2019, the total **household loans** registered a monthly and annual increase of 1.0% and 9.7%, respectively. Analyzing the currency, the upward monthly and annual changes are mostly due to denar loans (share of 75.6% and 72.1%, respectively).



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⁾	2.2019	3.2019	12.2016 ⁽¹⁾	12.2017 ⁽¹⁾	3.2018	6.2018	9.2018	12.2018 ⁽¹⁾	2.2019	3.2019	2.2019	3.2019
Consumer loans	65,438	72,595	74,218	77,100	78,964	80,632	81,342	82,324	13.4	10.9	10.7	11.1	11.1	11.1	11.0	10.9	1.0	1.2
Housing loans	34,608	39,535	40,899	42,309	43,896	45,539	45,932	46,477	14.3	14.2	15.4	14.9	16.2	15.2	13.6	13.6	0.3	1.2
Car loans	323	316	318	307	301	312	312	319	-19.1	-2.2	2.9	0.2	-2.2	-1.3	-1.1	0.4	-0.9	2.3
Credit cards	12,380	12,281	12,157	12,192	12,235	12,246	12,117	12,113	0.3	-0.8	-1.1	-0.8	-0.9	-0.3	-0.3	-0.4	-0.5	0.0
Overdrafts	5,795	5,896	6,300	6,672	6,881	6,232	6,753	6,830	3.6	1.8	0.4	4.8	5.7	5.7	5.1	8.4	-0.8	1.1
Other loans	4,584	4,564	4,534	4,593	4,566	4,607	4,277	4,252	7.3	-0.4	-0.5	-0.8	-0.2	0.9	-5.6	-6.2	-6.7	-0.6

Source: NBRNM.



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- This month, according to the purpose of loans granted to individuals, the most common category - **consumer loans**, registered a monthly and annual growth of 1.2% and 10.9%, respectively. **Housing loans** also increased by 1.2% on a monthly basis, while the annual growth rate of this component remained unchanged compared to the previous month and it amounted to 13.6%. In March, following the negative rates in the previous month, **car loans** registered a monthly and annual growth of 2.3% and 0.4%, respectively. Loans granted on the basis of **credit cards** remain unchanged on a monthly basis, while on an annual basis they registered a decline of 0.4%. In March, **overdrafts** registered a monthly growth of 1.1%, while annually, this component registered a growth rate of 8.4%. The loans granted on **other bases** registered a monthly and annual growth of 0.6% and 6.2%, respectively.

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 May 2019 (reference period as of April 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).