



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

Skopje, 21 September 2021

### Press Release

### Monetary developments in the Republic of North Macedonia: August 2021

- In August 2021, the **broad money (monetary aggregate M3<sup>1,2</sup>)** increased by 1.6% compared to the previous month. The upward movement is mainly due to higher demand deposits<sup>3</sup>, amid realized lower growth in both, short-term and long-term deposits up to two years, while currency in circulation declined. On an annual basis, broad money increased by 11.5%, mostly under the influence of the growth of demand deposits and short-term deposits, amid slower growth in other components.

Table 1. Total deposits and loans<sup>4,5</sup> of the non-government sector

	stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	3.2020	6.2020	9.2020	12.2020	7.2021	8.2021	3.2020	6.2020	9.2020	12.2020	7.2021	8.2021	7.2021	8.2021
<b>Broad Money M4</b>	<b>455,834</b>	<b>468,912</b>	<b>469,050</b>	<b>486,989</b>	<b>504,486</b>	<b>511,012</b>	<b>8.9</b>	<b>9.8</b>	<b>6.9</b>	<b>6.9</b>	<b>7.1</b>	<b>9.6</b>	<b>0.9</b>	<b>1.3</b>
<b>Broad Money M3</b>	<b>403,714</b>	<b>416,935</b>	<b>418,556</b>	<b>436,231</b>	<b>456,413</b>	<b>463,835</b>	<b>8.3</b>	<b>9.7</b>	<b>7.6</b>	<b>8.0</b>	<b>8.7</b>	<b>11.5</b>	<b>1.1</b>	<b>1.6</b>
<i>of which:</i>														
Currency in Circulation	37,891	41,125	41,667	43,701	46,267	44,533	21.3	26.3	24.9	21.0	10.0	6.8	6.1	-3.7
<b>Total Deposits</b>	<b>409,200</b>	<b>418,916</b>	<b>418,644</b>	<b>434,915</b>	<b>448,933</b>	<b>456,972</b>	<b>8.3</b>	<b>8.4</b>	<b>6.1</b>	<b>5.9</b>	<b>6.8</b>	<b>9.9</b>	<b>0.4</b>	<b>1.8</b>
<i>of which:</i>														
Corporations	108,138	110,550	112,505	123,212	128,538	133,730	12.5	11.2	8.0	10.1	17.1	20.2	-0.3	4.0
<i>In national currency</i>	75,876	77,609	79,641	86,323	87,026	91,014	13.8	9.3	5.4	5.4	13.8	17.2	-2.2	4.6
<i>In foreign currency</i>	32,261	32,941	32,865	36,889	41,512	42,716	9.5	15.9	14.9	22.8	24.6	27.0	3.8	2.9
Households	275,574	280,512	278,469	285,216	293,601	296,352	8.6	8.7	6.1	4.6	4.3	7.4	0.4	0.9
<i>In national currency</i>	147,532	149,204	145,806	150,991	152,982	154,404	11.9	10.1	6.2	3.3	2.6	7.3	0.3	0.9
<i>In foreign currency</i>	128,042	131,309	132,663	134,225	140,619	141,948	5.1	7.1	6.0	6.2	6.2	7.6	0.6	0.9
<b>Total Loans</b>	<b>343,702</b>	<b>352,718</b>	<b>352,824</b>	<b>357,296</b>	<b>373,561</b>	<b>372,470</b>	<b>5.8</b>	<b>6.6</b>	<b>7.3</b>	<b>4.7</b>	<b>5.2</b>	<b>6.4</b>	<b>0.7</b>	<b>-0.3</b>
<i>of which:</i>														
Corporations	167,654	172,978	168,086	169,826	176,577	175,087	1.8	4.6	5.2	1.1	2.0	4.5	0.9	-0.8
<i>In national currency</i>	103,597	106,688	101,925	102,688	107,196	106,926	0.4	3.3	2.7	-0.9	-0.1	5.4	0.3	-0.3
<i>In foreign currency</i>	64,057	66,290	66,161	67,138	69,381	68,162	4.0	6.9	9.3	4.3	5.6	3.0	1.7	-1.8
Households	174,634	178,384	183,431	185,814	195,123	195,512	10.1	8.8	9.5	8.0	8.0	7.9	0.6	0.2
<i>In national currency</i>	96,643	99,469	103,939	105,049	110,355	110,523	8.8	8.7	12.0	10.5	9.0	8.0	0.8	0.2
<i>In foreign currency</i>	77,990	78,916	79,492	80,765	84,767	84,989	11.9	8.9	6.4	5.0	6.7	7.7	0.4	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 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](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.

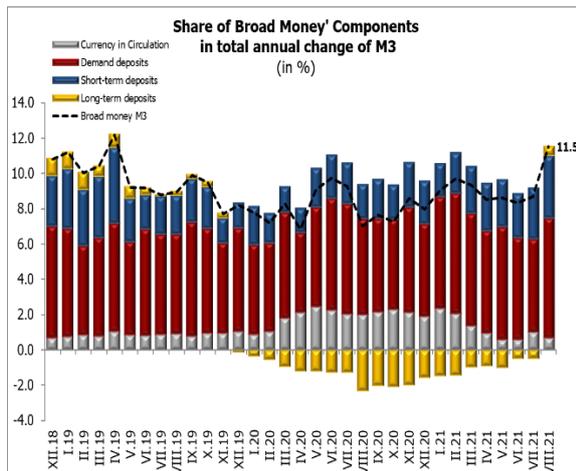
<sup>4</sup> The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

<sup>5</sup> 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.

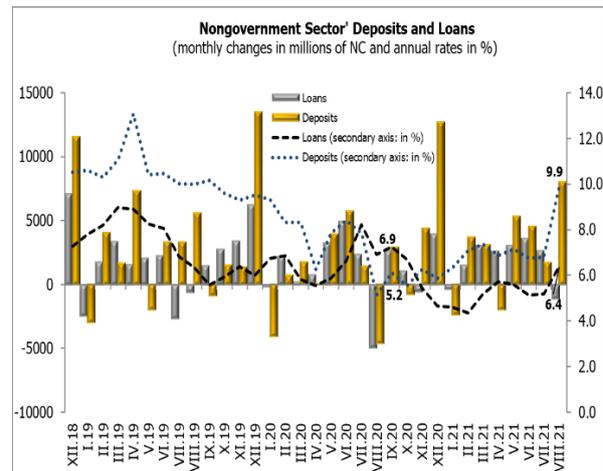


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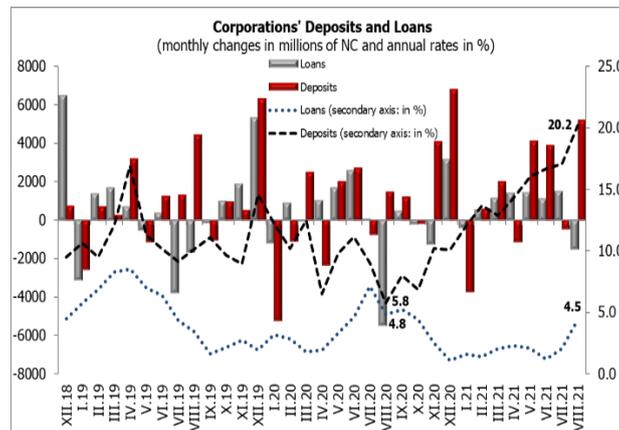
- In August, **total deposits**<sup>6</sup> increased by 1.8% and 9.9% on a monthly and on an annual basis, respectively. The growth of deposits is a result of higher deposits in both sectors, with more pronounced share in both, monthly and annual increase of corporate deposits.
- In August, **total loans**<sup>7</sup> decreased by 0.3% on a monthly basis, which is completely a result of the decline in corporate loans. Analyzed on an annual basis, total loans increased by 6.4%, as a result of the increase in loans in both sectors, with a larger contribution of the household sector.



Source: (NBRNM).



### 1. Deposits and loans of the corporate sector<sup>8</sup>



Source: (NBRNM).

<sup>6</sup> Total deposits consist of all deposits included in the monetary aggregate M4.

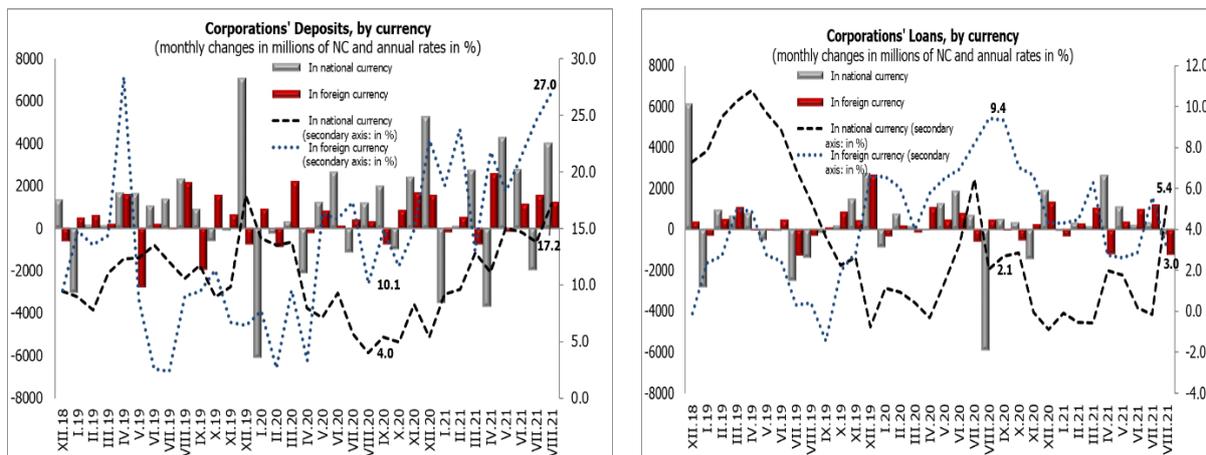
<sup>7</sup> On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims that have been fully booked for more than a year. 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.

<sup>8</sup> For the purposes of this press release, corporate sector includes public and private non-financial corporations.



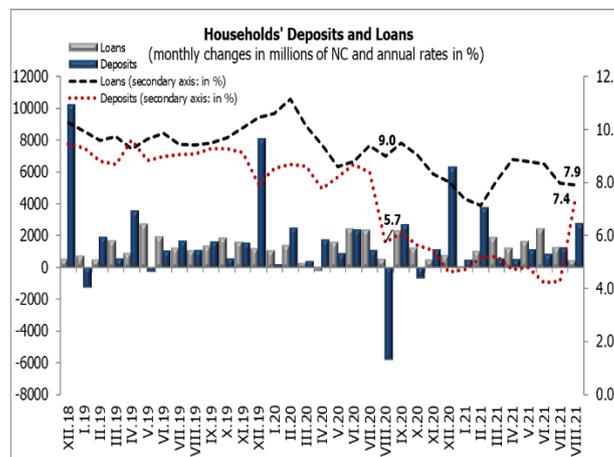
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- In August, total **corporate deposits** registered a monthly growth of 4.0%, due to the growth in all components, mostly pronounced in demand deposits and short-term deposits in foreign currency. On an annual basis, total corporate deposits registered an increase of 20.2%, mostly due to the increase in demand deposits and short-term and long-term foreign currency deposits, amid fall in short-term denar deposits.
- This month, **corporate loans**<sup>9</sup> decreased by 0.8% on a monthly basis, primarily due to the decline in approved loans in foreign currency, amid smaller impact on the decline in denar loans. Analyzed annually, these loans increased by 4.5%, mostly due to approved loans in denars.



Source: (NBRNM).

## 2. Deposits and loans of the households<sup>10</sup>



Source: (NBRNM).

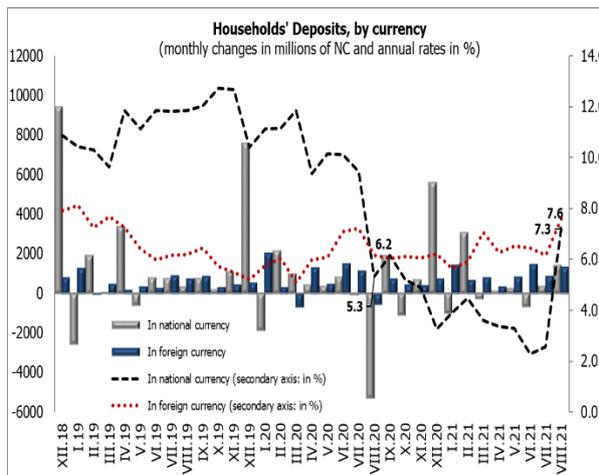
<sup>9</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

<sup>10</sup> For the purposes of this press release, households refer to individuals and self-employed professionals.

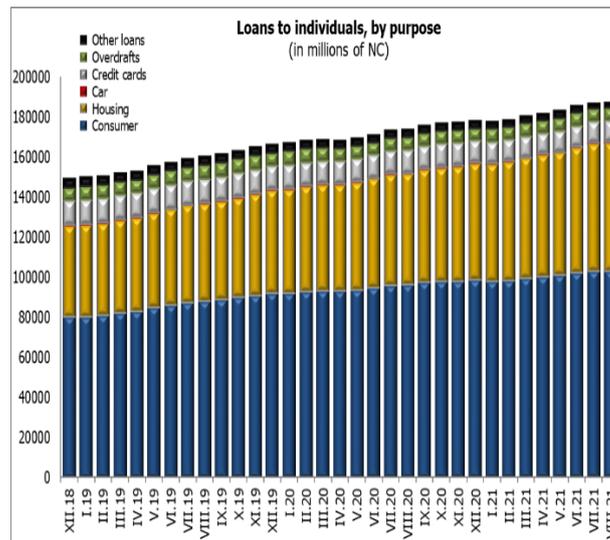
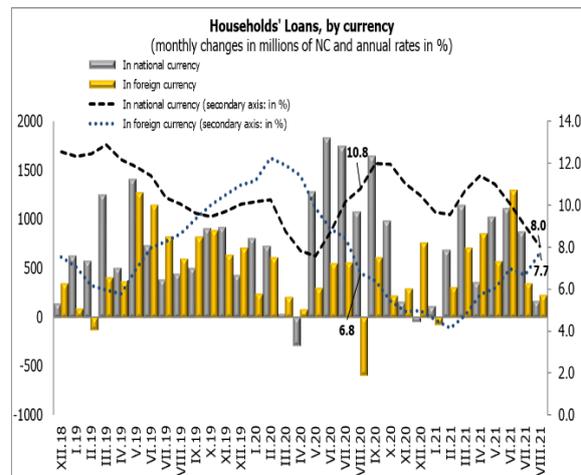


## National Bank of the Republic of North Macedonia Statistics Department

- In August, total **households deposits** registered a monthly increase of 0.9%, which is completely due to increased demand deposits and short-term deposits in foreign currency, amid fall in other components. Compared to the same month in the previous year, these deposits are higher by 7.4%, as a result of the growth in demand deposits and short-term deposits in foreign currency and in denars, while long-term deposits in denars and in foreign currency declined.
- In August, **household loans** increased by 0.2%, as a result of the growth of denar and foreign currency loans, which was slightly more pronounced in foreign currency loans. The annual growth amounts to 7.9% and is due to the increased loans approved in both currencies, amid a larger contribution of denar loans.



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 %)	
	3.2020	6.2020	9.2020	12.2020	7.2021	8.2021	3.2020	6.2020	9.2020	12.2020	7.2021	8.2021	7.2021	8.2021
Consumer loans	93,440	94,982	97,850	98,772	103,324	103,315	13.5	10.0	9.9	6.9	7.4	6.9	0.8	0.0
Housing loans	52,959	54,392	55,985	58,306	63,651	64,064	13.9	13.8	14.0	13.6	15.1	16.2	2.0	0.6
Car loans	306	292	291	282	239	236	-4.1	-8.6	-7.9	-10.9	-17.3	-17.5	-1.5	-1.1
Credit cards	11,570	11,508	11,649	11,205	10,465	10,426	-4.5	-4.2	-2.6	-6.1	-9.5	-9.9	-0.2	-0.4
Overdrafts	6,499	6,205	6,280	5,818	6,273	6,258	-4.8	-9.4	-10.8	-5.0	4.2	1.8	-2.3	-0.2
Other loans	3,969	3,946	3,912	3,871	2,899	2,866	-6.7	-6.4	-6.7	-6.0	-26.3	-27.1	-21.4	-1.1

Source: (NBRNM).

- In August, 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 6.9%. **Housing loans** increased by 0.6% and 16.2%, on a monthly and on an annual basis, respectively. This month, **car loans** registered a monthly and an annual decline of 1.1% and 17.5%, respectively, while loans on **credit cards** decreased by 0.4% and 9.9%, on a monthly and on an annual basis, respectively. In August, **the overdrafts of current accounts** decreased by 0.2% on a monthly level, amid an annual growth of 1.8%, while loans granted on **other basis** declined on a monthly and an annual basis by 1.1% and 27.1%, 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.nspj](http://www.nbrm.mk/monetarna_statistika-en.nspj)

Methodological explanations:

[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)

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: 21 October 2021 (reference period as of September 2021).

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