



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 April 2020

Press Release

Monetary developments in the Republic of North Macedonia: March 2020

- In March 2020, the **broad money (monetary aggregate M3^{1,2})** registered a monthly growth of 1.2% due to the increase in demand deposits³ and currency in circulation, amid a decline in long-term deposits up to two years and short-term deposits. On an annual basis, broad money increased by 8.3%, mainly due to the increase in demand deposits amid slower growth of currency in circulation and short-term deposits, and decline in long-term deposits up to two years.
- Analyzed on a monthly basis, in March, **total deposits⁴** increased by 0.4% mainly due to the increased corporate deposits, amid increase though slower in household deposits. The annual growth rate of total deposits was 8.3%, as a result of the growth of deposits in both sectors, with more pronounced share of the growth of the household sector (share of 69.5%).

Table 1. Total deposits and loans⁵ of the non-government sector

	stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	3. 2019	6. 2019	9. 2019	12. 2019 ¹⁾	2. 2020	3. 2020	3. 2019	6. 2019	9. 2019	12. 2019 ¹⁾	2. 2020	3. 2020	2. 2020	3. 2020
Broad Money M4	418,499	427,071	438,662	455,411	451,280	455,834	11.7	10.5	10.8	9.3	8.2	8.9	0.3	1.0
Broad Money M3	372,833	379,982	388,869	404,028	398,873	403,714	10.4	9.2	9.9	8.2	7.2	8.3	0.2	1.2
of which:														
Currency in Circulation	31,236	32,554	33,368	36,108	35,131	37,891	9.0	9.7	8.8	12.0	12.5	21.3	3.1	7.9
Total Deposits	377,800	386,461	394,472	410,794	407,470	409,200	11.1	10.5	10.1	9.5	8.3	8.3	0.2	0.4
of which:														
Corporations	96,147	99,456	104,178	111,948	105,647	108,138	12.1	10.1	11.1	14.6	10.2	12.5	-1.0	2.4
In national currency	66,691	71,021	75,566	81,911	75,587	75,876	11.1	13.5	11.7	17.9	13.5	13.8	-0.3	0.4
In foreign currency	29,456	28,434	28,613	30,036	30,059	32,261	14.4	2.6	9.4	6.4	2.6	9.5	-2.7	7.3
Households	253,748	258,100	262,458	272,605	275,215	275,574	8.7	9.0	9.3	7.9	8.7	8.6	0.9	0.1
In national currency	131,901	135,492	137,346	146,231	146,522	147,532	9.6	11.8	12.0	10.4	11.1	11.9	1.5	0.7
In foreign currency	121,847	122,609	125,113	126,374	128,693	128,042	7.7	6.0	6.4	5.2	6.0	5.1	0.2	-0.5
Total Loans	324,798	330,726	328,970	341,389	343,463	343,702	9.0	8.1	5.6	6.0	6.9	5.8	0.6	0.1
of which:														
Corporations	164,734	165,305	159,764	167,952	167,671	167,654	8.2	6.4	1.7	1.9	2.8	1.8	0.5	0.0
In national currency	103,142	103,308	99,250	103,591	103,464	103,597	10.3	8.8	3.6	-0.8	0.9	0.4	0.7	0.1
In foreign currency	61,592	61,997	60,514	64,361	64,207	64,057	5.0	2.5	-1.5	6.6	6.0	4.0	0.2	-0.2
Households	158,550	163,963	167,528	172,014	174,395	174,634	9.7	9.9	9.5	10.5	11.1	10.1	0.8	0.1
In national currency	88,854	91,492	92,821	95,075	96,611	96,643	12.9	11.4	9.6	10.0	10.3	8.8	0.8	0.0
In foreign currency	69,697	72,471	74,706	76,939	77,784	77,990	6.0	8.0	9.3	11.0	12.2	11.9	0.8	0.3

Source: NBRNM

¹ 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.

² 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

³ Demand deposits refer to current accounts with banks and savings houses and current accounts of other financial corporations with the National Bank.

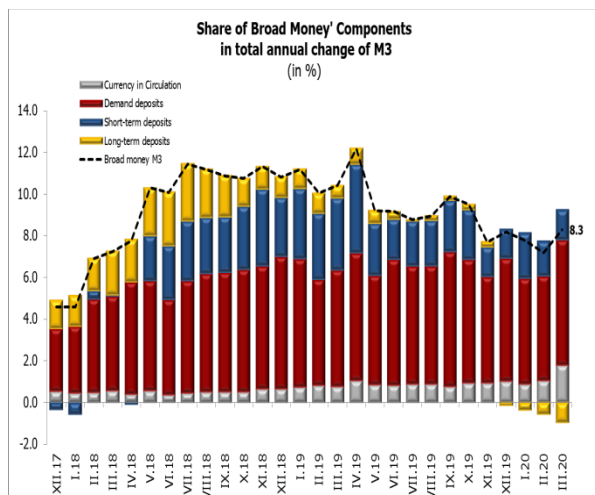
⁴ Total deposits consist of all deposits included in the monetary aggregate M4.

⁵ 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.

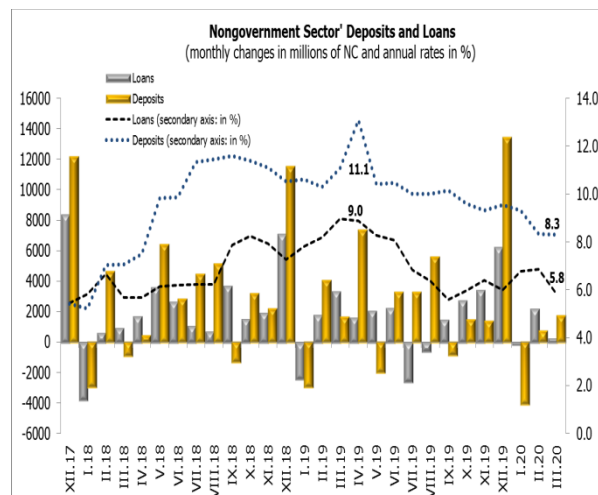


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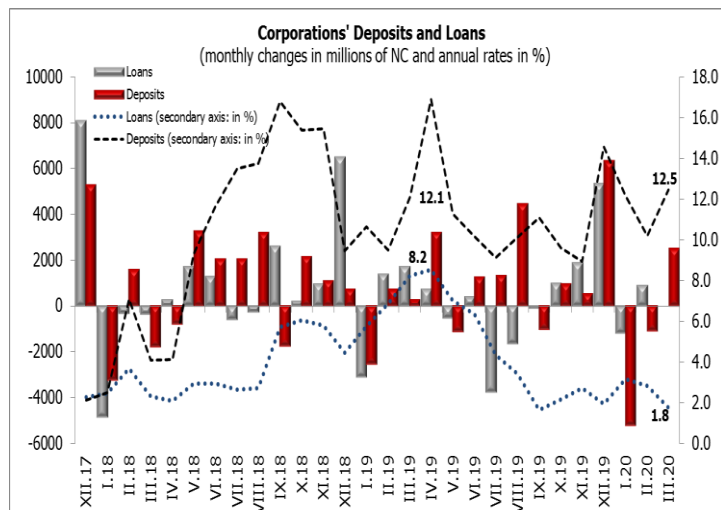
- In March, **total loans** registered a monthly increase of 0.1%, solely due to the enhanced lending to household sector. Annually, total loans increased by 5.8%, due to the enhanced lending to both sectors, mostly to the household sector. Taking into account the effect of the transfer of doubtful and contested claims from on-balance sheet to off-balance sheet records, pursuant to the regulatory changes⁶ under the National Bank decision, in March, total loans registered an annual growth of 7.1%.



Source: NBRNM



1. Deposits and loans of the corporate sector⁷



Source: NBRNM

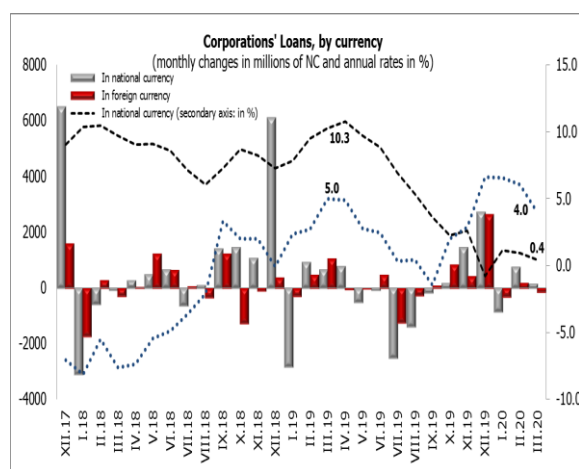
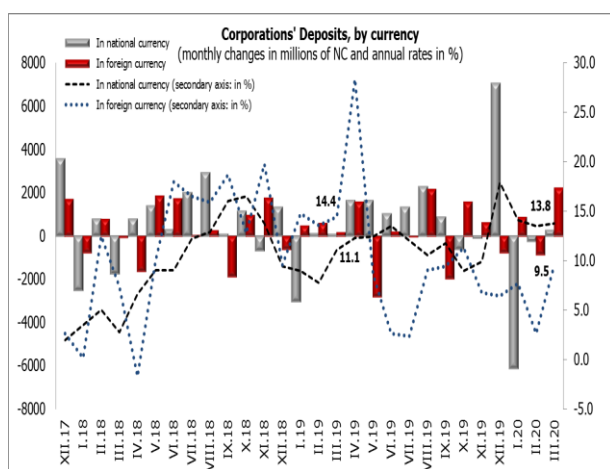
⁶ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims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

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



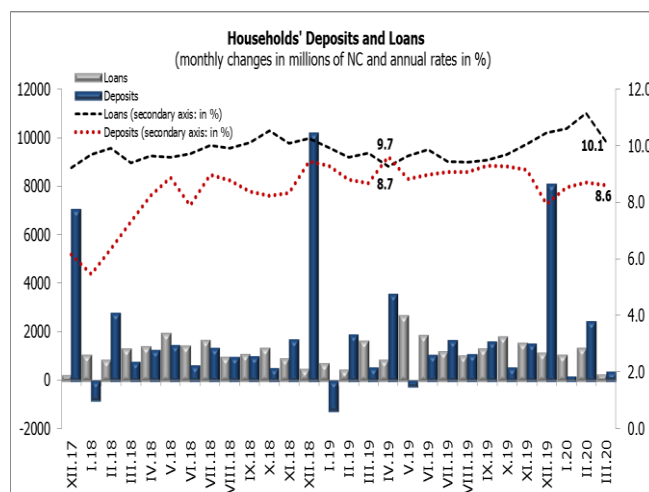
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- After the fall in February, **total corporate deposits** registered a monthly growth of 2.4% in March. The growth was a result of the short-term deposits in foreign currency and demand deposits, amid decrease in other components. The annual growth of corporate deposits was 12.5%, mainly due to the increase in demand deposits and short-term deposits in foreign currency.
- In March this year, **corporate loans**⁸ remained unchanged on a monthly basis, while on an annual basis they increased by 1.8%. The annual growth is mainly due to the increased lending in foreign currency. Excluding the effect of write-off of doubtful and contested claims, under the National Bank decision, the annual growth of corporate loans equaled 3.8% in March.



Source: NBRNM

2. Deposits and loans of the households⁹



Source: NBRNM

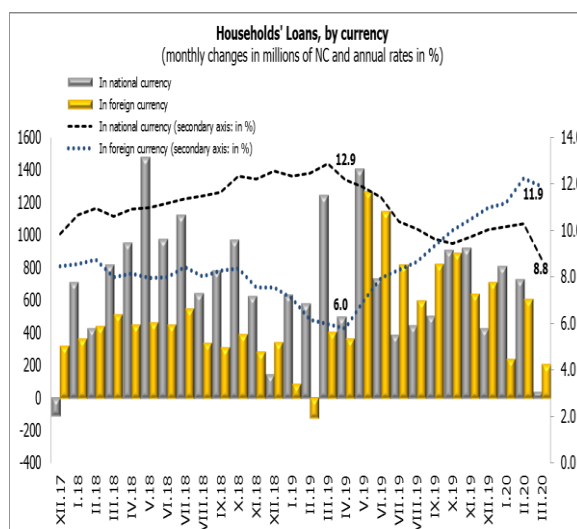
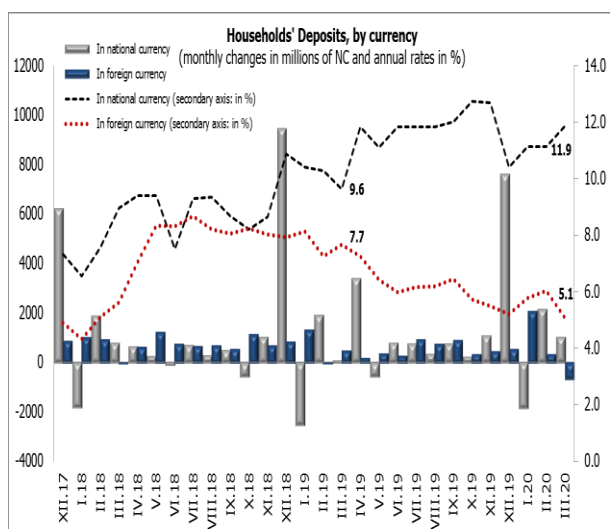
⁸ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

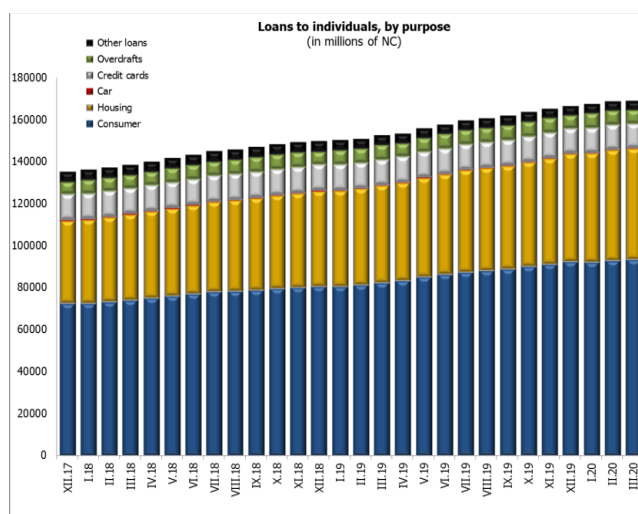


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- Total **household deposits**, in March, recorded a monthly growth of 0.1%, which fully accounts for the increase in demand deposits, amid decline in all other components. On an annual basis, household deposits increased by 8.6%, which mainly reflects the higher demand deposits and short-term deposits in foreign currency, amid moderate growth in other components.
- This month, total **household loans** increased by 0.1% on a monthly basis, most of which in foreign currency. On an annual basis, the household loan growth was 10.1%. Analyzed by currency, the annual growth is slightly more pronounced in foreign currency 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 10.9% in March.



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 ¹⁾	2.2020	3.2020	3.2019	6.2019	9.2019	12.2019 ¹⁾	2.2020	3.2020	2.2020	3.2020
Consumer loans	82,324	86,335	89,042	92,430	92,980	93,440	10.9	12.0	12.8	14.6	14.3	13.5	0.8	0.5
Housing loans	46,477	47,785	49,116	51,338	52,539	52,959	13.6	12.9	11.9	12.7	14.4	13.9	1.4	0.8
Car loans	319	320	316	316	308	306	0.4	4.0	4.8	1.4	-1.4	-4.1	-0.4	-0.4
Credit cards	12,113	12,007	11,956	11,928	11,724	11,570	-0.4	-1.5	-2.3	-2.6	-3.2	-4.5	-1.1	-1.3
Overdrafts	6,830	6,850	7,043	6,123	6,901	6,499	8.4	2.7	2.3	-1.7	2.2	-4.8	-0.1	-5.8
Other loans	4,252	4,217	4,194	4,118	4,032	3,969	-6.2	-8.2	-8.2	-10.6	-5.7	-6.7	-1.2	-1.6

Source: NBRNM

- Analyzing the purpose of loans to individuals, in March, the most common categories - **consumer and housing loans** registered a monthly growth of 0.5% and 0.8%, respectively, and an annual growth of 13.5% and 13.9%, respectively. This month, **car loans** registered a monthly and annual decrease of 0.4% and 4.1%, respectively. Loans on **credit cards** decreased by 1.3% on a monthly basis and by 4.5% annually. In March this year, **overdrafts** registered a monthly and annual decline of 5.8% and 4.8%, respectively. Loans granted on **other basis** registered a monthly and annual decrease of 1.6% and 6.7%, respectively.

Supporting information

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

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

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



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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 2020 (reference period as of April 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 or on the telephone number 02 3215 181 extension 116 (or 110/108).