



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 October 2021

Press Release

Monetary developments in the Republic of North Macedonia: September 2021

- In September 2021, the **broad money (monetary aggregate M3^{1,2})** decreased by 0.7% on a monthly basis. The fall is mainly due to the reduction in demand deposits³, and to a small extent due to long-term deposits up to two years, in circumstances of growth in short-term deposits and currency in circulation. Compared annually, the broad money increased by 10.1%, mostly due to the growth of demand deposits and short-term deposits, amid a slower growth in currency in circulation and 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 | 8.2021 | 9.2021 | 3.2020 | 6.2020 | 9.2020 | 12.2020 | 8.2021 | 9.2021 | 8.2021 | 9.2021 |
| Broad Money M4 | 455,834 | 468,912 | 469,050 | 486,989 | 511,012 | 507,536 | 8.9 | 9.8 | 6.9 | 6.9 | 9.6 | 8.2 | 1.3 | -0.7 |
| Broad Money M3 | 403,714 | 416,935 | 418,556 | 436,231 | 463,835 | 460,723 | 8.3 | 9.7 | 7.6 | 8.0 | 11.5 | 10.1 | 1.6 | -0.7 |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Currency in Circulation | 37,891 | 41,125 | 41,667 | 43,701 | 44,533 | 44,951 | 21.3 | 26.3 | 24.9 | 21.0 | 6.8 | 7.9 | -3.7 | 0.9 |
| Total Deposits | 409,200 | 418,916 | 418,644 | 434,915 | 456,972 | 453,469 | 8.3 | 8.4 | 6.1 | 5.9 | 9.9 | 8.3 | 1.8 | -0.8 |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Corporations | 108,138 | 110,550 | 112,505 | 123,212 | 133,730 | 130,048 | 12.5 | 11.2 | 8.0 | 10.1 | 20.2 | 15.6 | 4.0 | -2.8 |
| <i>In national currency</i> | 75,876 | 77,609 | 79,641 | 86,323 | 91,014 | 87,402 | 13.8 | 9.3 | 5.4 | 5.4 | 17.2 | 9.7 | 4.6 | -4.0 |
| <i>In foreign currency</i> | 32,261 | 32,941 | 32,865 | 36,889 | 42,716 | 42,646 | 9.5 | 15.9 | 14.9 | 22.8 | 27.0 | 29.8 | 2.9 | -0.2 |
| Households | 275,574 | 280,512 | 278,469 | 285,216 | 296,352 | 297,702 | 8.6 | 8.7 | 6.1 | 4.6 | 7.4 | 6.9 | 0.9 | 0.5 |
| <i>In national currency</i> | 147,532 | 149,204 | 145,806 | 150,991 | 154,404 | 154,062 | 11.9 | 10.1 | 6.2 | 3.3 | 7.3 | 5.7 | 0.9 | -0.2 |
| <i>In foreign currency</i> | 128,042 | 131,309 | 132,663 | 134,225 | 141,948 | 143,640 | 5.1 | 7.1 | 6.0 | 6.2 | 7.6 | 8.3 | 0.9 | 1.2 |
| Total Loans | 343,702 | 352,718 | 352,824 | 357,296 | 372,470 | 375,116 | 5.8 | 6.6 | 7.3 | 4.7 | 6.4 | 6.3 | -0.3 | 0.7 |
| <i>of which:</i> | | | | | | | | | | | | | | |
| Corporations | 167,654 | 172,978 | 168,086 | 169,826 | 175,087 | 176,093 | 1.8 | 4.6 | 5.2 | 1.1 | 4.5 | 4.8 | -0.8 | 0.6 |
| <i>In national currency</i> | 103,597 | 106,688 | 101,925 | 102,688 | 106,926 | 107,485 | 0.4 | 3.3 | 2.7 | -0.9 | 5.4 | 5.5 | -0.3 | 0.5 |
| <i>In foreign currency</i> | 64,057 | 66,290 | 66,161 | 67,138 | 68,162 | 68,608 | 4.0 | 6.9 | 9.3 | 4.3 | 3.0 | 3.7 | -1.8 | 0.7 |
| Households | 174,634 | 178,384 | 183,431 | 185,814 | 195,512 | 197,127 | 10.1 | 8.8 | 9.5 | 8.0 | 7.9 | 7.5 | 0.2 | 0.8 |
| <i>In national currency</i> | 96,643 | 99,469 | 103,939 | 105,049 | 110,523 | 111,470 | 8.8 | 8.7 | 12.0 | 10.5 | 8.0 | 7.2 | 0.2 | 0.9 |
| <i>In foreign currency</i> | 77,990 | 78,916 | 79,492 | 80,765 | 84,989 | 85,657 | 11.9 | 8.9 | 6.4 | 5.0 | 7.7 | 7.8 | 0.3 | 0.8 |

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.

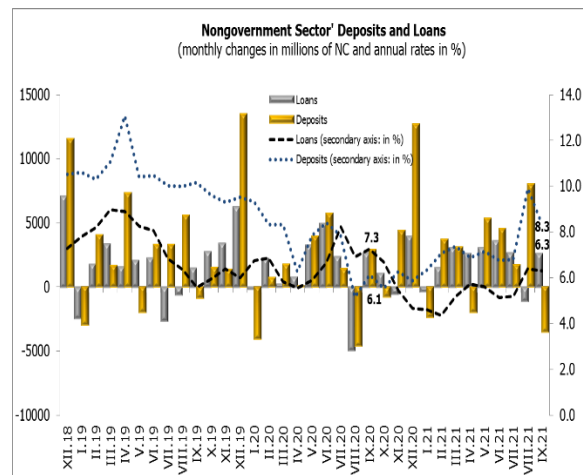
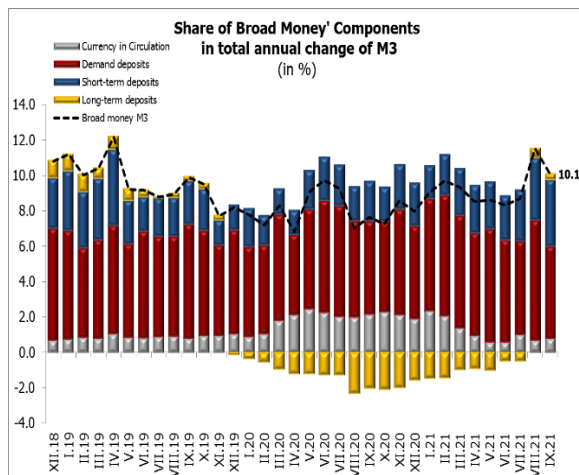
⁴ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

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.



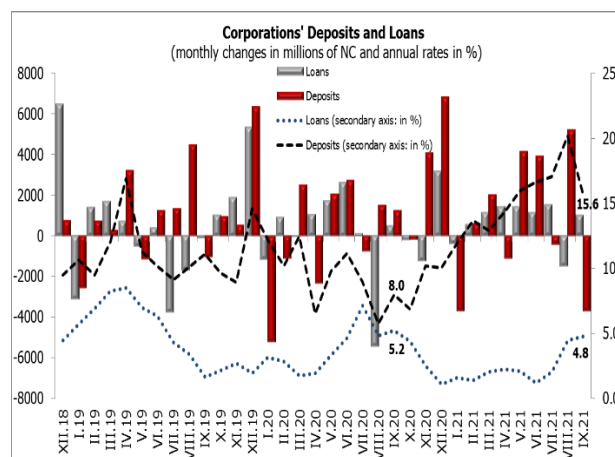
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- In September, **total deposits**⁶ registered a monthly fall of 0.8% due to the lower corporate deposits, amid growth of household deposits. The annual growth of deposits equals 8.3%, amid growth of deposits of both sectors, with a slightly larger contribution of the households sector.
- In September, **total loans**⁷ increased by 0.7% and 6.3%, respectively, on a monthly and annual basis, amid increased lending to both sectors, with a more pronounced 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.

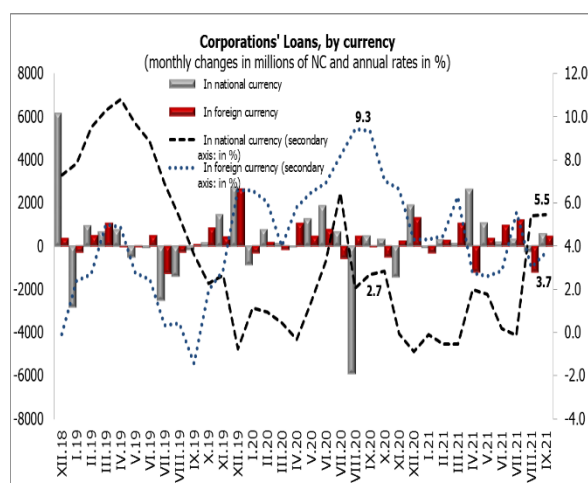
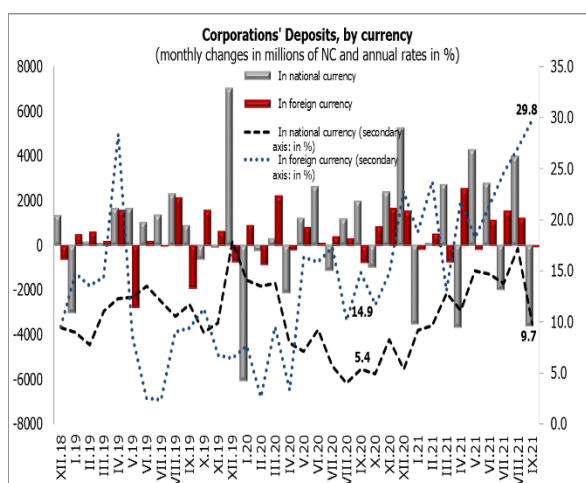
⁷ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims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



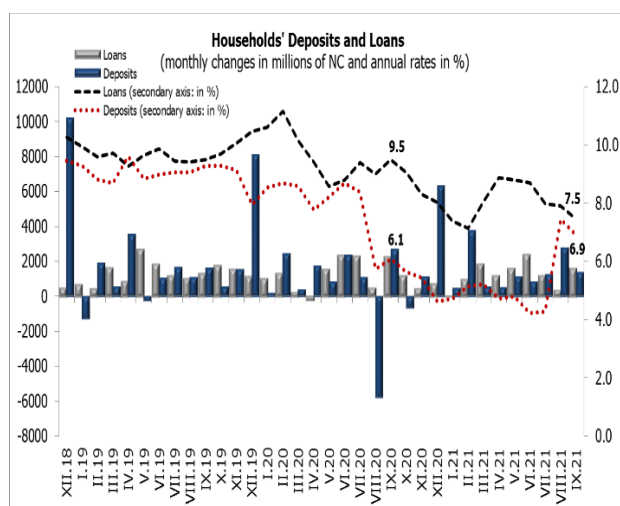
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- In September, total **corporate deposits** decreased by 2.8% on a monthly basis. This change is largely due to the decline in demand deposits, and a decrease is also registered in the other components. On an annual basis, growth of 15.6% was registered, almost entirely due to the increase in demand deposits and short-term deposits in foreign currency, amid a smaller increase in long-term deposits in foreign currency, amid a decline in short-term and long-term deposits in denars.
- In September, **corporate loans**⁹ registered an upward monthly and annual change of 0.6% and 4.8%, respectively. Analyzing the currency structure, the monthly and annual growth is largely driven by denar loans.



Source: NBRNM.

2. Deposits and loans of the households¹⁰



Source: NBRNM.

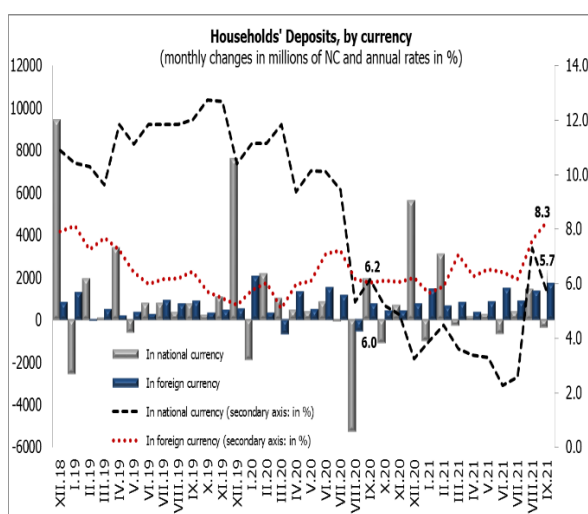
⁹ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

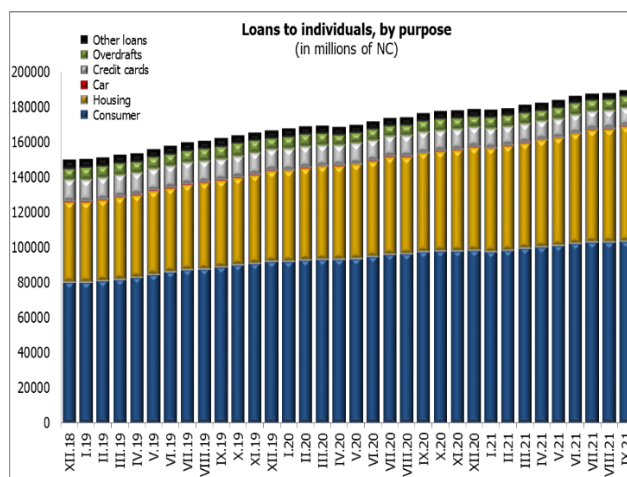
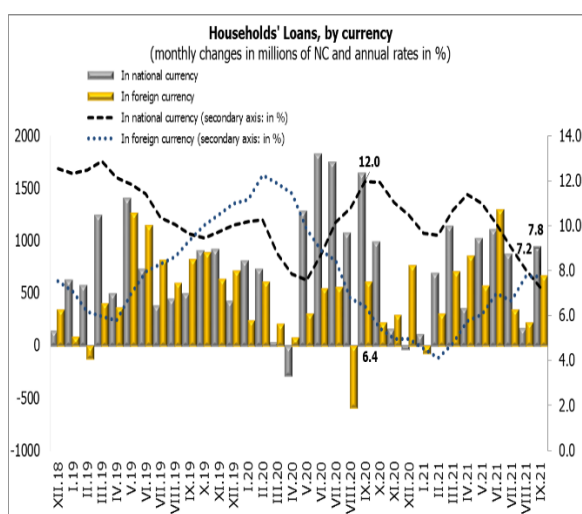


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- This month, total **household deposits** registered a monthly increase of 0.5%. The upward change mainly results from short-term deposits in foreign currency, as well as from the growth of long-term deposits in foreign currency and short-term deposits in denars, but to a smaller extent, amid a decline in the other components. The annual growth rate of total household deposits amounts to 6.9% and is mostly due to the higher demand deposits and short-term deposits in foreign currency, as well as to the other components, with the exception of long-term deposits in denars, which decreased.
- In September, **household loans** increased by 0.8% and 7.5%, on a monthly and annual basis, respectively. Moreover, denar loans make a slightly larger contribution to the growth on both bases.



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 | 8.2021 | 9.2021 | 3.2020 | 6.2020 | 9.2020 | 12.2020 | 8.2021 | 9.2021 | 8.2021 | 9.2021 |
| Consumer loans | 93,440 | 94,982 | 97,850 | 98,772 | 103,315 | 103,902 | 13.5 | 10.0 | 9.9 | 6.9 | 6.9 | 6.2 | 0.0 | 0.6 |
| Housing loans | 52,959 | 54,392 | 55,985 | 58,306 | 64,064 | 65,006 | 13.9 | 13.8 | 14.0 | 13.6 | 16.2 | 16.1 | 0.6 | 1.5 |
| Car loans | 306 | 292 | 291 | 282 | 236 | 242 | -4.1 | -8.6 | -7.9 | -10.9 | -17.5 | -16.9 | -1.1 | 2.4 |
| Credit cards | 11,570 | 11,508 | 11,649 | 11,205 | 10,426 | 10,378 | -4.5 | -4.2 | -2.6 | -6.1 | -9.9 | -10.9 | -0.4 | -0.5 |
| Overdrafts | 6,499 | 6,205 | 6,280 | 5,818 | 6,258 | 6,470 | -4.8 | -9.4 | -10.8 | -5.0 | 1.8 | 3.0 | -0.2 | 3.4 |
| Other loans | 3,969 | 3,946 | 3,912 | 3,871 | 2,866 | 2,766 | -6.7 | -6.4 | -6.7 | -6.0 | -27.1 | -29.3 | -1.1 | -3.5 |

Source: NBRNM.

- In September, analyzing the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered a monthly growth of 0.6% and 1.5%, respectively, amid an annual growth of 6.2% and 16.1%, respectively. This month, **car loans** registered a monthly increase of 2.4%, while on an annual basis, they registered a downtrend of 16.9%. Loans on **credit cards** decreased by 0.5% and 10.9%, on a monthly and annual basis, respectively, while **overdrafts** registered an upward monthly and annual change of 3.4% and 3.0%, respectively. In September, loans granted on **other basis** registered a monthly and annual decrease of 3.5% and 29.3%, respectively.

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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Next publications: Advance Release Calendar

http://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf

Monetary developments in the Republic of North Macedonia: 19 November 2021 (reference period as of October 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).