



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 July 2021

Press Release

Monetary developments in the Republic of North Macedonia: June 2021

- In June 2021, the **broad money (monetary aggregate M3^{1,2})** registered a monthly growth of 1.1%, mostly due to the increased demand deposits³, and to a lesser extent to long-term deposits up to two years and short-term deposits, amid decline in currency in circulation. The annual growth amounts to 8.3% and is mainly a result of the higher demand deposits, amid a smaller positive contribution of short-term deposits and currency in circulation, in conditions of a 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	5.2021	6.2021	3.2020	6.2020	9.2020	12.2020	5.2021	6.2021	5.2021	6.2021
Broad Money M4	455,834	468,912	469,050	486,989	496,118	500,202	8.9	9.8	6.9	6.9	7.0	6.7	1.0	0.8
Broad Money M3	403,714	416,935	418,556	436,231	446,737	451,639	8.3	9.7	7.6	8.0	8.6	8.3	1.2	1.1
<i>of which:</i>														
Currency in Circulation	37,891	41,125	41,667	43,701	43,935	43,604	21.3	26.3	24.9	21.0	5.9	6.0	-1.1	-0.8
Total Deposits	409,200	418,916	418,644	434,915	442,712	447,237	8.3	8.4	6.1	5.9	7.1	6.8	1.2	1.0
<i>of which:</i>														
Corporations	108,138	110,550	112,505	123,212	125,086	128,970	12.5	11.2	8.0	10.1	16.0	16.7	3.4	3.1
<i>In national currency</i>	75,876	77,609	79,641	86,323	86,228	88,994	13.8	9.3	5.4	5.4	15.0	14.7	5.2	3.2
<i>In foreign currency</i>	32,261	32,941	32,865	36,889	38,857	39,976	9.5	15.9	14.9	22.8	18.3	21.4	-0.4	2.9
Households	275,574	280,512	278,469	285,216	291,526	292,359	8.6	8.7	6.1	4.6	4.8	4.2	0.4	0.3
<i>In national currency</i>	147,532	149,204	145,806	150,991	153,244	152,597	11.9	10.1	6.2	3.3	3.3	2.3	0.2	-0.4
<i>In foreign currency</i>	128,042	131,309	132,663	134,225	138,282	139,762	5.1	7.1	6.0	6.2	6.5	6.4	0.6	1.1
Total Loans	343,702	352,718	352,824	357,296	367,256	370,862	5.8	6.6	7.3	4.7	5.6	5.1	0.8	1.0
<i>of which:</i>														
Corporations	167,654	172,978	168,086	169,826	173,952	175,067	1.8	4.6	5.2	1.1	2.1	1.2	0.8	0.6
<i>In national currency</i>	103,597	106,688	101,925	102,688	106,705	106,876	0.4	3.3	2.7	-0.9	1.8	0.2	1.0	0.2
<i>In foreign currency</i>	64,057	66,290	66,161	67,138	67,246	68,191	4.0	6.9	9.3	4.3	2.6	2.9	0.5	1.4
Households	174,634	178,384	183,431	185,814	191,500	193,906	10.1	8.8	9.5	8.0	8.8	8.7	0.8	1.3
<i>In national currency</i>	96,643	99,469	103,939	105,049	108,375	109,484	8.8	8.7	12.0	10.5	11.0	10.1	1.0	1.0
<i>In foreign currency</i>	77,990	78,916	79,492	80,765	83,125	84,422	11.9	8.9	6.4	5.0	6.1	7.0	0.7	1.6

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.

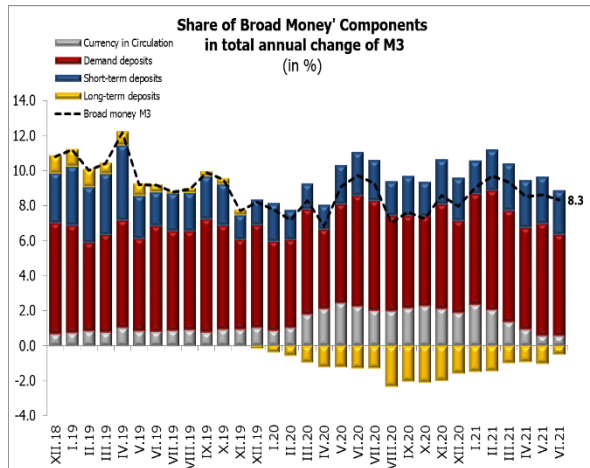
⁴ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

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.

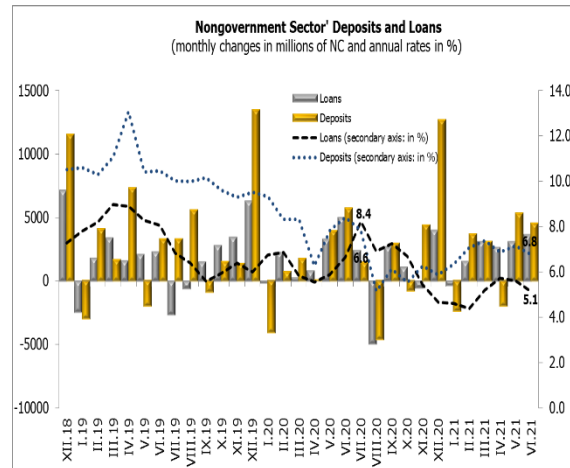


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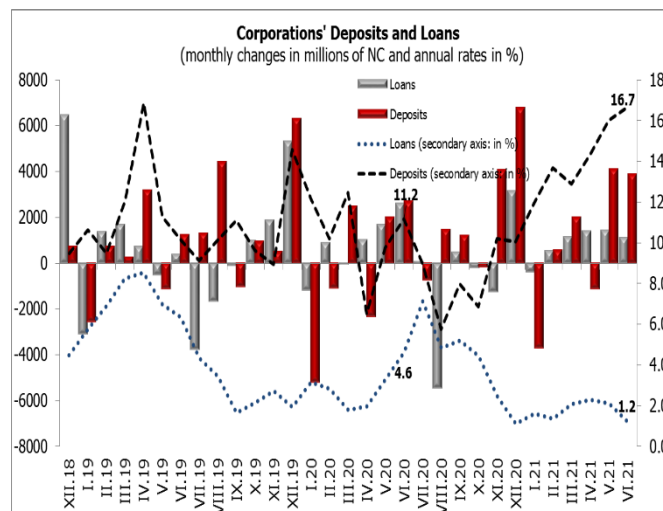
- In June, **total deposits**⁶ registered a monthly and annual increase of 1.0% and 6.8%, respectively. The growth on both bases is due to the increased deposits in both sectors, which is more pronounced in the corporate sector.
- In June, **total loans**⁷ registered a monthly growth of 1.0%, while annually, they increased by 5.1%. The upward change on a monthly and annual level results from the increased lending to both sectors, with a larger contribution 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.

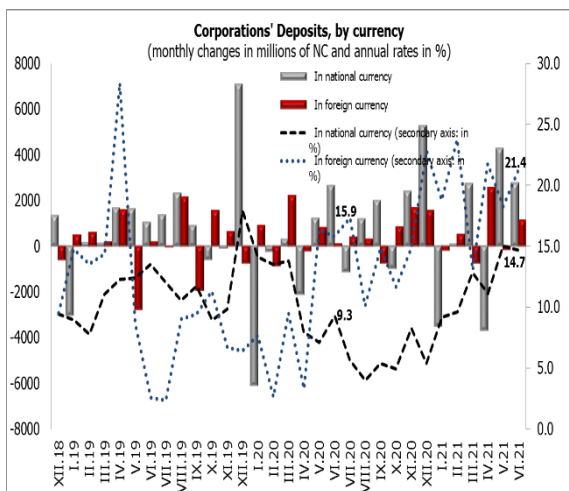
⁷ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims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

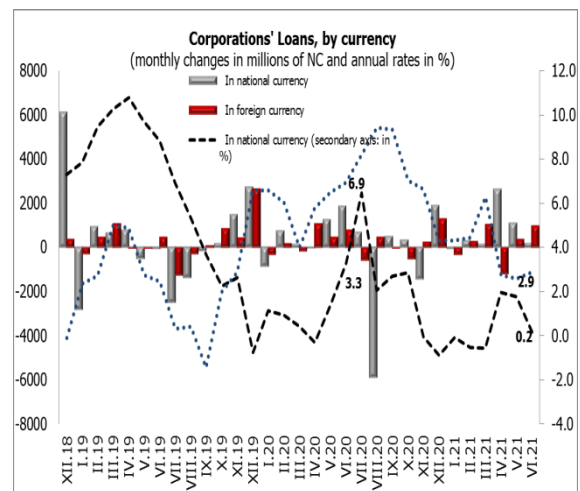


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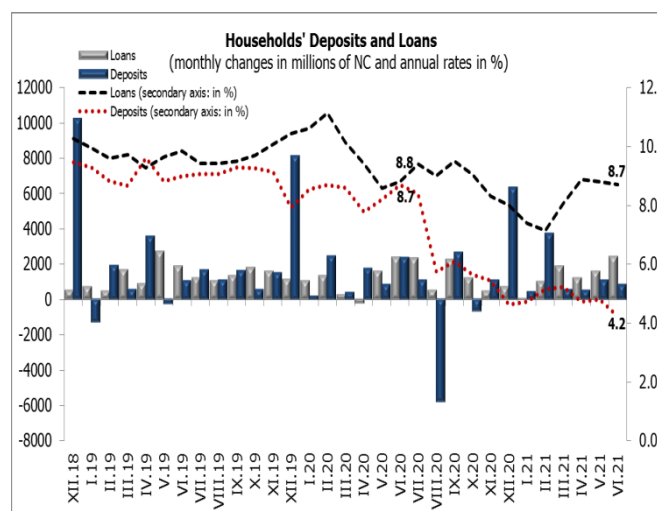
- This month, total **corporate deposits** increased by 3.1% on a monthly basis. The growth was mostly driven by the increased demand deposits, amid a smaller positive contribution of long-term deposits in foreign currency, amid a decline in the other components. The annual growth rate amounted to 16.7%, mainly due to the increased demand deposits, with a positive impact of short-term and long-term deposits in foreign currency, in conditions of a decline in the other components.
- This month, **corporate loans**⁹ registered a monthly and annual growth of 0.6% and 1.2%, respectively. The upward change is primarily due to the increased foreign currency loans, with a positive, but smaller impact of denar loans.



Source: NBRNM.



2. Deposits and loans of the households¹⁰



Source: NBRNM.

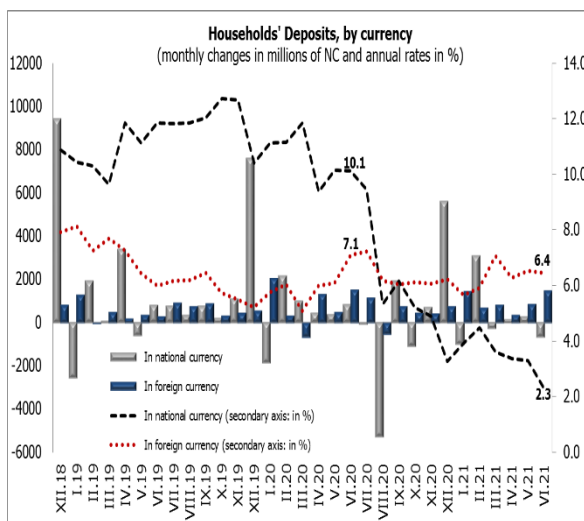
⁹ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

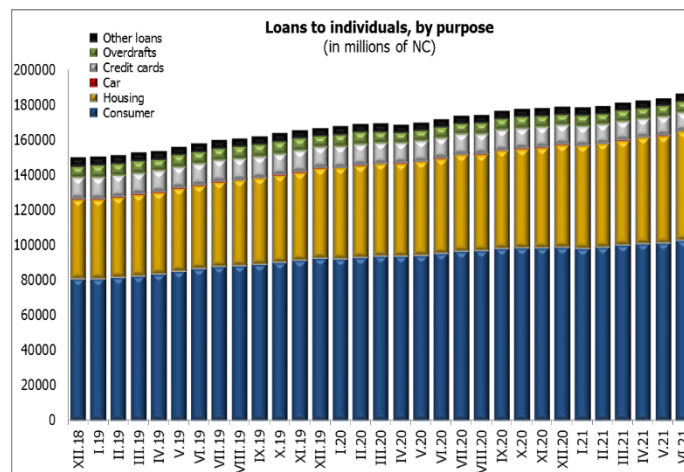
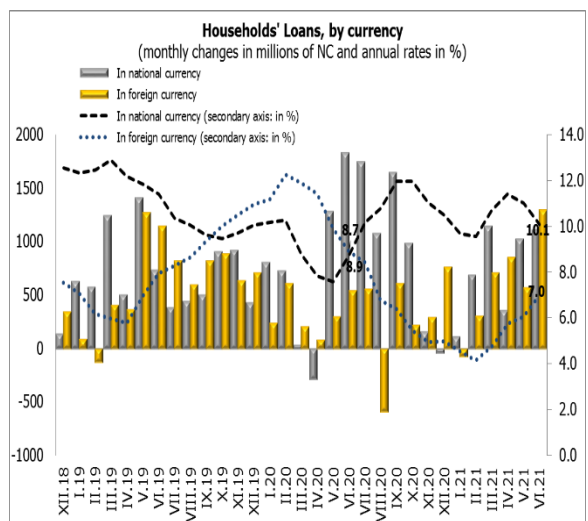


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- This month, total **household deposits** registered a monthly growth of 0.3%, which mostly results from the increased short-term deposits in foreign currency, and long-term deposits in foreign currency and short-term deposits in denars also act in the positive direction, given the decline in the other components. On an annual basis, household deposits grew by 4.2%, under the influence of demand deposits and short-term deposits in foreign currency, given the decline in the other components.
- This month, **household loans** increased by 1.3% compared to the previous month, as a result of the increase in loans in both currencies, slightly more pronounced in foreign currency loans. The annual increase amounts to 8.7% and largely results from denar loans, with a positive contribution of foreign currency loans.



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	4.2021	5.2021	3.2020	6.2020	9.2020	12.2020	4.2021	5.2021	5.2021	6.2021
Consumer loans	93,440	94,982	97,850	98,772	101,209	102,516	13.5	10.0	9.9	6.9	7.7	7.9	0.6	1.3
Housing loans	52,959	54,392	55,985	58,306	61,199	62,384	13.9	13.8	14.0	13.6	14.1	14.7	0.8	1.9
Car loans	306	292	291	282	249	242	-4.1	-8.6	-7.9	-10.9	-15.7	-17.1	-3.6	-2.9
Credit cards	11,570	11,508	11,649	11,205	10,432	10,488	-4.5	-4.2	-2.6	-6.1	-9.1	-8.9	0.1	0.5
Overdrafts	6,499	6,205	6,280	5,818	6,446	6,419	-4.8	-9.4	-10.8	-5.0	5.3	3.4	5.8	-0.4
Other loans	3,969	3,946	3,912	3,871	3,665	3,687	-6.7	-6.4	-6.7	-6.0	-7.3	-6.6	-1.3	0.6

Source: NBRNM.

- In June, considering the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered a monthly increase of 1.3% and 1.9%, respectively, and the annual growth amounted to 7.9% and 14.7%, respectively. In June, **car loans** decreased by 2.9% and 17.1% on a monthly and annual basis, respectively. This month, loans on **credit cards** increased by 0.5% on a monthly basis, while on an annual basis they decreased by 8.9%. In June, **overdrafts** registered a monthly fall of 0.4%, and on an annual level they grew by 3.4%. This month, loans granted on **other basis** registered a monthly growth of 0.6%, amid an annual fall of 6.6%.

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/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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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 August 2021 (reference period as of July 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).