



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

Skopje, 21 February 2020

### Press Release

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

- In January 2020, **the broad money (monetary aggregate M3<sup>1,2</sup>)** registered a monthly decrease of 1.5%, mainly reflecting the seasonal movements in demand deposits<sup>3</sup> and currency in circulation, whose decrease surpassed the growth of short-term deposits. On an annual basis, broad money was higher by 7.8%, largely due to the increase in demand deposits and short-term deposits, amid slower growth of currency in circulation, and decline in long-term deposits up to two years.
- In January, **total deposits<sup>4</sup>** registered a monthly fall of 1.0% due to the lower corporate deposits amid minor increase in household deposits. On an annual basis, total deposits went up by 9.3% given the increase in both sectors, primarily in the household sector (contribution of 61.9% 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 %)	
	12.2017 <sup>(1)</sup>	12.2018 <sup>(1)</sup>	3.2019	6.2019	9.2019	12.2019 <sup>(1)</sup>	1.2020	12.2017 <sup>(1)</sup>	12.2018 <sup>(1)</sup>	3.2019	6.2019	9.2019	12.2019 <sup>(1)</sup>	1.2020	12.2019 <sup>(1)</sup>	1.2020
<b>Broad Money M4</b>	<b>372,931</b>	<b>416,814</b>	<b>418,499</b>	<b>427,071</b>	<b>438,662</b>	<b>455,411</b>	<b>449,749</b>	<b>5.1</b>	<b>11.8</b>	<b>11.7</b>	<b>10.5</b>	<b>10.8</b>	<b>9.3</b>	<b>8.9</b>	<b>3.8</b>	<b>-1.2</b>
<b>Broad Money M3</b>	<b>336,989</b>	<b>373,436</b>	<b>372,833</b>	<b>379,982</b>	<b>388,869</b>	<b>404,028</b>	<b>397,935</b>	<b>4.6</b>	<b>10.8</b>	<b>10.4</b>	<b>9.2</b>	<b>9.9</b>	<b>8.2</b>	<b>7.8</b>	<b>4.1</b>	<b>-1.5</b>
of which:																
Currency in Circulation	29,968	32,233	31,236	32,554	33,368	36,108	34,084	6.3	7.6	9.0	9.7	8.8	12.0	10.6	9.0	-5.6
<b>Total Deposits</b>	<b>339,314</b>	<b>375,046</b>	<b>377,800</b>	<b>386,461</b>	<b>394,472</b>	<b>410,794</b>	<b>406,738</b>	<b>5.4</b>	<b>10.5</b>	<b>11.1</b>	<b>10.5</b>	<b>10.1</b>	<b>9.5</b>	<b>9.3</b>	<b>3.4</b>	<b>-1.0</b>
of which:																
Corporations	89,248	97,703	96,147	99,456	104,178	111,948	106,744	2.1	9.5	12.1	10.1	11.1	14.6	12.2	6.0	-4.6
In national currency	63,488	69,478	66,691	71,021	75,566	81,911	75,836	1.9	9.4	11.1	13.5	11.7	17.9	14.1	9.4	-7.4
In foreign currency	25,760	28,224	29,456	28,434	28,613	30,036	30,909	2.6	9.6	14.4	2.6	9.4	6.4	7.7	-2.4	2.9
Households	230,744	252,563	253,748	258,100	262,458	272,605	272,762	6.1	9.5	8.7	9.0	9.3	7.9	8.5	3.1	0.1
In national currency	119,455	132,450	131,901	135,492	137,346	146,231	144,373	7.3	10.9	9.6	11.8	12.0	10.4	11.1	5.5	-1.3
In foreign currency	111,289	120,113	121,847	122,609	125,113	126,374	128,389	4.9	7.9	7.7	6.0	6.4	5.2	5.8	0.4	1.6
<b>Total Loans</b>	<b>300,257</b>	<b>322,089</b>	<b>324,798</b>	<b>330,726</b>	<b>328,970</b>	<b>341,389</b>	<b>341,249</b>	<b>5.4</b>	<b>7.3</b>	<b>9.0</b>	<b>8.1</b>	<b>5.6</b>	<b>6.0</b>	<b>6.8</b>	<b>1.9</b>	<b>0.0</b>
of which:																
Corporations	157,722	164,765	164,734	165,305	159,764	167,952	166,774	2.3	4.5	8.2	6.4	1.7	1.9	3.2	3.3	-0.7
In national currency	97,290	104,387	103,142	103,308	99,250	103,591	102,726	9.1	7.3	10.3	8.8	3.6	-0.8	1.1	2.7	-0.8
In foreign currency	60,431	60,377	61,592	61,997	60,514	64,361	64,049	-7.0	-0.1	5.0	2.5	-1.5	6.6	6.6	4.2	-0.5
Households	141,232	155,734	158,550	163,963	167,528	172,014	173,058	9.2	10.3	9.7	9.9	9.5	10.5	10.6	0.7	0.6
In national currency	76,764	86,401	88,854	91,492	92,821	95,075	95,882	9.8	12.6	12.9	11.4	9.6	10.0	10.2	0.5	0.8
In foreign currency	64,469	69,334	69,697	72,471	74,706	76,939	77,176	8.5	7.5	6.0	8.0	9.3	11.0	11.2	0.9	0.3

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.

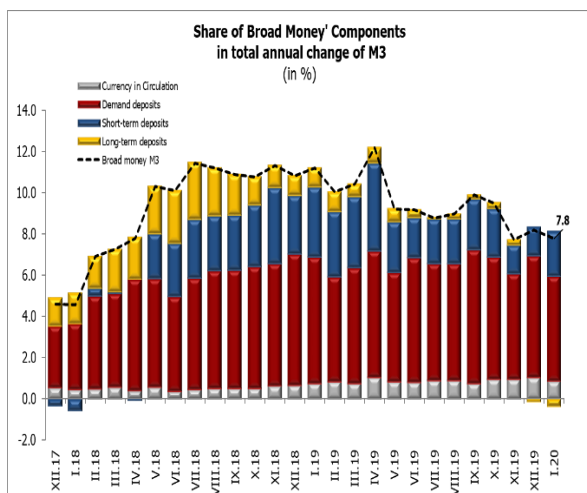
<sup>4</sup> Total deposits consist of all deposits included in the monetary aggregate M4.

<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.

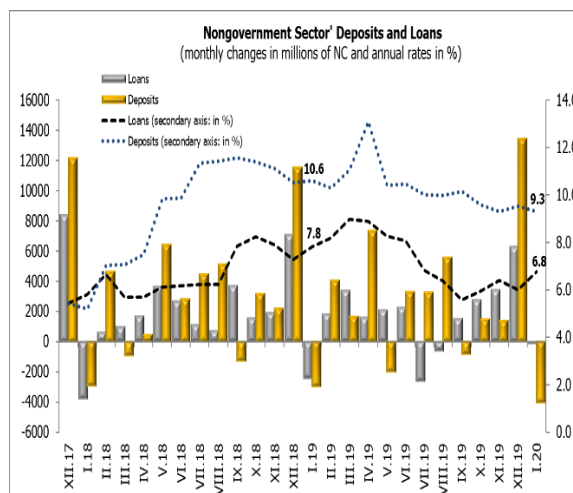


## National Bank of the Republic of North Macedonia Statistics Department

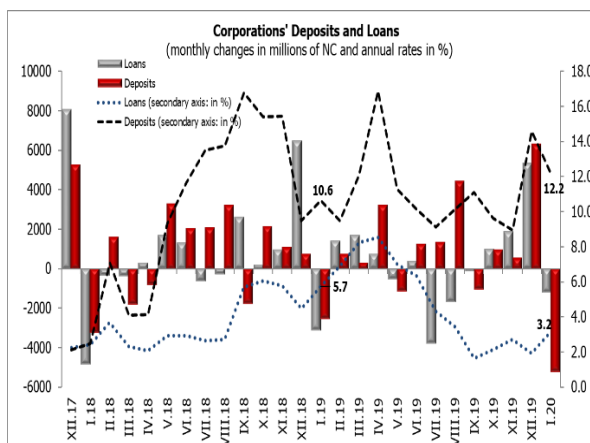
- **Total loans** remained unchanged in January amid decreasing corporate lending and increasing household lending. Compared to the same period last year, total loans were higher by 6.8%, with greater contribution of the household sector (share of 76.9%). Taking into account the effect of the transfer 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 January, total loans registered an annual growth of 8.0%.



Source: NBRNM



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



Source: NBRNM

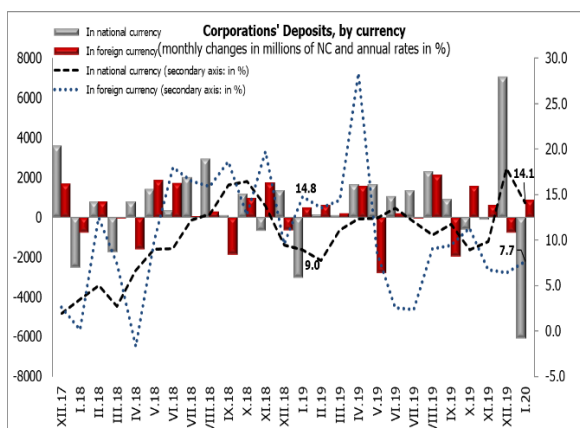
<sup>6</sup> On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records 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.

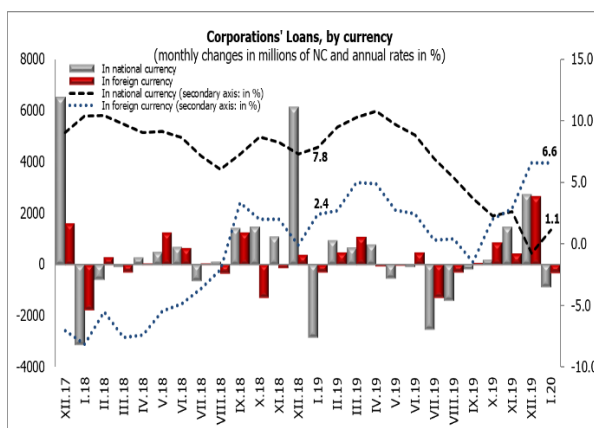


## National Bank of the Republic of North Macedonia Statistics Department

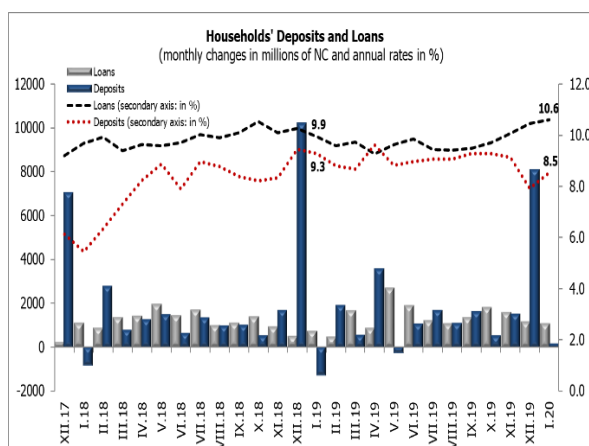
- This month, **total corporate deposits** decreased by 4.6%. This was almost entirely due to the fall in demand deposits, amid fall in other components, except the short-term deposits in foreign currencies which registered an increase. The annual growth of corporate deposits was 12.2%, mostly due to the increase in demand deposits and short-term foreign currency deposits, amid fall in short-term denar deposits.
- **Corporate loans**<sup>8</sup> registered a monthly fall of 0.7%, which analyzed by currency structure, primarily reflects the reduced denar lending. Annually, corporate loans increased by 3.2% determined by the pronounced increase in foreign currency lending (share of 77.4%). Excluding the effect of write-off of doubtful and contested claims, under the National Bank decision, the annual growth of corporate loans equaled 5.2% in January.



Source: NBRNM



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



Source: NBRNM

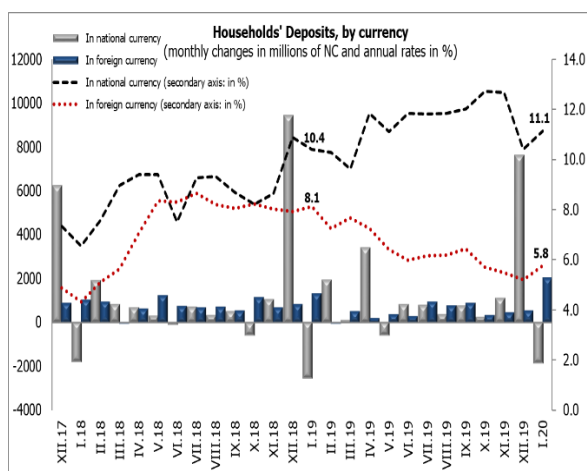
<sup>8</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

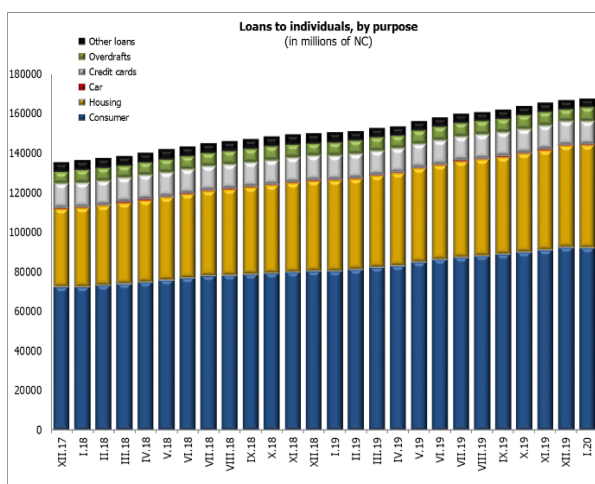
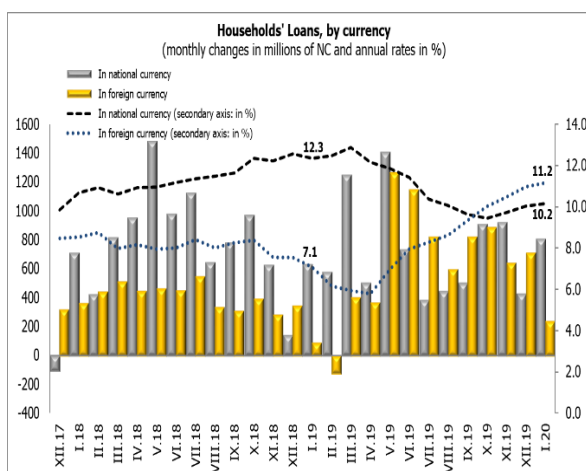


## National Bank of the Republic of North Macedonia Statistics Department

- In January, total **household deposits** registered a minor monthly growth of 0.1%, due to the growth of foreign currency deposits (short-term and long-term) and denar deposits (short-term and long-term). The annual growth rate was 8.5% given the increase in all components, with the greatest contribution of demand deposits, and short-term and long-term foreign currency deposits.
- This month, total **household loans** registered a monthly and annual growth by 0.6% and 10.6%, respectively, with pronounced contribution of denar lending. 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 11.3% in January.



Source: NBRNM



Source: NBRNM



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

Table 2. Bank and savings house loans granted to individuals, by purpose

	Stocks (in millions of NC)							annual changes (in %)							monthly changes (in %)	
	12.2017 <sup>(1)</sup>	12.2018 <sup>(1)</sup>	3.2019	6.2019	9.2019	12.2019 <sup>(1)</sup>	1.2020	12.2017 <sup>(1)</sup>	12.2018 <sup>(1)</sup>	3.2019	6.2019	9.2019	12.2019 <sup>(1)</sup>	1.2020	12.2019 <sup>(1)</sup>	1.2020
Consumer loans	72,595	80,632	82,324	86,335	89,042	92,430	92,219	10.9	11.1	10.9	12.0	12.8	14.6	14.5	1.3	-0.2
Housing loans	39,535	45,539	46,477	47,785	49,116	51,338	51,804	14.2	15.2	13.6	12.9	11.9	12.7	13.2	2.0	0.9
Car loans	316	312	319	320	316	316	309	-2.2	-1.3	0.4	4.0	4.8	1.4	-1.8	1.6	-2.3
Credit cards	12,281	12,246	12,113	12,007	11,956	11,928	11,853	-0.8	-0.3	-0.4	-1.5	-2.3	-2.6	-2.7	-0.3	-0.6
Overdrafts	5,896	6,232	6,830	6,850	7,043	6,123	6,910	1.8	5.7	8.4	2.7	2.3	-1.7	1.5	-13.2	12.8
Other loans	4,564	4,607	4,252	4,217	4,194	4,118	4,083	-0.4	0.9	-6.2	-8.2	-8.2	-10.6	-10.9	-0.4	-0.8

Source: NBRNM

- Analyzing the purpose of loans to individuals, **consumer loans** experienced monthly drop of 0.2%, typical for the first month of the year, and annual growth of 14.5%. **Housing loans** registered a monthly and annual increase of 0.9% and 13.2%, respectively. In January, **car loans** decreased by 2.3% and 1.8% on a monthly and annual basis, respectively. Loans on **credit cards** decreased by 0.6% and 2.7% on a monthly and annual basis, respectively. This month, **overdrafts** registered a monthly and annual growth of 12.8% and 1.5%, respectively, while loans granted on **other basis** registered a monthly and annual decrease of 0.8% and 10.9%, respectively.

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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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Next publications: Advance Release Calendar

[http://www.nbrm.mk/content/statistika/kalendar/Advance\\_Release\\_Calendar.pdf](http://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf)

Monetary developments in the Republic of North Macedonia: 20 March 2020 (reference period as of February 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).