



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 19 March 2021

Press Release

Monetary developments in the Republic of North Macedonia: February 2021

- After the fall in January, **broad money (monetary aggregate M3^{1,2})**, in February 2021, registered a monthly growth of 0.8%, which was mostly due to the higher demand deposits³, amid a slower growth in short-term deposits, given the decline in long-term deposits up to two years and currency in circulation. The annual growth rate accelerated in February reaching 9.7% and mainly arises from the increase in demand deposits, short-term deposits and currency in circulation, amid decline in long-term deposits up to two years.

Table 1. Total deposits and loans^{4,5} of the non-government sector

	stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	3.2020	6.2020	9.2020	12.2020	1.2021	2.2021	3.2020	6.2020	9.2020	12.2020	1.2021	2.2021	1.2021	2.2021
Broad Money M4	455,834	468,912	469,050	486,989	484,490	488,223	8.9	9.8	6.9	6.9	7.7	8.2	-0.5	0.8
Broad Money M3	403,714	416,935	418,556	436,231	433,902	437,578	8.3	9.7	7.6	8.0	9.0	9.7	-0.5	0.8
of which:														
Currency in Circulation	37,891	41,125	41,667	43,701	43,405	43,293	21.3	26.3	24.9	21.0	27.3	23.2	-0.7	-0.3
Total Deposits	409,200	418,916	418,644	434,915	432,539	436,236	8.3	8.4	6.1	5.9	6.3	7.1	-0.5	0.9
of which:														
Corporations	108,138	110,550	112,505	123,212	119,518	120,083	12.5	11.2	8.0	10.1	12.0	13.7	-3.0	0.5
In national currency	75,876	77,609	79,641	86,323	82,808	82,885	13.8	9.3	5.4	5.4	9.2	9.7	-4.1	0.1
In foreign currency	32,261	32,941	32,865	36,889	36,709	37,198	9.5	15.9	14.9	22.8	18.8	23.7	-0.5	1.3
Households	275,574	280,512	278,469	285,216	285,657	289,395	8.6	8.7	6.1	4.6	4.7	5.2	0.2	1.3
In national currency	147,532	149,204	145,806	150,991	150,011	153,096	11.9	10.1	6.2	3.3	3.9	4.5	-0.6	2.1
In foreign currency	128,042	131,309	132,663	134,225	135,646	136,299	5.1	7.1	6.0	6.2	5.7	5.9	1.1	0.5
Total Loans	343,702	352,718	352,824	357,296	356,943	358,476	5.8	6.6	7.3	4.7	4.6	4.4	-0.1	0.4
of which:														
Corporations	167,654	172,978	168,086	169,826	169,440	169,979	1.8	4.6	5.2	1.1	1.6	1.4	-0.2	0.3
In national currency	103,597	106,688	101,925	102,688	102,625	102,910	0.4	3.3	2.7	-0.9	-0.1	-0.5	-0.1	0.3
In foreign currency	64,057	66,290	66,161	67,138	66,815	67,069	4.0	6.9	9.3	4.3	4.3	4.5	-0.5	0.4
Households	174,634	178,384	183,431	185,814	185,851	186,847	10.1	8.8	9.5	8.0	7.4	7.1	0.0	0.5
In national currency	96,643	99,469	103,939	105,049	105,161	105,852	8.8	8.7	12.0	10.5	9.7	9.6	0.1	0.7
In foreign currency	77,990	78,916	79,492	80,765	80,689	80,995	11.9	8.9	6.4	5.0	4.6	4.1	-0.1	0.4

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

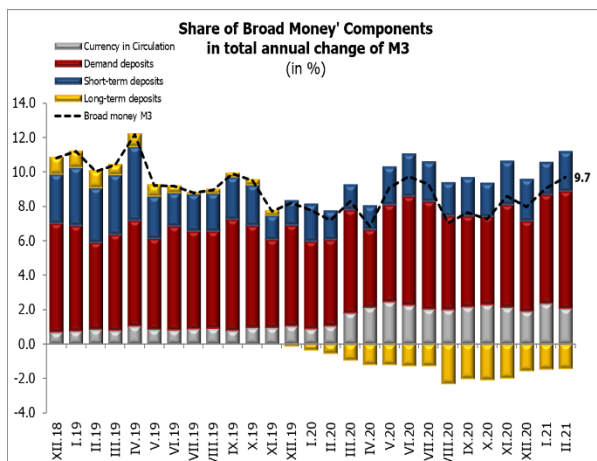
⁴ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

⁵ 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.

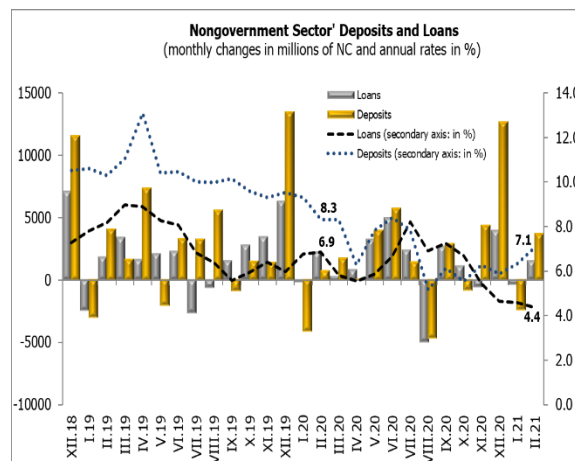


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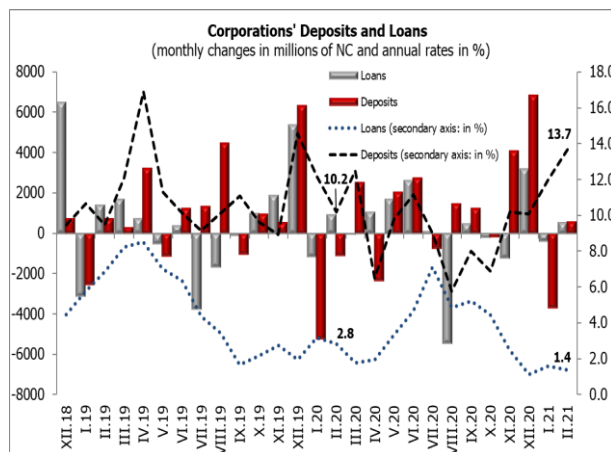
- In February, **total deposits**⁶ rose by 0.9% on a monthly basis, mostly due to the increase in household deposits, amid moderate growth of corporate deposits. On an annual basis, total deposits increased by 7.1%, amid almost equal growth of deposits in both sectors.
- In February, **total loans**⁷ registered a monthly growth of 0.4%, while annually, they increased by 4.4%. The upward change on a monthly and annual level is under the influence of the increased lending to both sectors, with a larger contribution to the growth of the household sector.



Source: NBRNM.



1. Deposits and loans of the corporate sector⁸



Source: NBRNM.

⁶ Total deposits consist of all deposits included in the monetary aggregate M4.

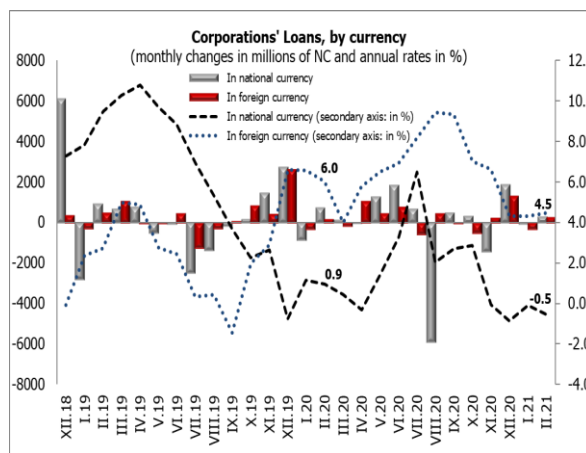
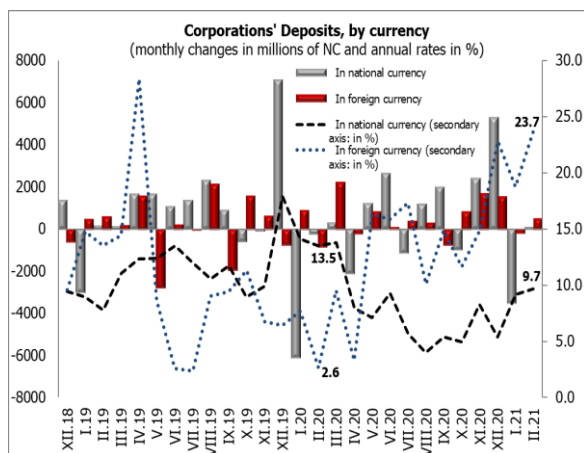
⁷ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims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

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



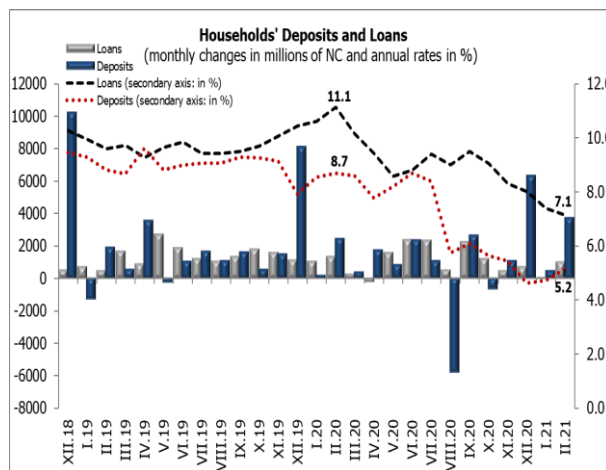
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- In February, total **corporate deposits** increased by 0.5% on a monthly level. Moreover, the growth is mostly a result of the increase in short-term deposits in foreign currency and demand deposits, given the decline in long-term deposits in denars. On an annual basis, corporate deposits increased by 13.7%, due to the growth of demand deposits and short-term and long-term deposits in foreign currency, amid fall in short-term and long-term deposits in denars.
- In February, **corporate loans**⁹ registered a monthly increase of 0.3%, amid almost equal growth of the lending in denars and foreign currency (slightly more pronounced in denar loans). On an annual basis, corporate loans increased by 1.4%, entirely as a result of the growth of foreign currency loans.



Source: NBRNM.

2. Deposits and loans of the households¹⁰



Source: NBRNM.

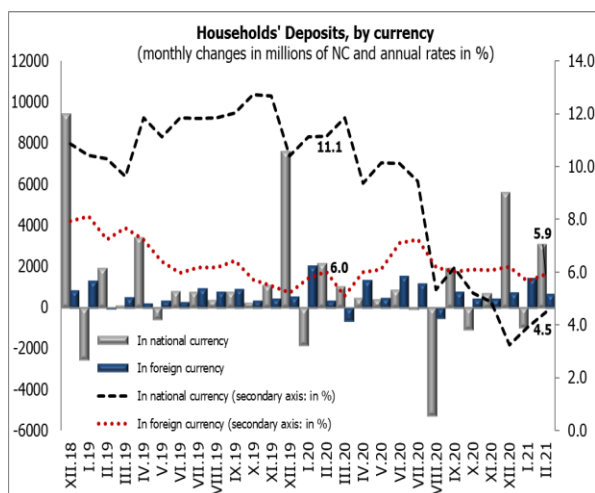
⁹ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

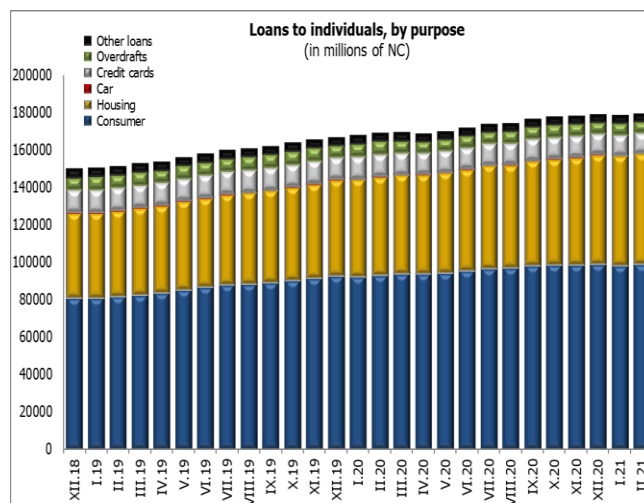
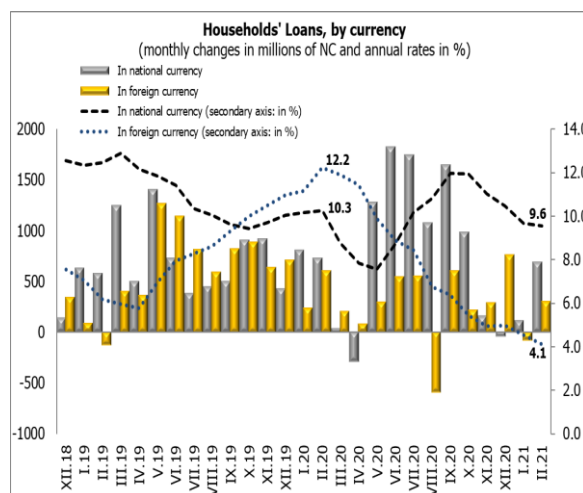


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- In February, total **household deposits** registered a monthly growth of 1.3%, which was mostly due to the increased demand deposits, amid a slower growth in short-term deposits in foreign currency. Compared to the same period last year, these deposits increased by 5.2%, entirely under the influence of the higher demand deposits and short-term deposits in foreign currency, amid a decline in other components.
- In February, **household loans** increased by 0.5% and 7.1%, on a monthly and annual basis, respectively. Analyzed by currency, denar loans make a more pronounced contribution to the upward change on a monthly and annual level.



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 %)	
	3.2020	6.2020	9.2020	12.2020	1.2021	2.2021	3.2020	6.2020	9.2020	12.2020	1.2021	2.2021	1.2021	2.2021
Consumer loans	93,440	94,982	97,850	98,772	98,023	98,601	13.5	10.0	9.9	6.9	6.3	6.0	-0.8	0.6
Housing loans	52,959	54,392	55,985	58,306	58,548	59,229	13.9	13.8	14.0	13.6	13.0	12.7	0.4	1.2
Car loans	306	292	291	282	276	267	-4.1	-8.6	-7.9	-10.9	-10.5	-13.0	-1.9	-3.3
Credit cards	11,570	11,508	11,649	11,205	10,900	10,644	-4.5	-4.2	-2.6	-6.1	-8.0	-9.2	-2.7	-2.3
Overdrafts	6,499	6,205	6,280	5,818	6,352	6,258	-4.8	-9.4	-10.8	-5.0	-8.1	-9.3	9.2	-1.5
Other loans	3,969	3,946	3,912	3,871	3,800	3,763	-6.7	-6.4	-6.7	-6.0	-6.9	-6.7	-1.8	-1.0

Source: NBRNM.

- In February, considering the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered monthly growth of 0.6% and 1.2%, respectively, amid annual growth of 6.0% and 12.7%, respectively. This month, **car loans** decreased by 3.3% and 13.0%, on a monthly and annual level, respectively. In February, loans on **credit cards** registered a monthly and annual decline of 2.3% and 9.2%, respectively, while **overdrafts** decreased by 1.5% and 9.3% on a monthly and annual basis, respectively. This month, loans granted on **other basis** registered a monthly and annual decrease of 1.0% 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.nspk

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: 21 April 2021 (reference period as of March 2021).

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 phone: 02 3215 181 extension 116 (or 110/108).