



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 20 August 2021

Press Release

Monetary developments in the Republic of North Macedonia: July 2021

- In July 2021, the **broad money (monetary aggregate M3^{1,2})** increased by 1.1% on a monthly basis, as a result of the increased short-term deposits and currency in circulation, in conditions of a decline in demand deposits³ and long-term deposits up to two years. On an annual basis, broad money increased by 8.7%, largely under the influence of the growth of demand deposits, with a positive contribution of short-term deposits and currency in circulation, while long-term deposits up to two years declined.

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	6.2021	7.2021	3.2020	6.2020	9.2020	12.2020	6.2021	7.2021	6.2021	7.2021
Broad Money M4	455,834	468,912	469,050	486,989	500,202	504,486	8.9	9.8	6.9	6.9	6.7	7.1	0.8	0.9
Broad Money M3	403,714	416,935	418,556	436,231	451,639	456,413	8.3	9.7	7.6	8.0	8.3	8.7	1.1	1.1
of which:														
Currency in Circulation	37,891	41,125	41,667	43,701	43,604	46,267	21.3	26.3	24.9	21.0	6.0	10.0	-0.8	6.1
Total Deposits	409,200	418,916	418,644	434,915	447,237	448,933	8.3	8.4	6.1	5.9	6.8	6.8	1.0	0.4
of which:														
Corporations	108,138	110,550	112,505	123,212	128,970	128,538	12.5	11.2	8.0	10.1	16.7	17.1	3.1	-0.3
In national currency	75,876	77,609	79,641	86,323	88,994	87,026	13.8	9.3	5.4	5.4	14.7	13.8	3.2	-2.2
In foreign currency	32,261	32,941	32,865	36,889	39,976	41,512	9.5	15.9	14.9	22.8	21.4	24.6	2.9	3.8
Households	275,574	280,512	278,469	285,216	292,359	293,601	8.6	8.7	6.1	4.6	4.2	4.3	0.3	0.4
In national currency	147,532	149,204	145,806	150,991	152,597	152,982	11.9	10.1	6.2	3.3	2.3	2.6	-0.4	0.3
In foreign currency	128,042	131,309	132,663	134,225	139,762	140,619	5.1	7.1	6.0	6.2	6.4	6.2	1.1	0.6
Total Loans	343,702	352,718	352,824	357,296	370,862	373,561	5.8	6.6	7.3	4.7	5.1	5.2	1.0	0.7
of which:														
Corporations	167,654	172,978	168,086	169,826	175,067	176,577	1.8	4.6	5.2	1.1	1.2	2.0	0.6	0.9
In national currency	103,597	106,688	101,925	102,688	106,876	107,196	0.4	3.3	2.7	-0.9	0.2	-0.1	0.2	0.3
In foreign currency	64,057	66,290	66,161	67,138	68,191	69,381	4.0	6.9	9.3	4.3	2.9	5.6	1.4	1.7
Households	174,634	178,384	183,431	185,814	193,906	195,123	10.1	8.8	9.5	8.0	8.7	8.0	1.3	0.6
In national currency	96,643	99,469	103,939	105,049	109,484	110,355	8.8	8.7	12.0	10.5	10.1	9.0	1.0	0.8
In foreign currency	77,990	78,916	79,492	80,765	84,422	84,767	11.9	8.9	6.4	5.0	7.0	6.7	1.6	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.

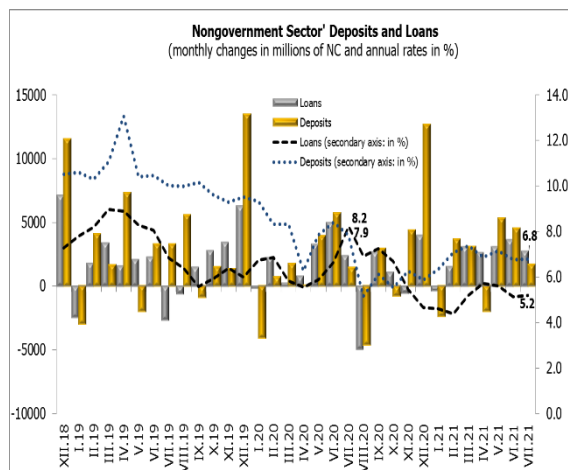
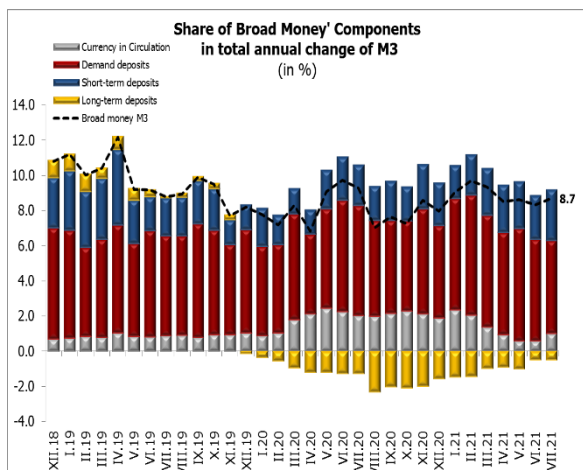
⁴ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

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.



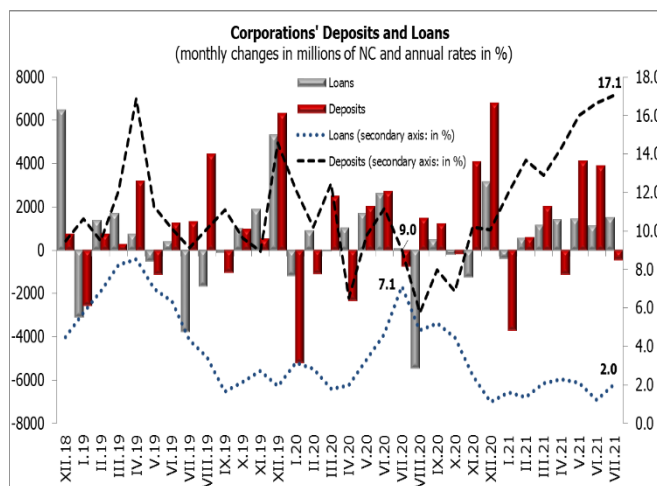
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- In July, **total deposits**⁶ registered a monthly growth of 0.4%, which is fully explained by the higher household deposits. On an annual basis, the growth amounts to 6.8% and is due to the increased deposits in both sectors, with a larger contribution of the corporate sector.
- In July, **total loans**⁷ increased by 0.7% on a monthly basis, influenced by the growth of loans in both sectors, which is more pronounced in the corporate sector. Compared to July last year, total loans increased by 5.2%, mostly due to the increased lending to 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.

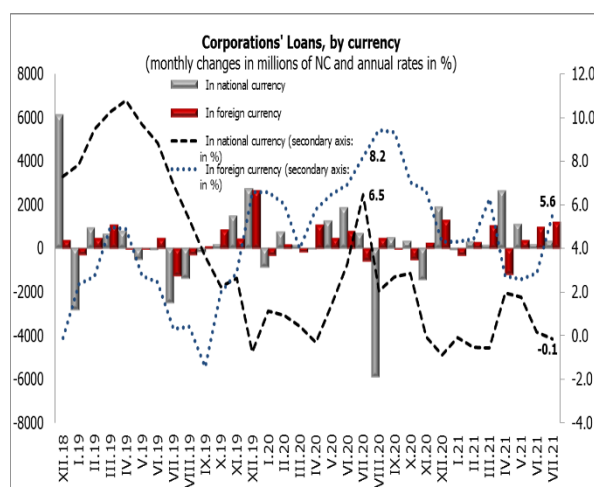
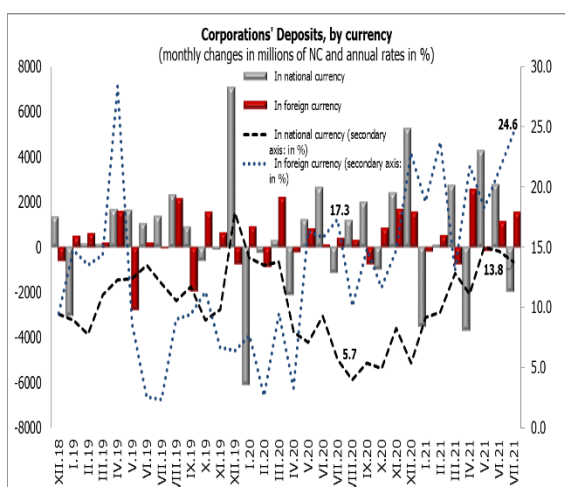
⁷ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims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



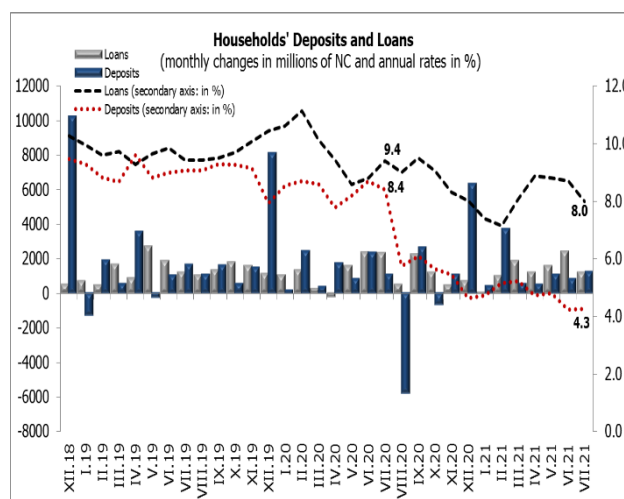
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- In July, total **corporate deposits** declined by 0.3% on a monthly basis. The downward change is mostly explained by the fall in demand deposits and short-term deposits in denars, amid a smaller decline in other components other than in the short-term deposits in foreign currency which increased. On an annual basis, these deposits increased by 17.1%, as a result of the higher demand deposits and short-term and long-term deposits in foreign currency, while short-term and long-term deposits in denars decreased.
- This month, **corporate loans**⁹ registered a monthly increase of 0.9%, which, in circumstances of growth in loans in denars and foreign currency, is largely due to the growth of loans in foreign currency. On an annual basis, corporate loans increased by 2.0%, entirely as a result of the growth of foreign currency loans.



Source: NBRNM.

2. Deposits and loans of the households¹⁰



Source: NBRNM.

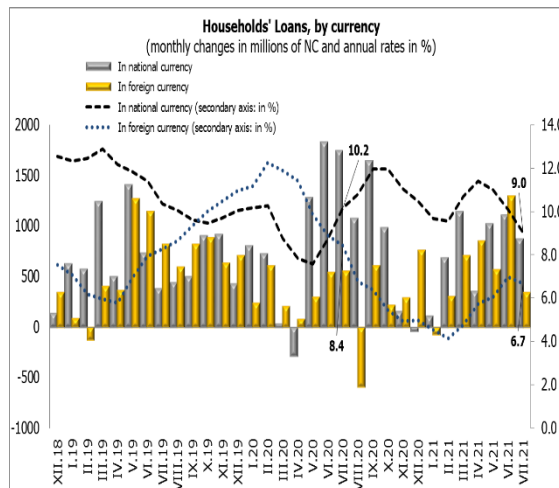
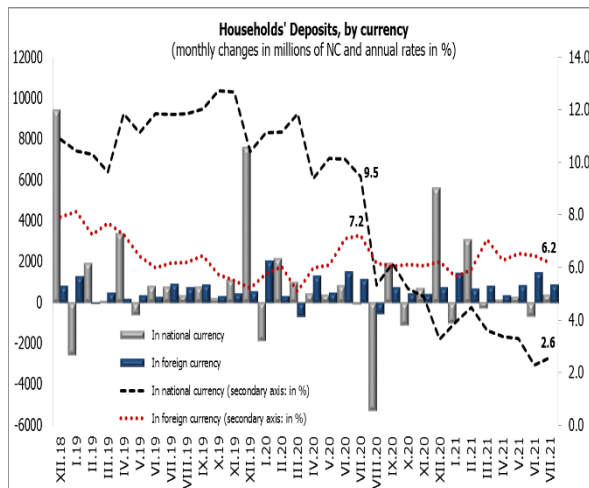
⁹ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

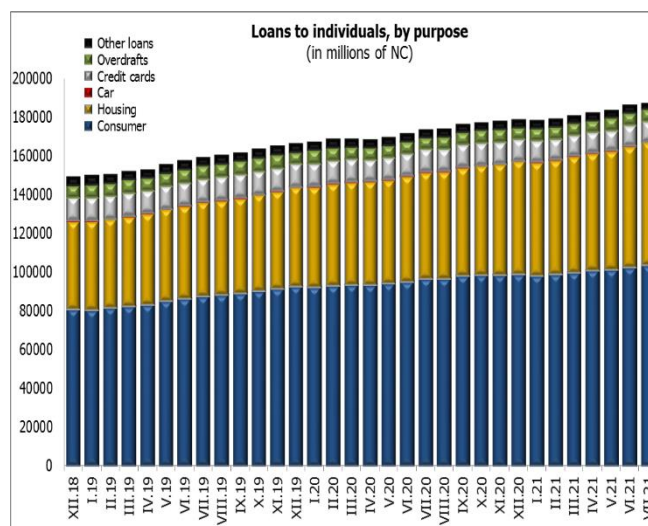


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- In July, total **household deposits** registered a monthly and annual growth of 0.4% and 4.3%, respectively. Moreover, the monthly and annual growth results from the upward change in demand deposits and short-term deposits in foreign currency and in denars, while long-term deposits in denars and in foreign currency declined.
- This month, **household loans** registered a monthly and annual growth of 0.6% and 8.0%, respectively. Analyzing the currency structure, denar loans made a larger contribution to the monthly and annual growth.



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	6.2021	7.2021	3.2020	6.2020	9.2020	12.2020	6.2021	7.2021	6.2021	7.2021
Consumer loans	93,440	94,982	97,850	98,772	102,516	103,324	13.5	10.0	9.9	6.9	7.9	7.4	1.3	0.8
Housing loans	52,959	54,392	55,985	58,306	62,384	63,651	13.9	13.8	14.0	13.6	14.7	15.1	1.9	2.0
Car loans	306	292	291	282	242	239	-4.1	-8.6	-7.9	-10.9	-17.1	-17.3	-2.9	-1.5
Credit cards	11,570	11,508	11,649	11,205	10,488	10,465	-4.5	-4.2	-2.6	-6.1	-8.9	-9.5	0.5	-0.2
Overdrafts	6,499	6,205	6,280	5,818	6,419	6,273	-4.8	-9.4	-10.8	-5.0	3.4	4.2	-0.4	-2.3
Other loans	3,969	3,946	3,912	3,871	3,687	2,899	-6.7	-6.4	-6.7	-6.0	-6.6	-26.3	0.6	-21.4

Source: NBRNM.

- In July, analyzing the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered a monthly growth of 0.8% and 2.0%, respectively, amid an annual growth of 7.4% and 15.1%, respectively. This month, **car loans** decreased by 1.5% and 17.3%, on a monthly and annual level, respectively, while loans on **credit cards** decreased by 0.2% and 9.5%, on a monthly and annual basis, respectively. **Overdrafts** registered a monthly fall of 2.3%, while on an annual basis they increased by 4.2%. In July, loans granted on **other basis** declined by 21.4% on a monthly basis, while on an annual basis they decreased by 26.3%.

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/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



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Statistics Department**

Next publications: Advance Release Calendar

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Monetary developments in the Republic of North Macedonia: 21 September 2021 (reference period as of August 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).