



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 December 2021

Press Release

Monetary developments in the Republic of North Macedonia: November 2021

- In November 2021, the **broad money (monetary aggregate M3^{1,2})** increased by 0.7% on a monthly basis, mostly under the influence of the growth of demand deposits, amid smaller growth in short-term deposits, and a decline in currency in circulation and long-term deposits up to two years. On an annual basis, the broad money increased by 9.5%, mainly as a result of the higher demand deposits and short-term deposits, amid small growth of currency in circulation and almost unchanged 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	10.2021	11.2021	3.2020	6.2020	9.2020	12.2020	10.2021	11.2021	10.2021	11.2021
Broad Money M4	455,834	468,912	469,050	486,989	505,157	507,914	8.9	9.8	6.9	6.9	7.8	7.6	-0.5	0.5
Broad Money M3	403,714	416,935	418,556	436,231	458,578	461,572	8.3	9.7	7.6	8.0	9.7	9.5	-0.5	0.7
of which:														
Currency in Circulation	37,891	41,125	41,667	43,701	44,699	42,817	21.3	26.3	24.9	21.0	6.6	3.6	-0.6	-4.2
Total Deposits	409,200	418,916	418,644	434,915	451,580	456,329	8.3	8.4	6.1	5.9	8.1	8.1	-0.4	1.1
of which:														
Corporations	108,138	110,550	112,505	123,212	127,992	132,332	12.5	11.2	8.0	10.1	13.9	13.7	-1.6	3.4
In national currency	75,876	77,609	79,641	86,323	85,602	89,584	13.8	9.3	5.4	5.4	8.8	10.5	-2.1	4.7
In foreign currency	32,261	32,941	32,865	36,889	42,390	42,748	9.5	15.9	14.9	22.8	25.9	20.9	-0.6	0.8
Households	275,574	280,512	278,469	285,216	297,787	298,786	8.6	8.7	6.1	4.6	7.2	7.1	0.0	0.3
In national currency	147,532	149,204	145,806	150,991	150,463	148,093	11.9	10.1	6.2	3.3	4.0	1.9	-2.3	-1.6
In foreign currency	128,042	131,309	132,663	134,225	147,324	150,693	5.1	7.1	6.0	6.2	10.7	12.9	2.6	2.3
Total Loans	343,702	352,718	352,824	357,296	377,466	380,475	5.8	6.6	7.3	4.7	6.7	7.7	0.6	0.8
of which:														
Corporations	167,654	172,978	168,086	169,826	177,363	179,052	1.8	4.6	5.2	1.1	5.6	7.4	0.7	1.0
In national currency	103,597	106,688	101,925	102,688	109,049	110,678	0.4	3.3	2.7	-0.9	6.7	9.8	1.5	1.5
In foreign currency	64,057	66,290	66,161	67,138	68,314	68,375	4.0	6.9	9.3	4.3	4.1	3.8	-0.4	0.1
Households	174,634	178,384	183,431	185,814	198,190	199,357	10.1	8.8	9.5	8.0	7.3	7.7	0.5	0.6
In national currency	96,643	99,469	103,939	105,049	112,216	113,009	8.8	8.7	12.0	10.5	6.9	7.5	0.7	0.7
In foreign currency	77,990	78,916	79,492	80,765	85,974	86,348	11.9	8.9	6.4	5.0	7.9	7.9	0.4	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: https://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija_monetarna_07_2018_eng.pdf

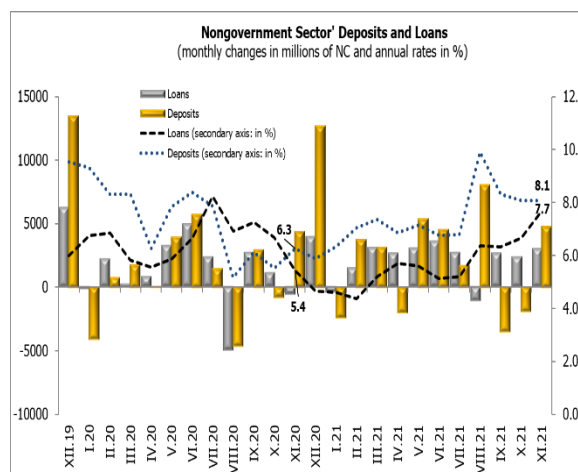
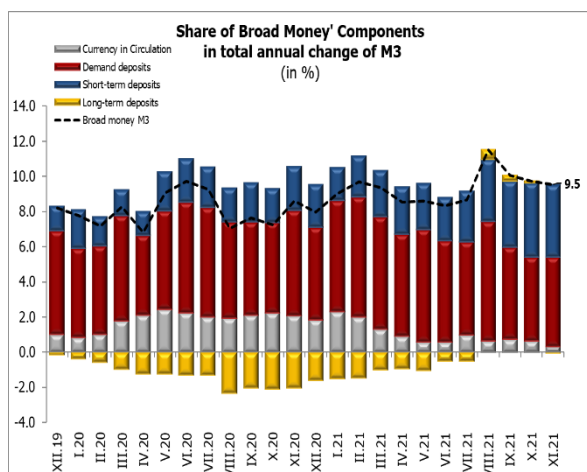
³ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

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.



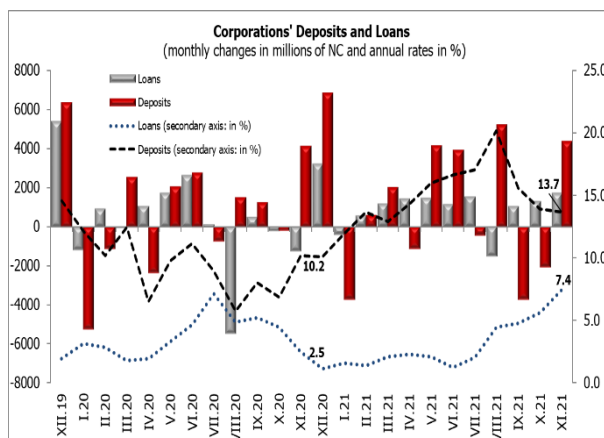
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- In November, **total deposits**⁵ registered a monthly growth of 1.1%, which is largely due to the growth of corporate deposits. The annual growth of total deposits equals 8.1% and is a result of the increased deposits in both sectors, with a larger contribution of the households sector.
- This month, **total loans**⁶ increased by 0.8% on a monthly basis, influenced by the growth of loans in both sectors, with a larger contribution of the corporate sector. Annually, total loans registered an increase of 7.7%, which, in circumstances of growth in the lending to both sectors, is more pronounced in the household 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.

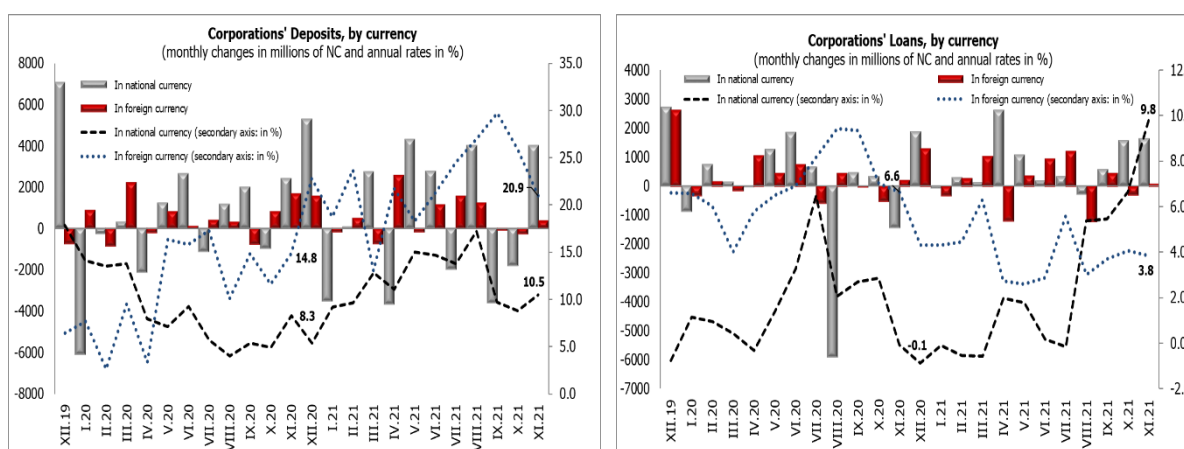
⁶ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims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



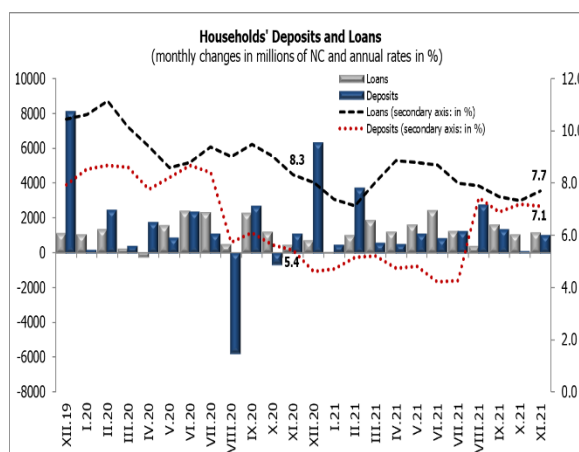
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- In November, total **corporate deposits** increased by 3.4% on a monthly basis. The monthly growth is mainly due to the increased demand deposits, in conditions of smaller growth of long-term and short-term deposits in foreign currency, amid fall in long-term and short-term deposits in denars. On an annual basis, these deposits increased by 13.7%, due to the growth of demand deposits, short-term and long-term deposits in foreign currency, given the fall in short-term and long-term deposits in denars.
- In November, total **corporate loans**⁸ registered a monthly growth of 1.0%, which is mostly a result of the increased lending in denars. Compared to November last year, corporate loans increased by 7.4%, as a result of the higher denar and foreign currency loans, amid a larger contribution of denar loans.



Source: NBRNM.

2. Deposits and loans of the households⁹



Source: NBRNM.

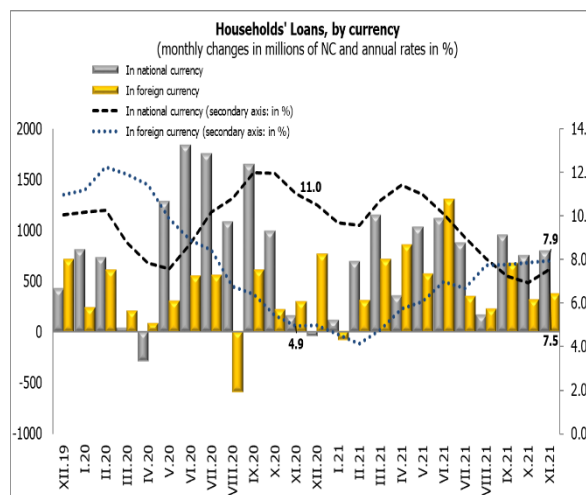
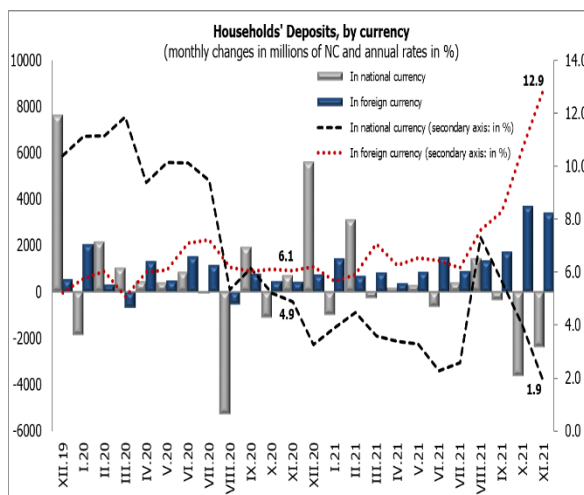
⁸ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

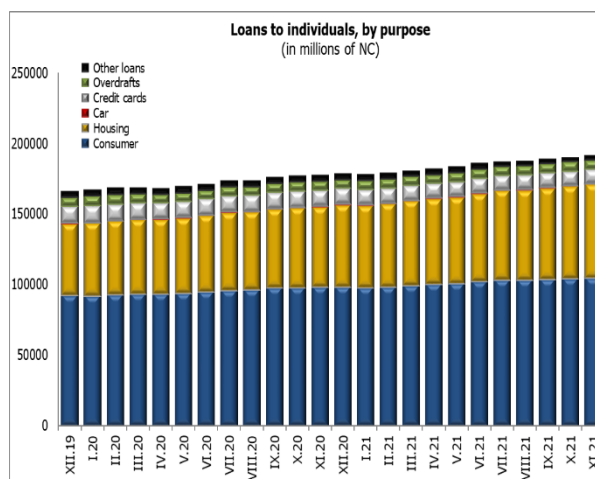


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- This month, total **household deposits** registered a monthly increase of 0.3%. Moreover, the change is mainly due to the growth of short-term deposits in foreign currency, amid smaller growth in long-term deposits in foreign currency, while demand deposits, short-term and long-term deposits in denars decreased. On an annual basis, these deposits increased by 7.1%, mostly due to the increased short-term deposits in foreign currency and demand deposits, amid smaller growth in long-term deposits in foreign currency, in conditions of a decline in long-term and short-term deposits in denars.
- In November, **household loans** increased by 0.6% on a monthly basis, amid annual growth of 7.7%. Moreover, in circumstances of growth in denar and foreign currency loans, the monthly and annual growth is more pronounced in 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	10.2021	11.2021	3.2020	6.2020	9.2020	12.2020	10.2021	11.2021	10.2021	11.2021
Consumer loans	93,440	94,982	97,850	98,772	104,384	104,956	13.5	10.0	9.9	6.9	6.3	6.8	0.5	0.5
Housing loans	52,959	54,392	55,985	58,306	65,648	66,443	13.9	13.8	14.0	13.6	16.0	16.1	1.0	1.2
Car loans	306	292	291	282	243	238	-4.1	-8.6	-7.9	-10.9	-14.1	-17.9	0.7	-2.4
Credit cards	11,570	11,508	11,649	11,205	10,330	10,337	-4.5	-4.2	-2.6	-6.1	-10.8	-9.3	-0.5	0.1
Overdrafts	6,499	6,205	6,280	5,818	6,570	6,537	-4.8	-9.4	-10.8	-5.0	1.3	1.2	1.5	-0.5
Other loans	3,969	3,946	3,912	3,871	2,729	2,680	-6.7	-6.4	-6.7	-6.0	-29.8	-30.6	-1.3	-1.8

Source: NBRNM.

- In November, considering the purpose of loans granted to individuals, the most common categories - **consumer and housing loans** registered a monthly growth of 0.5% and 1.2%, respectively, amid annual growth of 6.8% and 16.1%, respectively. This month, **car loans** decreased by 2.4% and 17.9% on a monthly and annual basis, respectively, while loans on **credit cards** registered a minimal monthly growth of 0.1%, amid annual fall of 9.3%. **Overdrafts** decreased by 0.5% on a monthly basis, while on an annual basis they increased by 1.2%. In November, loans granted on **other basis** registered a monthly and annual decrease of 1.8% and 30.6%, 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 January 2022 (reference period as of December 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).