



# National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 April 2021

## Press Release

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

- In March 2021, **broad money (monetary aggregate M3<sup>1,2</sup>)** registered a monthly growth of 0.9%, mainly due to the higher demand deposits<sup>3</sup>, with an additional positive contribution of the other components. The annual growth rate amounted to 9.4% and was mostly due to the increase in demand deposits, with a positive impact of short-term deposits and currency in circulation, amid a decline in long-term deposits up to two years.

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	2.2021	3.2021	3.2020	6.2020	9.2020	12.2020	2.2021	3.2021	2.2021	3.2021
<b>Broad Money M4</b>	<b>455,834</b>	<b>468,912</b>	<b>469,050</b>	<b>486,989</b>	<b>488,223</b>	<b>491,717</b>	<b>8.9</b>	<b>9.8</b>	<b>6.9</b>	<b>6.9</b>	<b>8.2</b>	<b>7.9</b>	<b>0.8</b>	<b>0.7</b>
<b>Broad Money M3</b>	<b>403,714</b>	<b>416,935</b>	<b>418,556</b>	<b>436,231</b>	<b>437,578</b>	<b>441,478</b>	<b>8.3</b>	<b>9.7</b>	<b>7.6</b>	<b>8.0</b>	<b>9.7</b>	<b>9.4</b>	<b>0.8</b>	<b>0.9</b>
of which:														
Currency in Circulation	37,891	41,125	41,667	43,701	43,293	43,350	21.3	26.3	24.9	21.0	23.2	14.4	-0.3	0.1
<b>Total Deposits</b>	<b>409,200</b>	<b>418,916</b>	<b>418,644</b>	<b>434,915</b>	<b>436,236</b>	<b>439,343</b>	<b>8.3</b>	<b>8.4</b>	<b>6.1</b>	<b>5.9</b>	<b>7.1</b>	<b>7.4</b>	<b>0.9</b>	<b>0.7</b>
of which:														
Corporations	108,138	110,550	112,505	123,212	120,083	122,085	12.5	11.2	8.0	10.1	13.7	12.9	0.5	1.7
In national currency	75,876	77,609	79,641	86,323	82,885	85,618	13.8	9.3	5.4	5.4	9.7	12.8	0.1	3.3
In foreign currency	32,261	32,941	32,865	36,889	37,198	36,467	9.5	15.9	14.9	22.8	23.7	13.0	1.3	-2.0
Households	275,574	280,512	278,469	285,216	289,395	289,941	8.6	8.7	6.1	4.6	5.2	5.2	1.3	0.2
In national currency	147,532	149,204	145,806	150,991	153,096	152,839	11.9	10.1	6.2	3.3	4.5	3.6	2.1	-0.2
In foreign currency	128,042	131,309	132,663	134,225	136,299	137,102	5.1	7.1	6.0	6.2	5.9	7.1	0.5	0.6
<b>Total Loans</b>	<b>343,702</b>	<b>352,718</b>	<b>352,824</b>	<b>357,296</b>	<b>358,476</b>	<b>361,561</b>	<b>5.8</b>	<b>6.6</b>	<b>7.3</b>	<b>4.7</b>	<b>4.4</b>	<b>5.2</b>	<b>0.4</b>	<b>0.9</b>
of which:														
Corporations	167,654	172,978	168,086	169,826	169,979	171,117	1.8	4.6	5.2	1.1	1.4	2.1	0.3	0.7
In national currency	103,597	106,688	101,925	102,688	102,910	103,024	0.4	3.3	2.7	-0.9	-0.5	-0.6	0.3	0.1
In foreign currency	64,057	66,290	66,161	67,138	67,069	68,093	4.0	6.9	9.3	4.3	4.5	6.3	0.4	1.5
Households	174,634	178,384	183,431	185,814	186,847	188,697	10.1	8.8	9.5	8.0	7.1	8.1	0.5	1.0
In national currency	96,643	99,469	103,939	105,049	105,852	106,994	8.8	8.7	12.0	10.5	9.6	10.7	0.7	1.1
In foreign currency	77,990	78,916	79,492	80,765	80,995	81,703	11.9	8.9	6.4	5.0	4.1	4.8	0.4	0.9

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.

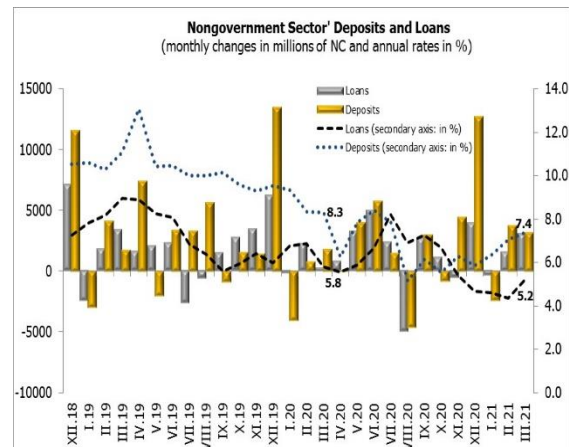
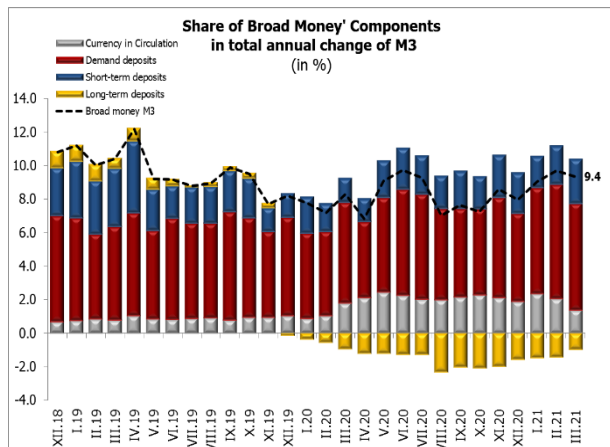
<sup>4</sup> The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

<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.



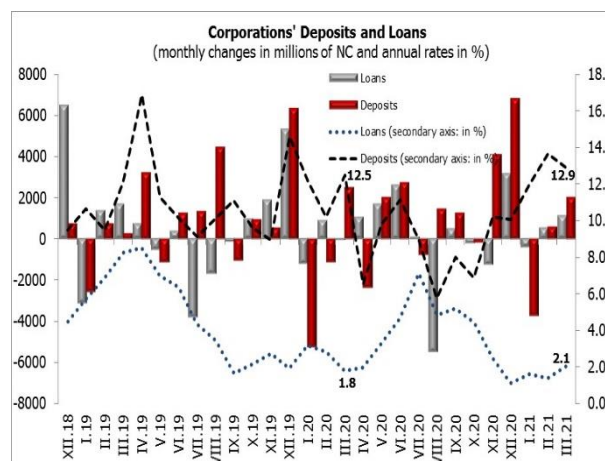
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- In March, **total deposits**<sup>6</sup> registered a monthly growth of 0.7% with a greater contribution of corporate deposits, with a smaller, but positive contribution of household deposits. On an annual basis, total deposits increased by 7.4%, with an almost equal contribution of deposits in both sectors.
- In March, **total loans**<sup>7</sup> increased by 0.9% and 5.2%, on a monthly and annual basis, respectively, amid increased lending to both sectors, with a greater 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.

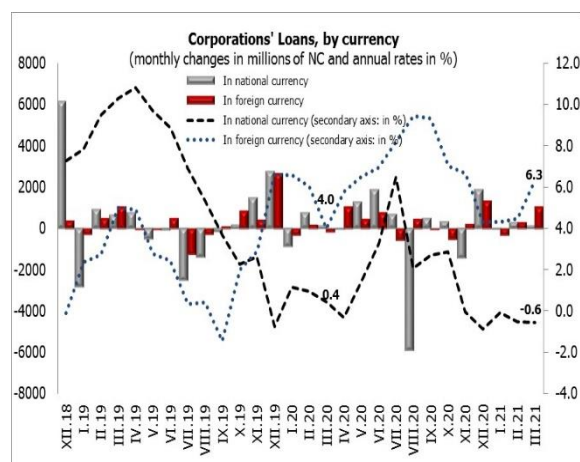
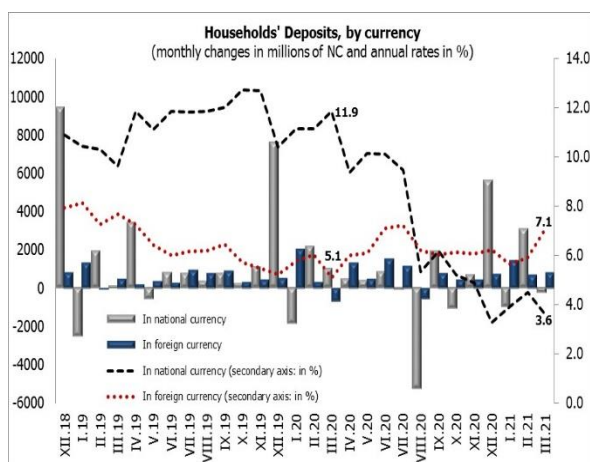
<sup>7</sup> On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records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



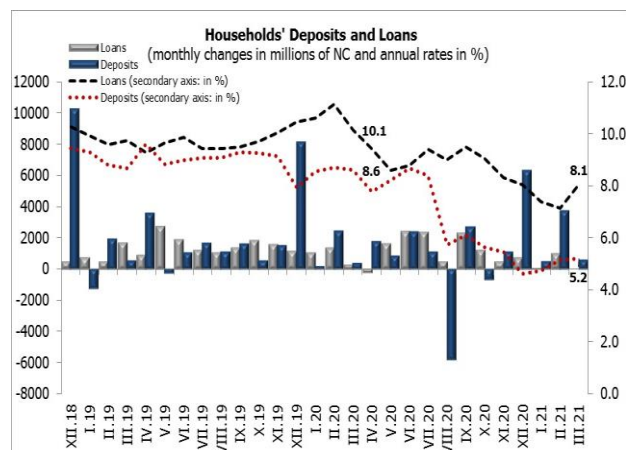
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- In March, total **corporate deposits** registered a monthly growth of 1.7%. The upward change is mostly due to the increase in demand deposits, amid a slower growth in long-term and short-term deposits in denars, given the decline in short-term and long-term deposits in foreign currency. The annual growth rate amounted to 12.9%, mainly under the influence of the higher demand deposits, with an additional positive contribution of short-term and long-term deposits in foreign currency, given the decline in the other components.
- In March, **corporate loans**<sup>9</sup> increased by 0.7% on a monthly basis, mainly as a result of the lending in foreign currency, with a positive contribution of denar loans. Compared to the same period last year, corporate loans increased by 2.1%, entirely as a result of the growth of foreign currency loans.



Source: NBRNM.

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



Source: NBRNM.

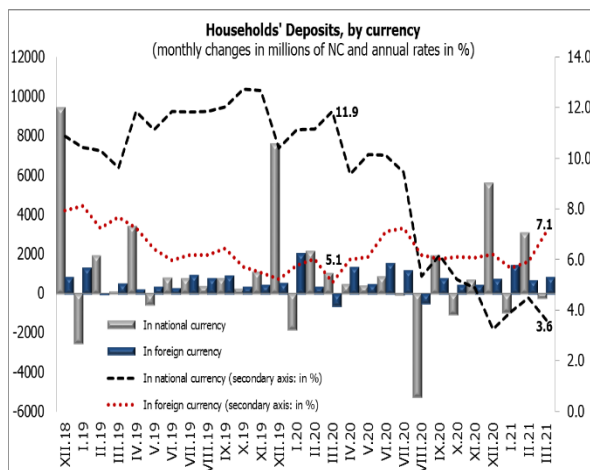
<sup>9</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

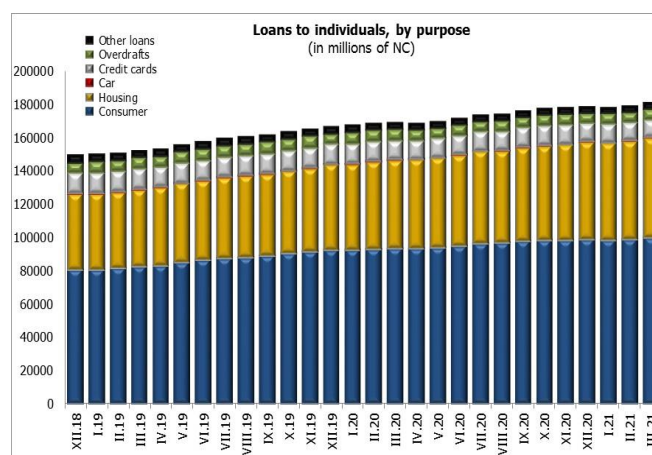
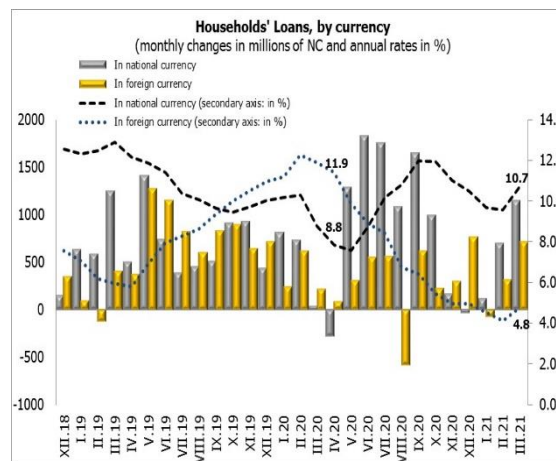


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- In March, total **household deposits** registered a monthly increase of 0.2%, entirely under the influence of short-term deposits in foreign currency, given the decline in the other components. On an annual basis, household deposits increased by 5.2%, as a result of the increase in demand deposits and short-term deposits in foreign currency, amid fall in other components.
- In March, **household loans** registered monthly and annual growth of 1.0% and 8.1%, respectively. The increase on both bases is mostly due to the lending in denars, but an additional positive contribution is also made by foreign currency loans.



Source: NBRNM.



Source: NBRNM.

Table 2. Bank and savings house loans granted to individuals, by purpose



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	Stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	3.2020	6.2020	9.2020	12.2020	2.2021	3.2021	3.2020	6.2020	9.2020	12.2020	2.2021	3.2021	2.2021	3.2021
Consumer loans	93,440	94,982	97,850	98,772	98,601	99,721	13.5	10.0	9.9	6.9	6.0	6.7	0.6	1.1
Housing loans	52,959	54,392	55,985	58,306	59,229	59,901	13.9	13.8	14.0	13.6	12.7	13.1	1.2	1.1
Car loans	306	292	291	282	267	263	-4.1	-8.6	-7.9	-10.9	-13.0	-14.0	-3.3	-1.5
Credit cards	11,570	11,508	11,649	11,205	10,644	10,539	-4.5	-4.2	-2.6	-6.1	-9.2	-8.9	-2.3	-1.0
Overdrafts	6,499	6,205	6,280	5,818	6,258	6,399	-4.8	-9.4	-10.8	-5.0	-9.3	-1.5	-1.5	2.3
Other loans	3,969	3,946	3,912	3,871	3,763	3,736	-6.7	-6.4	-6.7	-6.0	-6.7	-5.8	-1.0	-0.7

Source: NBRNM.

- In March, considering the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered monthly growth of 1.1%, respectively, as well as annual growth of 6.7% and 13.1%, respectively. **Car loans** registered a monthly and annual decrease of 1.5% and 14.0%, respectively. This month, loans on **credit cards** also registered a monthly and annual decline of 1.0% and 8.9%, respectively. In March, **overdrafts** increased by 2.3% on a monthly level, while on an annual level, they decreased by 1.5%. In March, loans granted on **other basis** registered a monthly and annual decline of 0.7% and 5.8%, 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.nspix](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](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](http://www.nbrm.mk/content/statistika/informacii/Informacija_za_promeni_vo_monetarnata_statistika_eng.pdf)



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Next publications: Advance Release Calendar

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

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