



# National Bank of the Republic of North Macedonia Statistics Department

Skopje, 20 January 2023

## Press Release

### Monetary developments in the Republic of North Macedonia: December 2022

- In December 2022, **broad money (monetary aggregate M3<sup>1,2</sup>)** increased by 2.8% on a monthly basis, largely due to the growth of demand deposits and currency in circulation, with additional positive contribution of short-term deposits. The broad money increased annually by 5.3%, mainly due to the increased short-term deposits and demand deposits, and less to the currency in circulation, amid decline in long-term deposits up to two years.
- In December, **total deposits<sup>3</sup>** registered a monthly and annual growth of 2.6% and 4.9%, respectively, given the deposit growth in both sectors.

Table 1 Broad money and total non-government sector deposits<sup>6</sup>

	stocks (in million NC)			annual changes (in %)					monthly changes (in %)				
	12.2021	11.2022	12.2022	12.2021	3.2022	6.2022	9.2022	12.2022	12.2021	3.2022	6.2022	9.2022	12.2022
<b>Broad Money M4</b>	<b>521,005</b>	<b>531,157</b>	<b>547,353</b>	<b>7.0</b>	<b>2.8</b>	<b>1.4</b>	<b>2.9</b>	<b>5.1</b>	<b>2.6</b>	<b>-1.7</b>	<b>0.5</b>	<b>0.8</b>	<b>3.0</b>
<b>Broad Money M3</b>	<b>474,753</b>	<b>486,326</b>	<b>499,800</b>	<b>8.8</b>	<b>4.0</b>	<b>2.3</b>	<b>3.7</b>	<b>5.3</b>	<b>2.9</b>	<b>-1.8</b>	<b>0.7</b>	<b>0.9</b>	<b>2.8</b>
<i>of which:</i>													
<i>Currency in Circulation</i>	44,480	43,329	47,490	1.8	-1.4	0.0	-0.7	6.8	3.9	-1.3	1.3	-0.3	9.6
<i>Demand deposits</i>	177,716	180,709	188,038	10.5	0.8	-0.5	3.1	5.8	3.9	-4.4	1.0	2.4	4.1
<i>Short-term deposits</i>	200,811	212,514	214,490	12.2	11.8	10.3	8.9	6.8	2.7	0.8	0.4	-0.3	0.9
<i>Long-term deposits up to 2 y.</i>	51,746	49,775	49,782	-1.9	-8.5	-14.8	-9.3	-3.8	-0.9	-3.6	-0.2	1.9	0.0
<b>Total Deposits</b>	<b>468,649</b>	<b>479,109</b>	<b>491,539</b>	<b>7.8</b>	<b>3.5</b>	<b>1.8</b>	<b>3.4</b>	<b>4.9</b>	<b>2.7</b>	<b>-1.7</b>	<b>0.4</b>	<b>0.9</b>	<b>2.6</b>
<i>of which:</i>													
<i>Corporations</i>	137,557	138,036	142,629	11.6	3.9	-4.8	0.4	3.7	3.9	-2.4	-0.2	1.5	3.3
<i>  In national currency</i>	92,116	93,477	94,397	6.7	-2.7	-7.3	2.6	2.5	2.8	-4.2	0.9	3.1	1.0
<i>  In foreign currency</i>	45,441	44,559	48,232	23.2	19.4	0.8	-4.2	6.1	6.3	1.1	-2.5	-1.7	8.2
<i>Households</i>	305,407	314,558	323,084	7.1	3.9	5.2	5.3	5.8	2.2	-1.8	1.0	1.1	2.7
<i>  In national currency</i>	151,822	146,105	155,215	0.5	-7.1	-6.2	-5.8	2.2	2.5	-4.8	0.3	1.4	6.2
<i>  In foreign currency</i>	153,585	168,453	167,869	14.4	16.1	17.8	17.1	9.3	1.9	1.1	1.7	0.8	-0.3

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:

[https://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija\\_monetarna\\_07\\_2018\\_eng.pdf](https://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija_monetarna_07_2018_eng.pdf)

<sup>3</sup> Total deposits consist of all deposits included in the monetary aggregate M4.



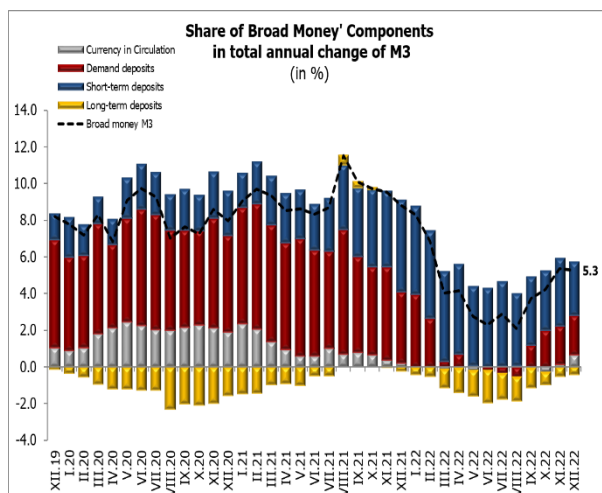
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- This month, **total loans<sup>4</sup>** have increased by 1.4% on a monthly basis mostly due to the increased corporate lending, with a positive effect of household lending. The annual growth of 9.4% reflects the higher lending to both sectors, mainly to the corporate sector.

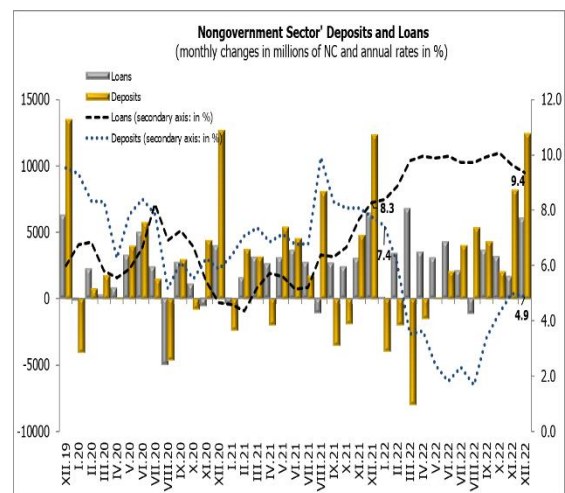
Table 2. Total loans<sup>5,6</sup> of the non-government sector

	stocks (in million NC)			annual changes (in %)					monthly changes (in %)				
	12.2021	11.2022	12.2022	12.2021	3.2022	6.2022	9.2022	12.2022	12.2021	3.2022	6.2022	9.2022	12.2022
<b>Total Loans</b>	<b>386,884</b>	<b>417,121</b>	<b>423,114</b>	<b>8.3</b>	<b>9.8</b>	<b>10.0</b>	<b>9.9</b>	<b>9.4</b>	<b>1.7</b>	<b>1.7</b>	<b>1.0</b>	<b>0.9</b>	<b>1.4</b>
<i>of which:</i>													
Corporations	184,675	200,679	205,974	8.7	11.9	12.4	12.6	11.5	3.1	2.4	1.1	1.1	2.6
<i>In national currency</i>	114,622	118,264	122,376	11.6	14.3	11.9	9.3	6.8	3.6	1.8	-0.2	0.9	3.5
<i>In foreign currency</i>	70,053	82,415	83,598	4.3	8.3	13.3	17.6	19.3	2.5	3.3	3.3	1.5	1.4
Households	200,249	214,265	214,965	7.8	7.9	7.7	7.6	7.3	0.4	1.1	1.0	0.7	0.3
<i>In national currency</i>	113,317	119,461	119,178	7.9	7.8	7.7	6.8	5.2	0.3	1.1	0.8	0.4	-0.2
<i>In foreign currency</i>	86,932	94,804	95,786	7.6	8.0	7.6	8.5	10.2	0.7	1.1	1.2	1.0	1.0

Source: NBRNM.



Source: NBRNM.



<sup>4</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 from the on-balance sheet to the off-balance sheet records (and to continue to transfer) all claims that have been fully booked for more than one 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.

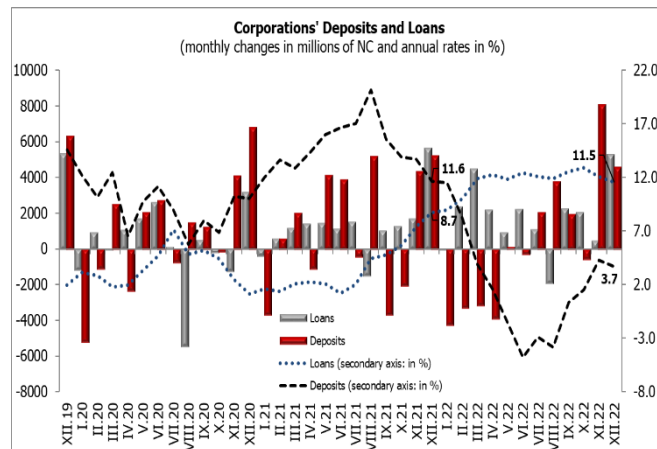
<sup>5</sup> The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

<sup>6</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.



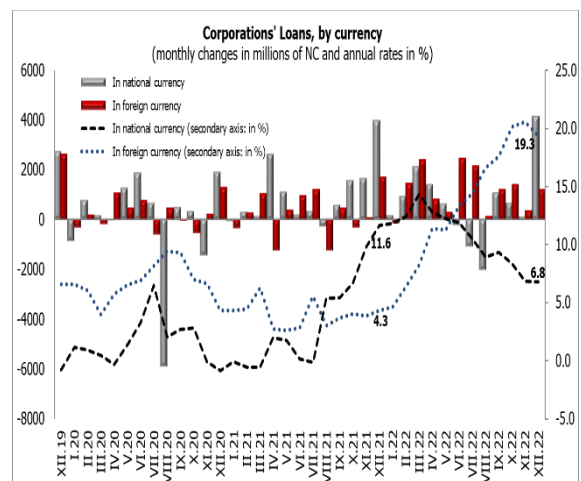
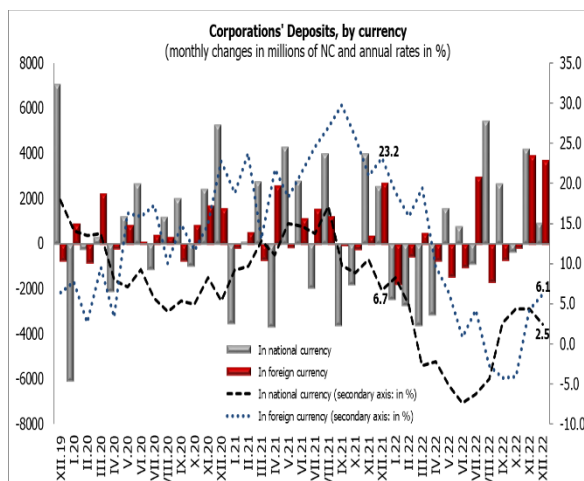
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### 1. Deposits and loans of the corporate sector<sup>7</sup>



Source: NBRNM.

- In December total **corporate deposits** increased by 3.3%, on a monthly basis. The greatest contribution to the monthly growth has been made by the increased short-term foreign currency deposits, with a positive effect of the demand deposits and other components. Compared to December last year, corporate deposits increased by 3.7% primarily as a result of the higher short-term foreign currency deposits, with additional positive contribution of demand deposits, amid fall in long-term deposits in foreign currency and in denars.
- In December, **corporate loans**<sup>8</sup> registered a monthly increase of 2.6%, as a result of the higher denar and foreign currency loans, mainly the denar ones. The annual growth equaled 11.5% and results from the increased lending in denars and in foreign currency, mainly in foreign currency.



Source: NBRNM.

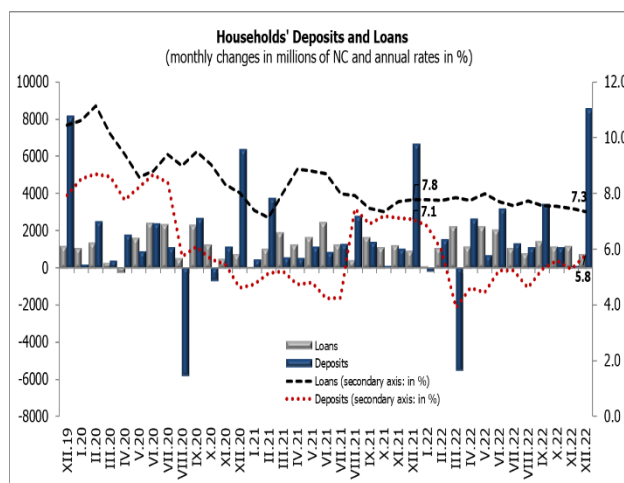
<sup>7</sup> For the purposes of this press release, corporate sector includes public and private non-financial corporations.

<sup>8</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.



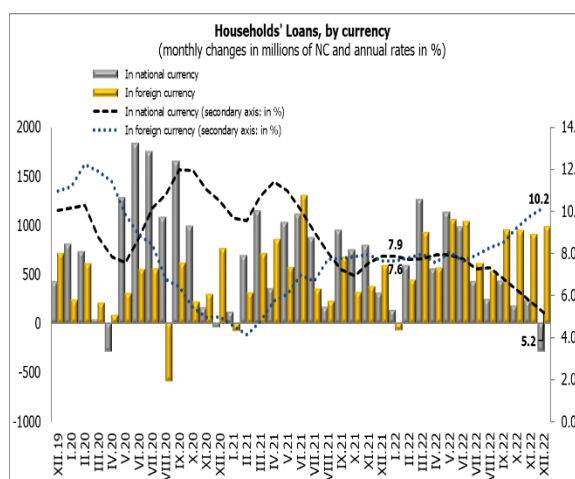
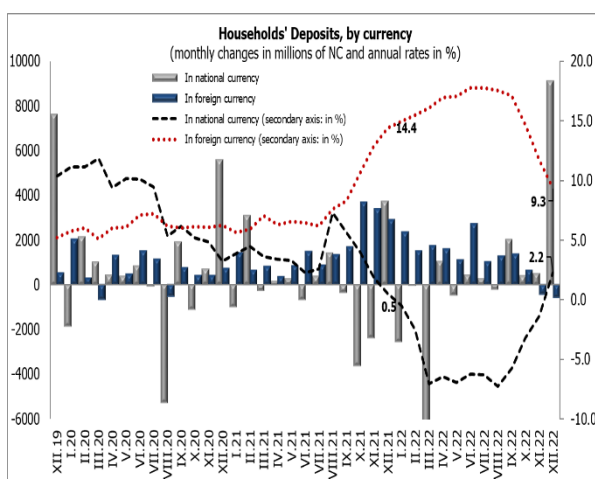
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### 2. Deposits and loans of the households<sup>9</sup>



Source: NBRNM.

- In December, **household deposits** grew by 2.7% on a monthly basis. The growth was mostly driven by the increased demand deposits, with additional positive contribution of long-term deposits in denar and in foreign currency and slight contribution of short-term denar deposits. This month, short-term deposits in foreign currency recorded a monthly decrease. Annually, household deposits have increased by 5.8%, mainly as a result of the growth of short-term deposits in foreign currency and demand deposits, and less to the long-term deposits in foreign currency. An annual fall was observed in short-term and long-term denar deposits.
- In December, **household loans** registered a monthly growth of 0.3%, solely due to the increased foreign currency lending. Compared to December last year, household loans increased by 7.3%, due to the growth of denar and foreign currency loans, with a more pronounced contribution of foreign currency loans.

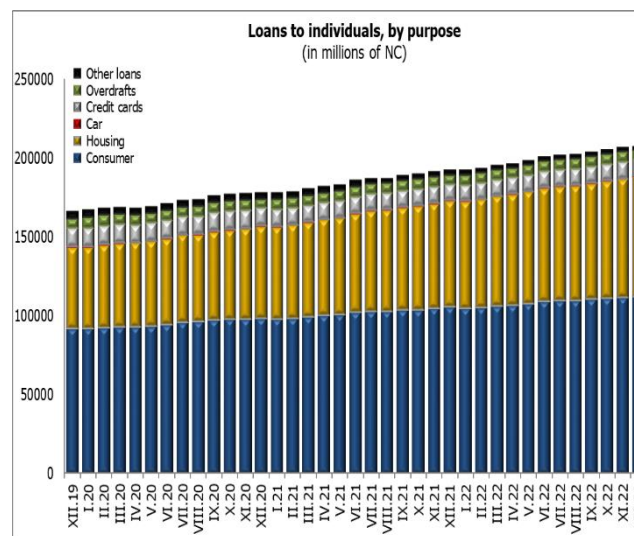


Source: NBRNM.

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



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Source: NBRNM.

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

	Stocks (in millions of NC)			annual changes (in %)					monthly changes (in %)				
	12.2021	11.2022	12.2022	12.2021	3.2022	6.2022	9.2022	12.2022	12.2021	3.2022	6.2022	9.2022	12.2022
Consumer loans	105,797	111,767	112,504	7.2	7.0	6.7	6.7	6.3	0.9	1.0	1.1	0.8	0.7
Housing loans	67,353	75,021	75,905	15.5	15.8	14.9	12.9	12.7	1.4	1.5	1.1	0.9	1.2
Car loans	328	359	358	-0.1	-0.6	6.2	0.8	9.1	-0.2	1.2	-0.9	-0.5	-0.2
Credit cards	10,253	10,421	10,324	-8.5	-4.1	-2.1	-0.1	0.7	-0.8	0.7	0.7	-0.1	-0.9
Overdrafts	5,907	6,642	5,963	1.5	0.7	1.5	0.0	1.0	-9.6	1.1	0.6	-2.0	-10.2
Other loans	2,611	2,222	2,207	-32.5	-32.9	-35.8	-17.1	-15.5	-2.6	-2.3	-1.4	-1.2	-0.7

Source: NBRNM.

- In December, analyzing the purpose of loans to individuals, the most common categories—**consumer and housing loans** registered a monthly growth of 0.7% and 1.2%, respectively, amid annual growth of 6.3% and 12.7%, respectively. **Auto loans** decreased by 0.5% on a monthly basis, and increased by 1.2% on an annual basis. Loans on **credit cards** decreased by 0.9% on a monthly basis, and increased by 0.7% on an annual basis. This month, **overdrafts** registered a monthly fall of 10.2%, despite the annual growth of 1.0%, while loans granted on **other bases** decreased by 0.7% and 15.5% on a monthly and annual basis, respectively.



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### Supporting information

Time series of data: Balance sheets and list of depository institutions, monthly data

[https://www.nbrm.mk/monetarna\\_statistika-en.nspix](https://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:

[https://www.nbrm.mk/content/statistika/informacii/Informacija\\_za\\_promeni\\_vo\\_monetarnata\\_statistika\\_eng.pdf](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 2023 (reference period as of January 2023).

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](mailto:contact.statistika@nbrm.mk) or phone: 02 3108 430 or 02/3215-235 extension 108/110.