



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 January 2022

Press Release

Monetary developments in the Republic of North Macedonia: December 2021

- In December 2021, given the seasonal dynamics, the **broad money (monetary aggregate M3^{1,2})** registered a monthly growth of 2.9%, as a result of the increase in demand deposits, short-term deposits and currency in circulation, while long-term deposits up to two years declined. Compared to December last year, the broad money increased by 8.8%, mainly due to the growth of short-term deposits and demand deposits, with a smaller growth in currency in circulation and fall in long-term deposits up to two years.

Table 1. Total deposits and loans^{3,4} of the non-government sector

	stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	3.2020	6.2020	9.2020	12.2020	11.2021	12.2021	3.2020	6.2020	9.2020	12.2020	11.2021	12.2021	11.2021	12.2021
Broad Money M4	455,834	468,912	469,050	486,989	507,914	521,005	8.9	9.8	6.9	6.9	7.6	7.0	0.5	2.6
Broad Money M3	403,714	416,935	418,556	436,231	461,572	474,753	8.3	9.7	7.6	8.0	9.5	8.8	0.7	2.9
<i>of which:</i>														
Currency in Circulation	37,891	41,125	41,667	43,701	42,817	44,480	21.3	26.3	24.9	21.0	3.6	1.8	-4.2	3.9
Total Deposits	409,200	418,916	418,644	434,915	456,329	468,649	8.3	8.4	6.1	5.9	8.1	7.8	1.1	2.7
<i>of which:</i>														
Corporations	108,138	110,550	112,505	123,212	132,332	137,557	12.5	11.2	8.0	10.1	13.7	11.6	3.4	3.9
<i>In national currency</i>	75,876	77,609	79,641	86,323	89,584	92,116	13.8	9.3	5.4	5.4	10.5	6.7	4.7	2.8
<i>In foreign currency</i>	32,261	32,941	32,865	36,889	42,748	45,441	9.5	15.9	14.9	22.8	20.9	23.2	0.8	6.3
Households	275,574	280,512	278,469	285,216	298,786	305,407	8.6	8.7	6.1	4.6	7.1	7.1	0.3	2.2
<i>In national currency</i>	147,532	149,204	145,806	150,991	148,093	151,822	11.9	10.1	6.2	3.3	1.9	0.5	-1.6	2.5
<i>In foreign currency</i>	128,042	131,309	132,663	134,225	150,693	153,585	5.1	7.1	6.0	6.2	12.9	14.4	2.3	1.9
Total Loans	343,702	352,718	352,824	357,296	380,475	386,884	5.8	6.6	7.3	4.7	7.7	8.3	0.8	1.7
<i>of which:</i>														
Corporations	167,654	172,978	168,086	169,826	179,052	184,675	1.8	4.6	5.2	1.1	7.4	8.7	1.0	3.1
<i>In national currency</i>	103,597	106,688	101,925	102,688	110,678	114,622	0.4	3.3	2.7	-0.9	9.8	11.6	1.5	3.6
<i>In foreign currency</i>	64,057	66,290	66,161	67,138	68,375	70,053	4.0	6.9	9.3	4.3	3.8	4.3	0.1	2.5
Households	174,634	178,384	183,431	185,814	199,357	200,249	10.1	8.8	9.5	8.0	7.7	7.8	0.6	0.4
<i>In national currency</i>	96,643	99,469	103,939	105,049	113,009	113,317	8.8	8.7	12.0	10.5	7.5	7.9	0.7	0.3
<i>In foreign currency</i>	77,990	78,916	79,492	80,765	86,348	86,932	11.9	8.9	6.4	5.0	7.9	7.6	0.4	0.7

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: https://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Monetarna_07_2018_eng.pdf

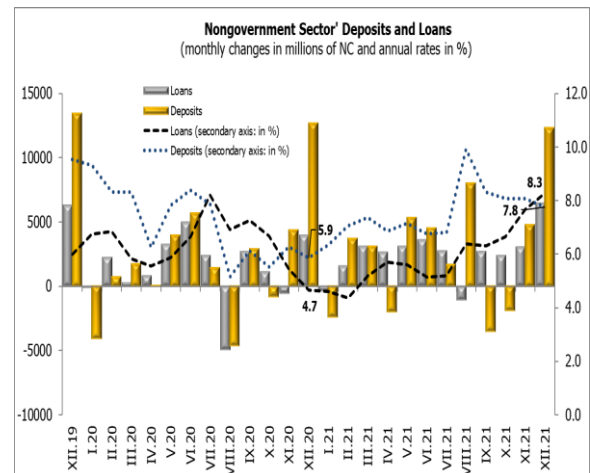
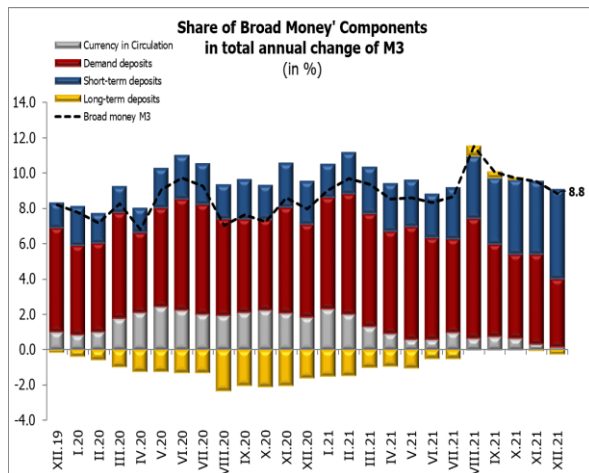
³ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

⁴ 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.



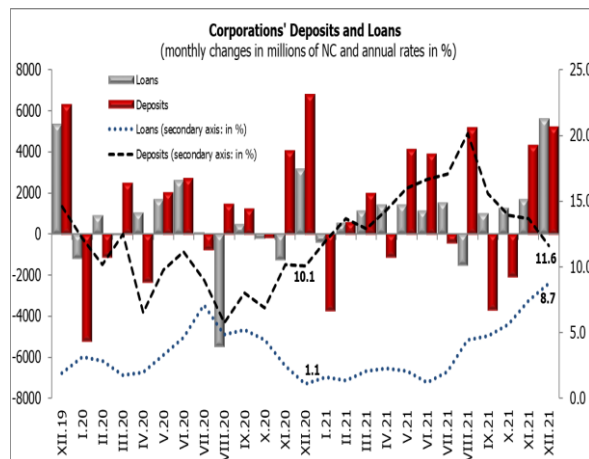
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- In December 2021, **total deposits**⁵ increased by 2.7% on a monthly basis, amid an annual growth of 7.8%. Moreover, the monthly and annual growth is a result of the growth of deposits in both sectors, which is more pronounced in the household sector.
- This month, **total loans**⁶ registered a monthly growth of 1.7%, which is largely due to the increased lending to the corporate sector. The annual growth amounts to 8.3% and is a result of the higher loans of both sectors, with a slightly greater contribution to the growth of the corporate sector.



Source: NBRNM.

1. Deposits and loans of the corporate sector⁷



Source: NBRNM.

⁵ Total deposits consist of all deposits included in the monetary aggregate M4.

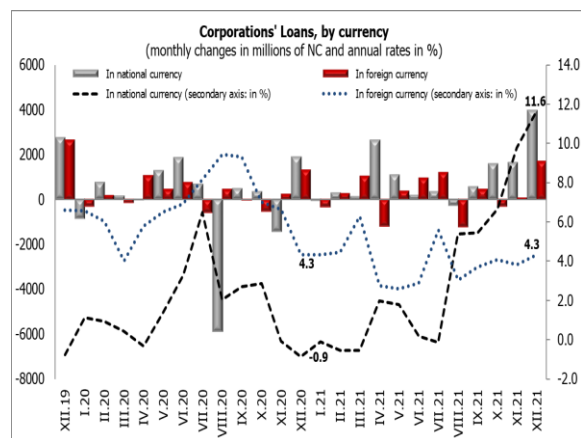
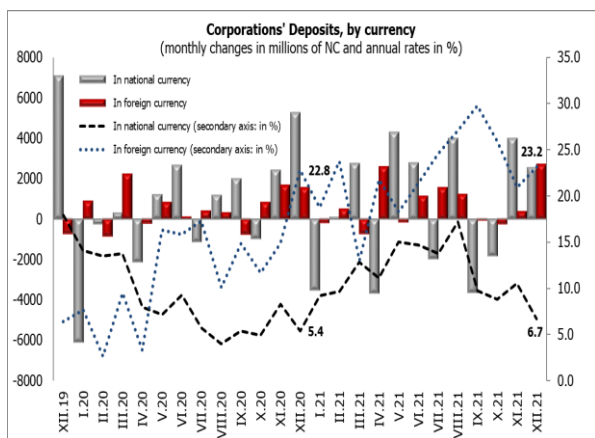
⁶ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims 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.

⁷ For the purposes of this press release, corporate sector includes public and private non-financial corporations.



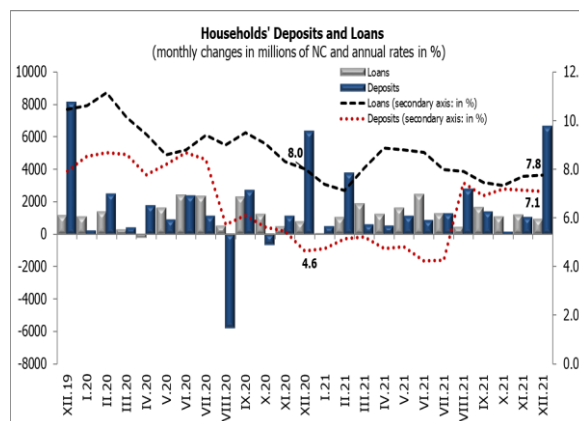
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- In December, total **corporate deposits** increased by 3.9% on a monthly basis. The upward change is mostly due to the growth of demand deposits and short-term deposits in foreign currency, amid smaller growth of short-term deposits in denars, in conditions of fall in long-term deposits in denars and in foreign currency. On an annual basis, these deposits increased by 11.6%, as a result of the increased demand deposits, short-term and long-term deposits in foreign currency, while short-term and long-term deposits in denars decreased.
- This month, total **corporate loans**⁸ registered a monthly and annual growth of 3.1% and 8.7%, respectively. Analyzing the currency, there was a growth of denar and foreign currency loans, with a larger contribution of denar loans to the monthly and annual change.



Source: NBRNM.

2. Deposits and loans of the households⁹



Source: NBRNM.

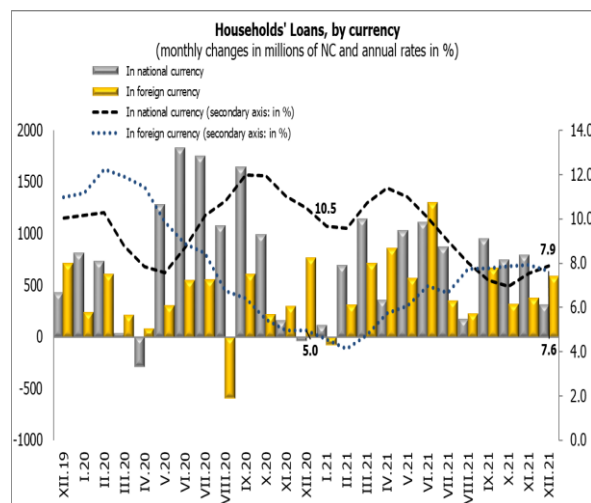
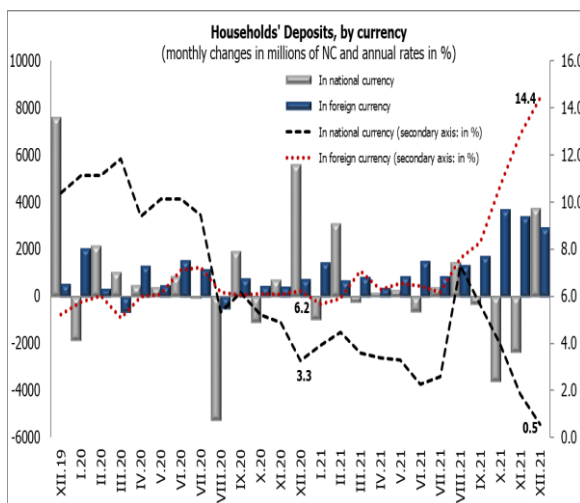
⁸ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

⁹ For the purposes of this press release, households refer to individuals and self-employed professionals.

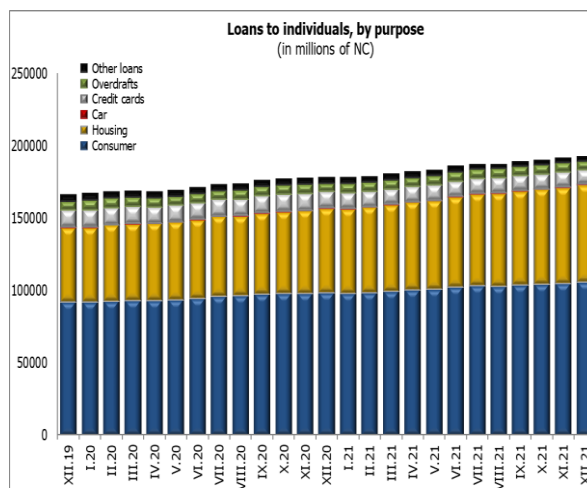


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- In December, total **household deposits** increased by 2.2% on a monthly basis. Moreover, the monthly growth is mainly a result of the higher demand deposits and short-term deposits in foreign currency, amid smaller growth in long-term deposits in foreign currency and fall in long-term and short-term deposits in denars. On an annual basis, these deposits increased by 7.1% as a result of the growth of short-term deposits in foreign currency and demand deposits, amid smaller growth in long-term deposits in foreign currency, while long-term and short-term deposits in denars decreased.
- This month, **household loans** registered an increase of 0.4% on a monthly basis, which is largely due to the increased lending in foreign currency. On an annual basis, household loans increased by 7.8%, as a result of the growth of denar and foreign currency loans, with a larger contribution of denar 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	11.2021	12.2021	3.2020	6.2020	9.2020	12.2020	11.2021	12.2021	11.2021	12.2021
Consumer loans	93,440	94,982	97,850	98,772	104,956	105,888	13.5	10.0	9.9	6.9	6.8	7.2	0.5	0.9
Housing loans	52,959	54,392	55,985	58,306	66,443	67,353	13.9	13.8	14.0	13.6	16.1	15.5	1.2	1.4
Car loans	306	292	291	282	238	237	-4.1	-8.6	-7.9	-10.9	-17.9	-15.9	-2.4	-0.3
Credit cards	11,570	11,508	11,649	11,205	10,337	10,253	-4.5	-4.2	-2.6	-6.1	-9.3	-8.5	0.1	-0.8
Overdrafts	6,499	6,205	6,280	5,818	6,537	5,907	-4.8	-9.4	-10.8	-5.0	1.2	1.5	-0.5	-9.6
Other loans	3,969	3,946	3,912	3,871	2,680	2,611	-6.7	-6.4	-6.7	-6.0	-30.6	-32.5	-1.8	-2.6

Source: NBRNM.

- In December 2021, analyzing the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered a monthly growth of 0.9% and 1.4%, respectively, amid an annual growth of 7.2% and 15.5%, respectively. This month, **car loans** decreased by 0.3% and 15.9%, on a monthly and annual basis, respectively, while loans on **credit cards** registered a monthly and annual fall of 0.8% and 8.5%, respectively. In December, **overdrafts** registered a monthly fall of 9.6%, amid annual growth of 1.5%, while loans granted on **other basis** decreased by 2.6% and 32.5% on a monthly and annual basis, respectively.

Supporting information

Time series of data: Balance sheets and list of depository institutions, monthly data
https://www.nbrm.mk/monetarna_statistika-en.nspix

Methodological explanations:

https://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:

https://www.nbrm.mk/content/statistika/informacii/Informacija_za_promeni_vo_monetarnata_statistika_eng.pdf



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Monetary developments in the Republic of North Macedonia: 21 February 2022 (reference period as of January 2022).

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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).