



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 October 2020

Press Release

Monetary developments in the Republic of North Macedonia: September 2020

- In September 2020, the **broad money (monetary aggregate M3^{1,2})** registered a monthly increase of 0.6%, which is mainly due to the growth of demand deposits, and less of long-term deposits up to two years, amid decline in short-term deposits and currency in circulation. On an annual level, broad money increased by 7.6%, mainly as a result of the increased demand deposits, short-term deposits and currency in circulation, given the decline in long-term deposits up to two years.

Table 1. Total deposits and loans^{3,4} of the non-government sector

	stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	3.2019	6.2019	9.2019	12.2019	8.2020	9.2020	3.2019	6.2019	9.2019	12.2019	8.2020	9.2020	8.2020	9.2020
Broad Money M4	418,499	427,071	438,662	455,411	466,255	469,050	11.7	10.5	10.8	9.3	6.6	6.9	-1.1	0.6
Broad Money M3	372,833	379,982	388,869	404,028	415,936	418,556	10.4	9.2	9.9	8.2	7.0	7.6	-1.0	0.6
of which:														
Currency in Circulation	31,236	32,554	33,368	36,108	41,710	41,667	9.0	9.7	8.8	12.0	22.6	24.9	-0.8	-0.1
Total Deposits	377,800	386,461	394,472	410,794	415,722	418,644	11.1	10.5	10.1	9.5	5.2	6.1	-1.1	0.7
of which:														
Corporations	96,147	99,456	104,178	111,948	111,278	112,505	12.1	10.1	11.1	14.6	5.8	8.0	1.3	1.1
In national currency	66,691	71,021	75,566	81,911	77,655	79,641	11.1	13.5	11.7	17.9	4.0	5.4	1.5	2.6
In foreign currency	29,456	28,434	28,613	30,036	33,623	32,865	14.4	2.6	9.4	6.4	10.1	14.9	0.9	-2.3
Households	253,748	258,100	262,458	272,605	275,805	278,469	8.7	9.0	9.3	7.9	5.7	6.1	-2.1	1.0
In national currency	131,901	135,492	137,346	146,231	143,887	145,806	9.6	11.8	12.0	10.4	5.3	6.2	-3.5	1.3
In foreign currency	121,847	122,609	125,113	126,374	131,918	132,663	7.7	6.0	6.4	5.2	6.2	6.0	-0.4	0.6
Total Loans	324,798	330,726	328,970	341,389	350,139	352,824	9.0	8.1	5.6	6.0	6.9	7.3	-1.4	0.8
of which:														
Corporations	164,734	165,305	159,764	167,952	167,616	168,086	8.2	6.4	1.7	1.9	4.8	5.2	-3.1	0.3
In national currency	103,142	103,308	99,250	103,591	101,454	101,925	10.3	8.8	3.6	-0.8	2.1	2.7	-5.5	0.5
In foreign currency	61,592	61,997	60,514	64,361	66,162	66,161	5.0	2.5	-1.5	6.6	9.4	9.3	0.7	0.0
Households	158,550	163,963	167,528	172,014	181,176	183,431	9.7	9.9	9.5	10.5	9.0	9.5	0.3	1.2
In national currency	88,854	91,492	92,821	95,075	102,293	103,939	12.9	11.4	9.6	10.0	10.8	12.0	1.1	1.6
In foreign currency	69,697	72,471	74,706	76,939	78,883	79,492	6.0	8.0	9.3	11.0	6.8	6.4	-0.7	0.8

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 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, 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

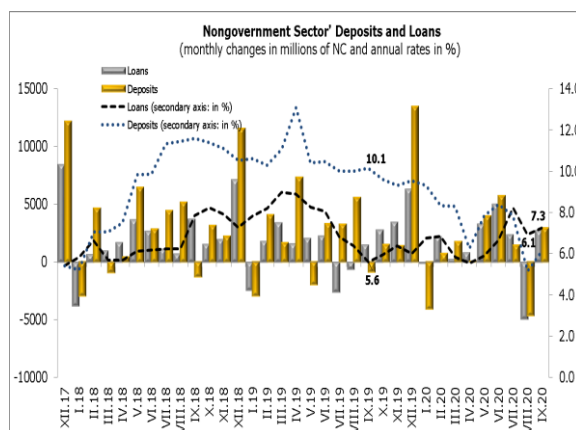
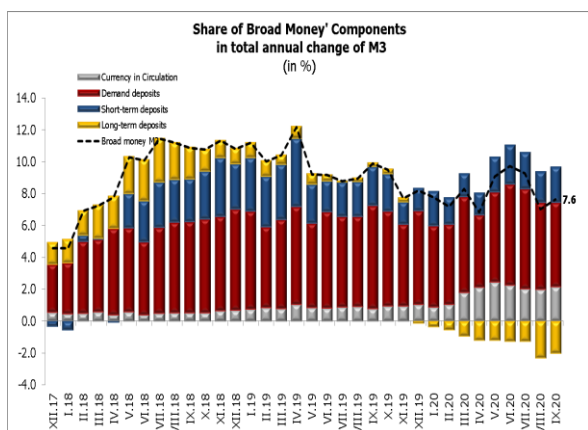
³ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

⁴ Data on monetary aggregates and total deposits and loans as of August 2020 do not include data on a bank whose founding and operating license was revoked and who went into bankruptcy in August 2020. The exclusion of data on this bank for August affects the monthly and annual growth analyzed herein.



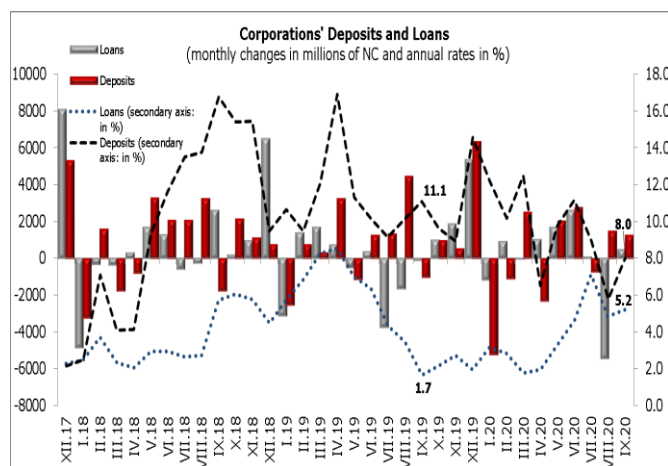
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- In September, **total deposits**⁵ rose by 0.7%, on a monthly basis, largely reflecting the increase in household deposits, amid moderate growth of corporate deposits. On an annual basis, total deposits increased by 6.1%, amid growth of deposits in both sectors, which is more pronounced in the household sector.
- In September, **total loans**⁶ registered a monthly growth of 0.8%, as a result of the growth of the lending to both sectors, amid a larger contribution of the household sector. The annual growth of total loans is 7.3% and results from the increased lending to both sectors, which is more pronounced in the household sector.



Source: NBRNM.

1. Deposits and loans of the corporate sector⁷



Source: NBRNM

⁵ Total deposits consist of all deposits included in the monetary aggregate M4.

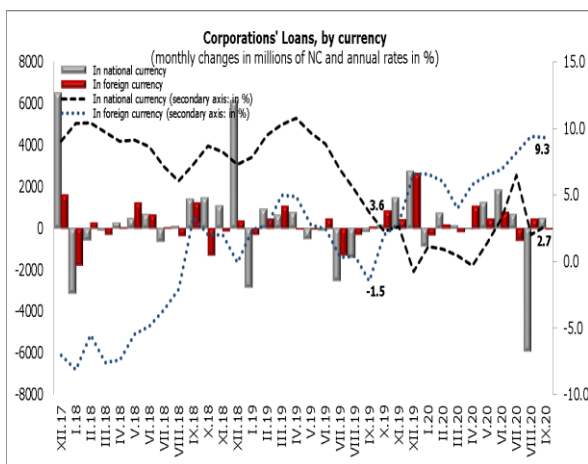
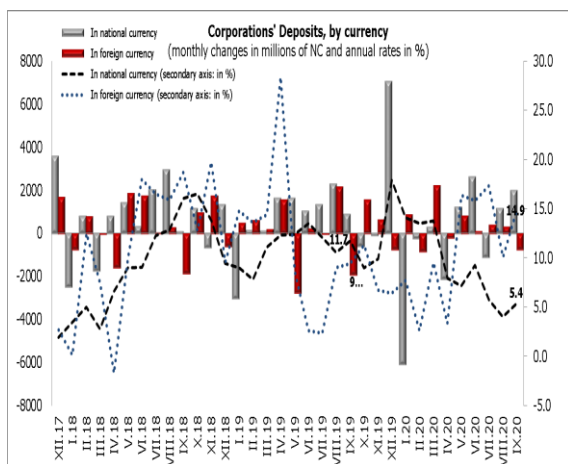
⁶ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims that have been fully booked for more than a year. The Decision on the methodology for credit risk management has been applied since 1 July 2019, with the base effect being exhausted as of July 2020. Hence, the difference in the annual growth rates of loans with and without the effect of write offs are insignificant, and therefore these comparisons have been discontinued as of the August release.

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



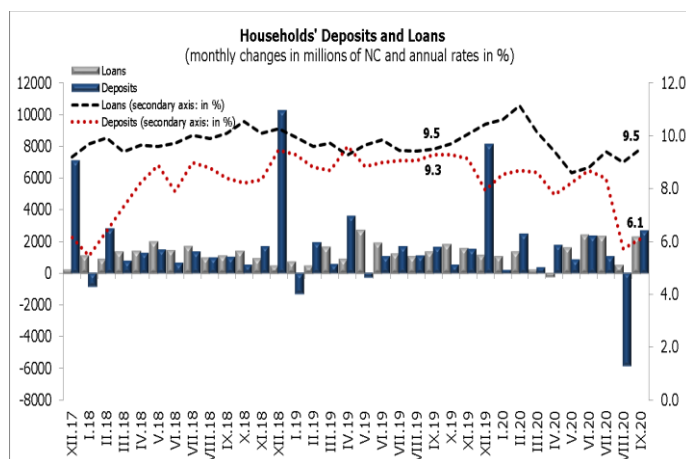
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- In September, total **corporate deposits** rose by 1.1%, compared to the previous month, mostly due to the increase in demand deposits, amid growth but slower in long-term deposits (denar and foreign currency) and short-term denar deposits, amid a decline in short-term foreign currency deposits. On an annual basis, total corporate deposits grew by 8.0%, mainly resulting from the higher demand deposits and short-term foreign currency deposits, amid a decline in short-term and long-term denar deposits.
- In September, **corporate loans**⁸ increased by 0.3%, on a monthly basis, which is fully explained by the increased lending in denars. Compared to September last year, corporate loans increased by 5.2%, as a result of the increase in denar and foreign currency loans, which was more pronounced in foreign currency loans.



Source: NBRNM.

2. Deposits and loans of the households⁹



Source: NBRNM.

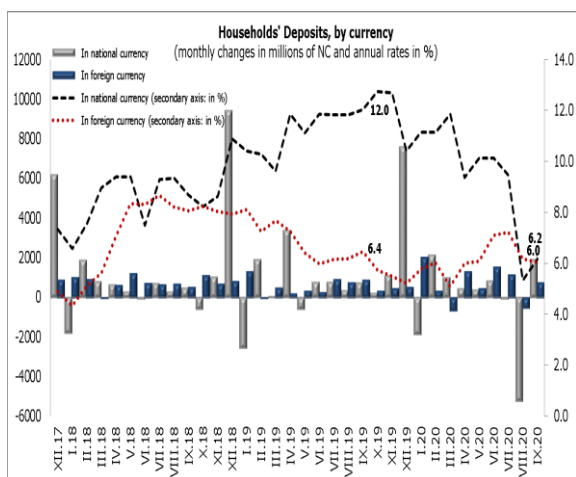
⁸ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

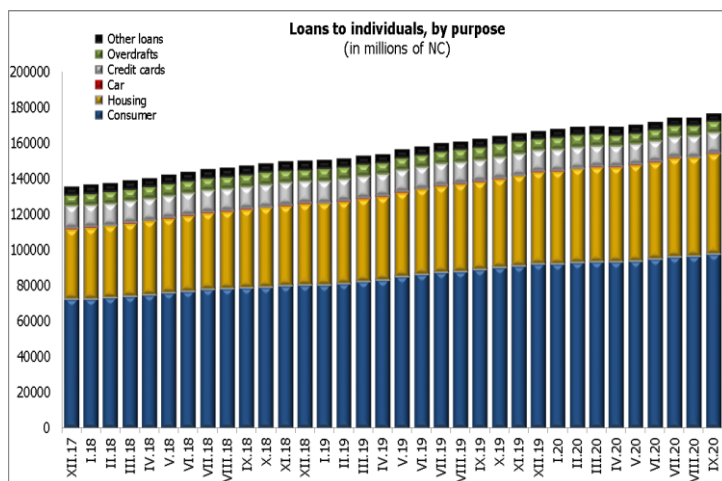
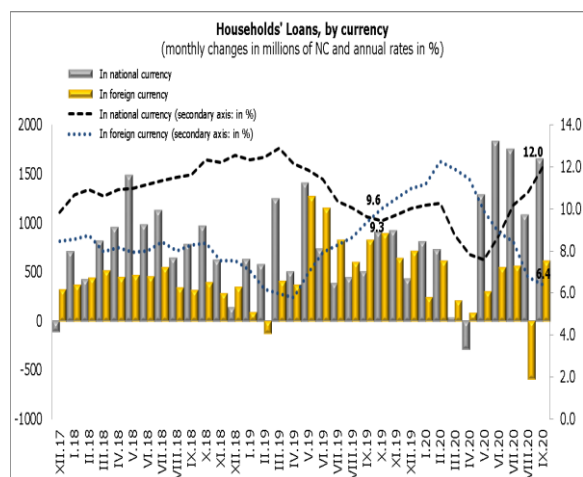


National Bank of the Republic of North Macedonia Statistics Department

- In September, total **household deposits** increased by 1.0% on a monthly level, mainly under the influence of the growth of demand deposits and short-term foreign currency deposits, with a positive, but smaller contribution of the other components. On an annual level, household deposits grew by 6.1%, mostly due to the increased demand deposits, as well as short-term foreign currency deposits, amid fall in the other components.
- In September, **household loans** registered a monthly and annual growth of 1.2% and 9.5%, respectively. Analyzed by the currency structure, denar loans made a larger contribution to the growth on a monthly and annual basis.



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 %)	
	3.2019	6.2019	9.2019	12.2019	8.2020	9.2020	3.2019	6.2019	9.2019	12.2019	8.2020	9.2020	8.2020	9.2020
Consumer loans	82,324	86,335	89,042	92,430	96,618	97,850	10.9	12.0	12.8	14.6	9.6	9.9	0.4	1.3
Housing loans	46,477	47,785	49,116	51,338	55,144	55,985	13.6	12.9	11.9	12.7	13.0	14.0	-0.3	1.5
Car loans	319	320	316	316	286	291	0.4	4.0	4.8	1.4	-10.7	-7.9	-0.9	1.7
Credit cards	12,113	12,007	11,956	11,928	11,566	11,649	-0.4	-1.5	-2.3	-2.6	-3.7	-2.6	0.1	0.7
Overdrafts	6,830	6,850	7,043	6,123	6,149	6,280	8.4	2.7	2.3	-1.7	-10.9	-10.8	2.1	2.1
Other loans	4,252	4,217	4,194	4,118	3,931	3,912	-6.2	-8.2	-8.2	-10.6	-5.4	-6.7	0.0	-0.5

Source: NBRNM.

- In September, according to the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered monthly growth of 1.3% and 1.5%, respectively and annual growth of 9.9% and 14.0%, respectively. In September, **car loans** registered a monthly growth of 1.7%, while annually they dropped by 7.9%. Loans on **credit cards** registered a monthly increase of 0.7%, amid annual fall of 2.6%, while **overdrafts** increased by 2.1%, on a monthly basis, amid annual decrease of 10.8%. This month, loans granted on **other basis** registered a monthly and annual decline of 0.5% 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



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

Next publications: Advance Release Calendar

http://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf

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

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