



# National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 May 2020

## Press Release

### Monetary developments in the Republic of North Macedonia: April 2020

- In April 2020, the **broad money (monetary aggregate M3<sup>1,2</sup>)** grew by 0.7% on a monthly basis, due to the growth of currency in circulation and short-term deposits, given the decline in long-term deposits up to two years and demand deposits<sup>3</sup>. On an annual basis, broad money increased by 6.8%, affected by the growth in demand deposits, currency in circulation and short-term deposits, amid decrease in long-term deposits up to two years.
- In April, **total deposits<sup>4</sup>** are unchanged compared to the previous month, amid the decline in corporate deposits, and at the same time the growth of household deposits. On an annual basis, total deposits increased by 6.3%, amid growth in deposits in both sectors, more pronounced in the household sector (contribution of 83.0% to the growth).

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 %)	
	3.2019	6.2019	9.2019	12.2019 <sup>1)</sup>	3.2020	4.2020	3.2019	6.2019	9.2019	12.2019 <sup>1)</sup>	3.2020	4.2020	3.2020	4.2020
<b>Broad Money M4</b>	<b>418,499</b>	<b>427,071</b>	<b>438,662</b>	<b>455,411</b>	<b>455,834</b>	<b>458,627</b>	<b>11.7</b>	<b>10.5</b>	<b>10.8</b>	<b>9.3</b>	<b>8.9</b>	<b>7.5</b>	<b>1.0</b>	<b>0.6</b>
<b>Broad Money M3</b>	<b>372,833</b>	<b>379,982</b>	<b>388,869</b>	<b>404,028</b>	<b>403,714</b>	<b>406,570</b>	<b>10.4</b>	<b>9.2</b>	<b>9.9</b>	<b>8.2</b>	<b>8.3</b>	<b>6.8</b>	<b>1.2</b>	<b>0.7</b>
of which:														
Currency in Circulation	31,236	32,554	33,368	36,108	37,891	40,617	9.0	9.7	8.8	12.0	21.3	24.7	7.9	7.2
<b>Total Deposits</b>	<b>377,800</b>	<b>386,461</b>	<b>394,472</b>	<b>410,794</b>	<b>409,200</b>	<b>409,260</b>	<b>11.1</b>	<b>10.5</b>	<b>10.1</b>	<b>9.5</b>	<b>8.3</b>	<b>6.3</b>	<b>0.4</b>	<b>0.0</b>
of which:														
Corporations	96,147	99,456	104,178	111,948	108,138	105,806	12.1	10.1	11.1	14.6	12.5	6.5	2.4	-2.2
In national currency	66,691	71,021	75,566	81,911	75,876	73,761	11.1	13.5	11.7	17.9	13.8	7.9	0.4	-2.8
In foreign currency	29,456	28,434	28,613	30,036	32,261	32,045	14.4	2.6	9.4	6.4	9.5	3.3	7.3	-0.7
Households	253,748	258,100	262,458	272,605	275,574	277,319	8.7	9.0	9.3	7.9	8.6	7.8	0.1	0.6
In national currency	131,901	135,492	137,346	146,231	147,532	147,981	9.6	11.8	12.0	10.4	11.9	9.4	0.7	0.3
In foreign currency	121,847	122,609	125,113	126,374	128,042	129,338	7.7	6.0	6.4	5.2	5.1	6.0	-0.5	1.0
<b>Total Loans</b>	<b>324,798</b>	<b>330,726</b>	<b>328,970</b>	<b>341,389</b>	<b>343,702</b>	<b>344,508</b>	<b>9.0</b>	<b>8.1</b>	<b>5.6</b>	<b>6.0</b>	<b>5.8</b>	<b>5.5</b>	<b>0.1</b>	<b>0.2</b>
of which:														
Corporations	164,734	165,305	159,764	167,952	167,654	168,688	8.2	6.4	1.7	1.9	1.8	2.0	0.0	0.6
In national currency	103,142	103,308	99,250	103,591	103,597	103,584	10.3	8.8	3.6	-0.8	0.4	-0.3	0.1	0.0
In foreign currency	61,592	61,997	60,514	64,361	64,057	65,104	5.0	2.5	-1.5	6.6	4.0	5.8	-0.2	1.6
Households	158,550	163,963	167,528	172,014	174,634	174,429	9.7	9.9	9.5	10.5	10.1	9.4	0.1	-0.1
In national currency	88,854	91,492	92,821	95,075	96,643	96,359	12.9	11.4	9.6	10.0	8.8	7.8	0.0	-0.3
In foreign currency	69,697	72,471	74,706	76,939	77,990	78,070	6.0	8.0	9.3	11.0	11.9	11.4	0.3	0.1

1) Data in accordance with the final balance sheets submission

Source: NBRNM.

<sup>1</sup> The National Bank has been using the monetary aggregate M3 as a new standard definition of broad money since June 2018. The monetary aggregate M4 will continue to be calculated and published for analytical purposes.

<sup>2</sup> Monetary aggregate M1 is comprised of 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, includes deposits with 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.

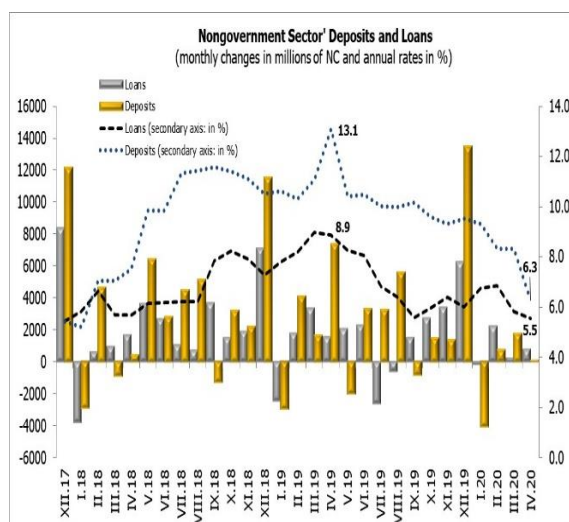
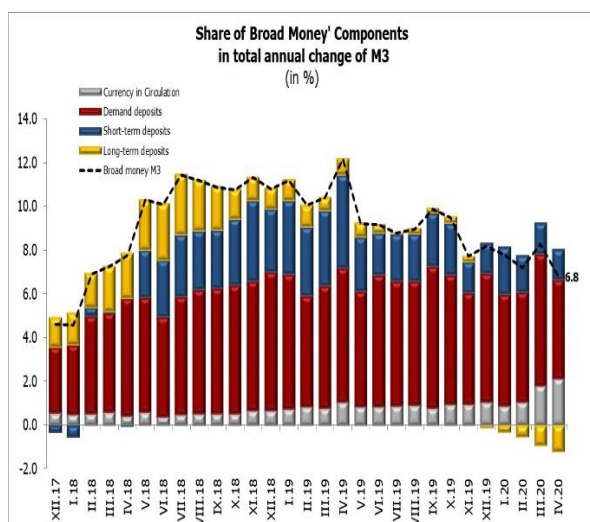
<sup>4</sup> Total deposits consist of all deposits included in the monetary aggregate M4.

<sup>5</sup> The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.



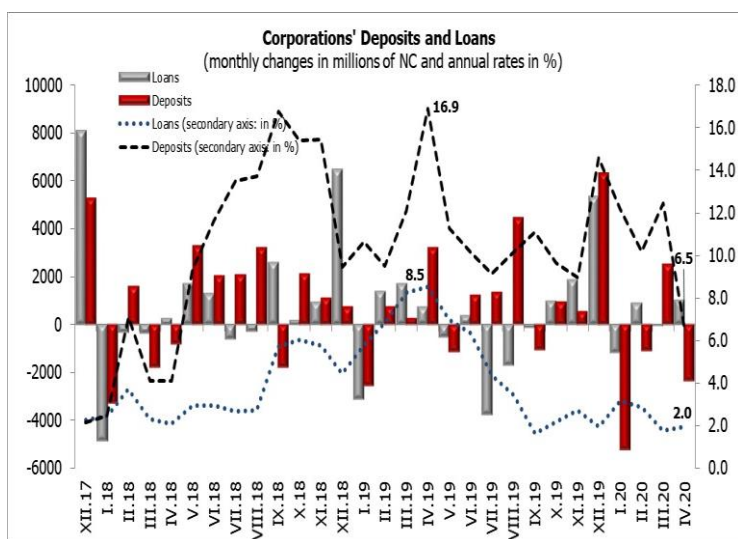
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- In April, **total loans** registered a monthly increase of 0.2%, which, amid decline in lending to households, is entirely due to the higher lending to the corporate sector. On an annual basis, the loan growth amounts to 5.5% and is influenced by the increased bank lending to both sectors, with a higher contribution of the household sector. 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 changes<sup>6</sup> under the National Bank decision, in April, total loans registered an annual growth of 6,9%.



Source: NBRNM.

### 1. Deposits and loans of the corporate sector<sup>7</sup>



Source: NBRNM.

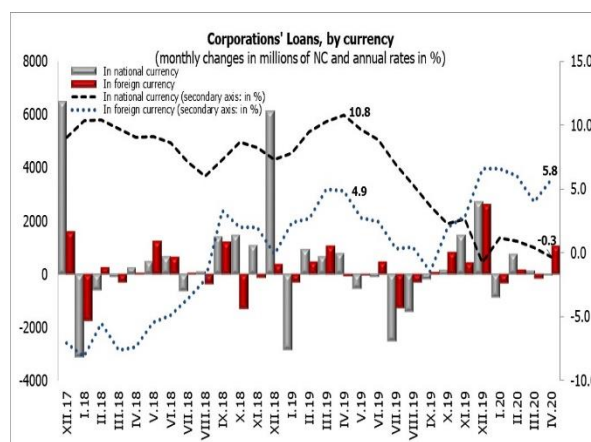
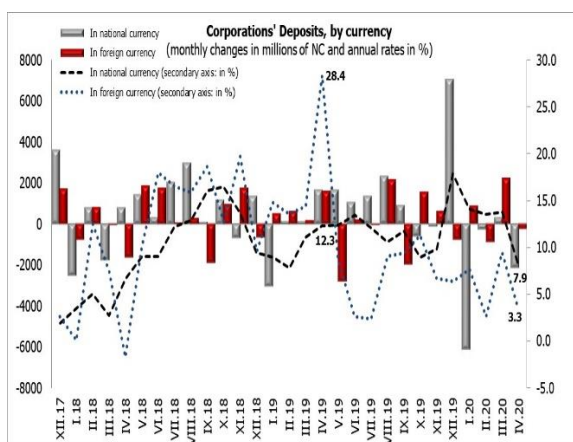
<sup>6</sup> On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records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

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



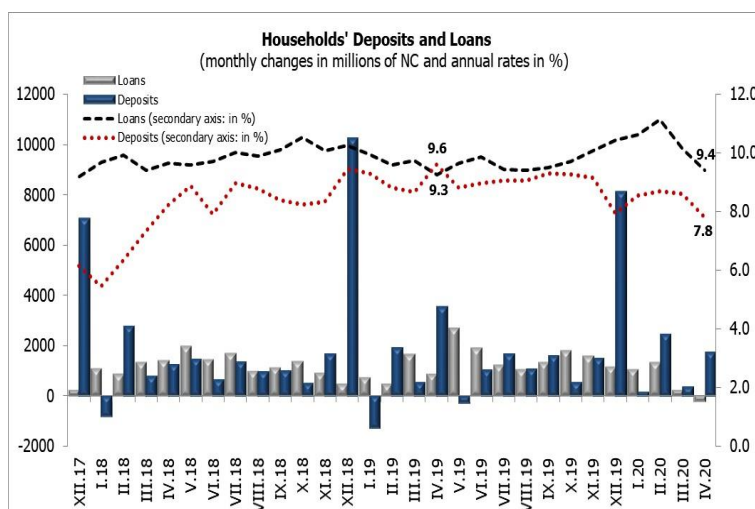
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- In April, total **corporate deposits** declined by 2.2% on a monthly basis. The downward monthly change is due to the more pronounced fall in demand deposits and short-term denar deposits, amid a smaller decline in foreign currency deposits (long-term and short-term) and growth in long-term denar deposits. On an annual basis, deposits increased by 6.5%, mostly due to the growth of demand deposits and short-term foreign currency deposits, which is partially offset by the fall in short-term denar deposits and long-term foreign currency deposits.
- This month, **corporate loans**<sup>8</sup> increased by 0.6% and 2.0% on a monthly and annual basis, respectively. The monthly and annual growth are entirely due to the increased lending in foreign currency, amid a moderate decline in denar loans. Excluding the effect of write-off of doubtful and contested claims, under the National Bank decision, the annual growth of corporate loans equaled 4,0% in April.



Source: NBRNM.

## 2. Deposits and loans of the households<sup>9</sup>



Source: NBRNM.

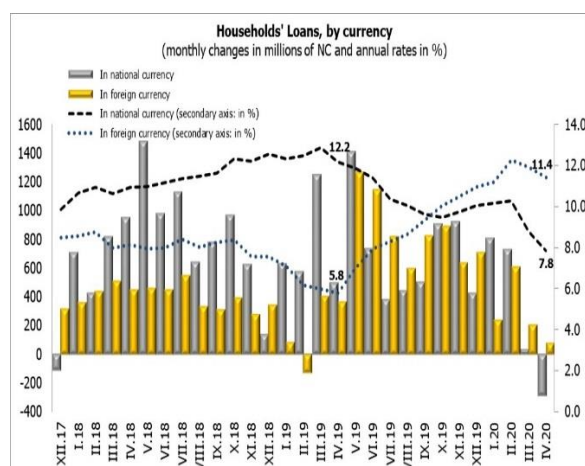
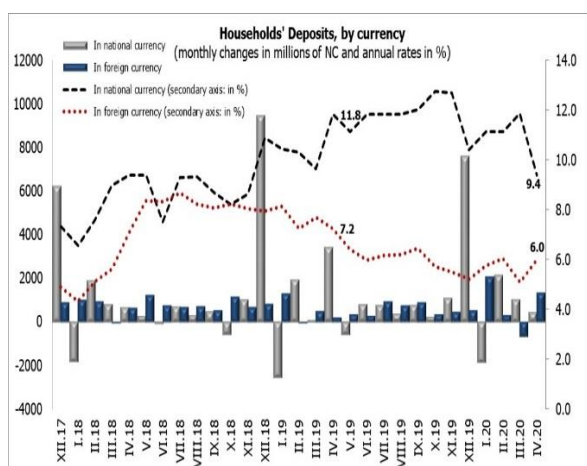
<sup>8</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

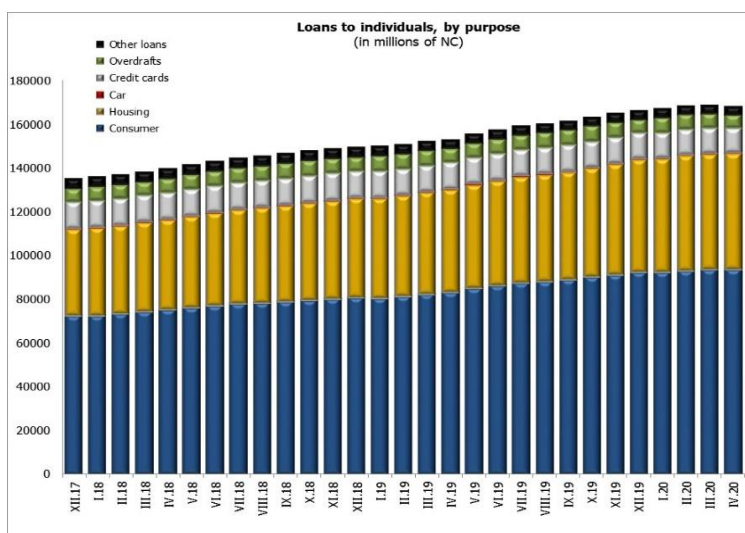


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- In April, total **household deposits** grew by 0.6% on a monthly basis. The monthly growth is completely attributable to the increased demand deposits and short-term deposits in foreign currency, amid decrease in other components. On an annual basis, household deposits increased by 7.8%, mainly due to the higher demand deposits and short-term deposits in foreign currency.
- This month, total **household loans** registered a minimal monthly fall of 0.1%, which is completely due to the reduced lending in denars. On an annual basis, household loans increased by 9.4%, as a result of the growth of lending in denars and in foreign currency, slightly more pronounced in foreign currency loans. 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 10,2% in April.



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 %)	
	3.2019	6.2019	9.2019	12.2019 <sup>1)</sup>	3.2020	4.2020	3.2019	6.2019	9.2019	12.2019 <sup>1)</sup>	3.2020	4.2020	3.2020	4.2020
Consumer loans	82,324	86,335	89,042	92,430	93,440	93,397	10.9	12.0	12.8	14.6	13.5	12.1	0.5	0.0
Housing loans	46,477	47,785	49,116	51,338	52,959	53,183	13.6	12.9	11.9	12.7	13.9	13.6	0.8	0.4
Car loans	319	320	316	316	306	303	0.4	4.0	4.8	1.4	-4.1	-6.4	-0.4	-1.2
Credit cards	12,113	12,007	11,956	11,928	11,570	11,331	-0.4	-1.5	-2.3	-2.6	-4.5	-6.3	-1.3	-2.1
Overdrafts	6,830	6,850	7,043	6,123	6,499	6,059	8.4	2.7	2.3	-1.7	-4.8	-5.6	-5.8	-6.8
Other loans	4,252	4,217	4,194	4,118	3,969	3,974	-6.2	-8.2	-8.2	-10.6	-6.7	-5.7	-1.6	0.1

1) Data in accordance with the final balance sheets submission

Source: NBRNM.

- In April, analyzing the purpose of loans to individuals, **consumer loans**, as one of the most common categories, remained unchanged on a monthly basis, while on an annual basis they increased by 12.1%. This month, **housing loans** registered a monthly and annual increase of 0.4% and 13.6%, respectively. **Car loans**, for the second consecutive month, registered a monthly and annual decline of 1.2% and 6.4%, respectively, while loans on **credit cards** decreased by 2.1% and 6.3%, on a monthly and annual basis, respectively. This month, **overdrafts** registered a monthly and annual decrease of 6.8% and 5.6%, respectively. Loans granted on **other basis** registered a minor monthly growth of 0.1%, while annually they dropped by 5.7%.

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### Supporting information

Time series of data: Balance sheets and list of depository institutions, monthly data

[http://www.nbrm.mk/monetarna\\_statistika-en.nspix](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](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 June 2020 (reference period as of May 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](mailto:contact.statistika@nbrm.mk) or on the telephone number 02 3215 181 extension 116 (or 110/108).