



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 February 2022

Press Release

Monetary developments in the Republic of North Macedonia: January 2022

- In January 2022, in line with the seasonal dynamics, **the broad money (monetary aggregate M3)^{1,2}** registered downward monthly change of 1.0%, largely as a result of the reduction in the demand deposits³, given evident decrease also with the currency in circulation and the long-term deposits up to two years, in conditions of moderate growth in the short-term deposits. Annually, the money supply registered an increase of 8.3%, which is due to the increased short-term deposits and demand deposits, in conditions of slight decline with other components.

Table 1. Total deposits and loans^{4,5} of the non-government sector

| | stocks (in millions of NC) | | | | | annual changes (in %) | | | | | monthly changes (in %) | |
|-------------------------|----------------------------|----------------|----------------|----------------|----------------|-----------------------|------------|-------------|------------|------------|------------------------|-------------|
| | 3.2021 | 6.2021 | 9.2021 | 12.2021 | 1.2022 | 3.2021 | 6.2021 | 9.2021 | 12.2021 | 01.2022 | 12.2021 | 1.2022 |
| Broad Money M4 | 491,717 | 500,202 | 507,536 | 521,005 | 516,128 | 7.9 | 6.7 | 8.2 | 7.0 | 6.5 | 2.6 | -0.9 |
| Broad Money M3 | 441,478 | 451,639 | 460,723 | 474,753 | 469,927 | 9.4 | 8.3 | 10.1 | 8.8 | 8.3 | 2.9 | -1.0 |
| of which: | | | | | | | | | | | | |
| Currency in Circulation | 43,350 | 43,604 | 44,951 | 44,480 | 43,262 | 14.4 | 6.0 | 7.9 | 1.8 | -0.3 | 3.9 | -2.7 |
| Total Deposits | 439,343 | 447,237 | 453,469 | 468,649 | 464,690 | 7.4 | 6.8 | 8.3 | 7.8 | 7.4 | 2.7 | -0.8 |
| of which: | | | | | | | | | | | | |
| Corporations | 122,085 | 128,970 | 130,048 | 137,557 | 133,296 | 12.9 | 16.7 | 15.6 | 11.6 | 11.5 | 3.9 | -3.1 |
| In national currency | 85,618 | 88,994 | 87,402 | 92,116 | 89,641 | 12.8 | 14.7 | 9.7 | 6.7 | 8.3 | 2.8 | -2.7 |
| In foreign currency | 36,467 | 39,976 | 42,646 | 45,441 | 43,655 | 13.0 | 21.4 | 29.8 | 23.2 | 18.9 | 6.3 | -3.9 |
| Households | 289,941 | 292,359 | 297,702 | 305,407 | 305,213 | 5.2 | 4.2 | 6.9 | 7.1 | 6.8 | 2.2 | -0.1 |
| In national currency | 152,839 | 152,597 | 154,062 | 151,822 | 149,299 | 3.6 | 2.3 | 5.7 | 0.5 | -0.5 | 2.5 | -1.7 |
| In foreign currency | 137,102 | 139,762 | 143,640 | 153,585 | 155,914 | 7.1 | 6.4 | 8.3 | 14.4 | 14.9 | 1.9 | 1.5 |
| Total Loans | 361,561 | 370,862 | 375,116 | 386,884 | 386,900 | 5.2 | 5.1 | 6.3 | 8.3 | 8.4 | 1.7 | 0.0 |
| of which: | | | | | | | | | | | | |
| Corporations | 171,117 | 175,067 | 176,093 | 184,675 | 184,672 | 2.1 | 1.2 | 4.8 | 8.7 | 9.0 | 3.1 | 0.0 |
| In national currency | 103,024 | 106,876 | 107,485 | 114,622 | 114,755 | -0.6 | 0.2 | 5.5 | 11.6 | 11.8 | 3.6 | 0.1 |
| In foreign currency | 68,093 | 68,191 | 68,608 | 70,053 | 69,917 | 6.3 | 2.9 | 3.7 | 4.3 | 4.6 | 2.5 | -0.2 |
| Households | 188,697 | 193,906 | 197,127 | 200,249 | 200,311 | 8.1 | 8.7 | 7.5 | 7.8 | 7.8 | 0.4 | 0.0 |
| In national currency | 106,994 | 109,484 | 111,470 | 113,317 | 113,447 | 10.7 | 10.1 | 7.2 | 7.9 | 7.9 | 0.3 | 0.1 |
| In foreign currency | 81,703 | 84,422 | 85,657 | 86,932 | 86,864 | 4.8 | 7.0 | 7.8 | 7.6 | 7.7 | 0.7 | -0.1 |

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 Demand deposits refer to current accounts with banks and savings houses and current accounts of other financial corporations with the National Bank.

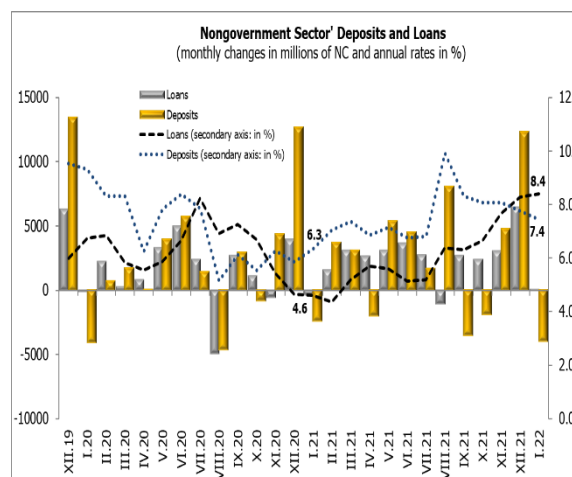
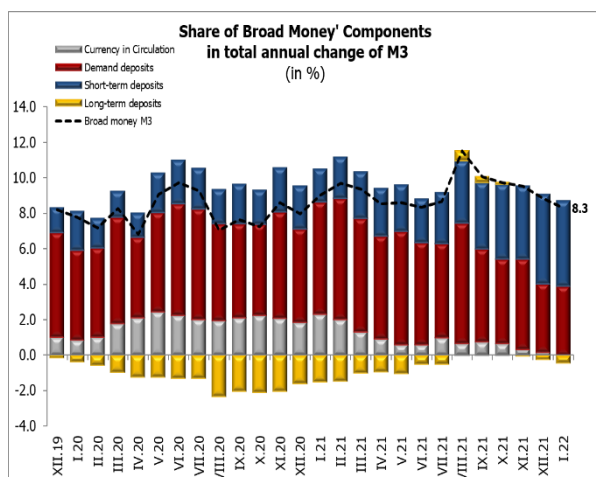
⁴ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

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.



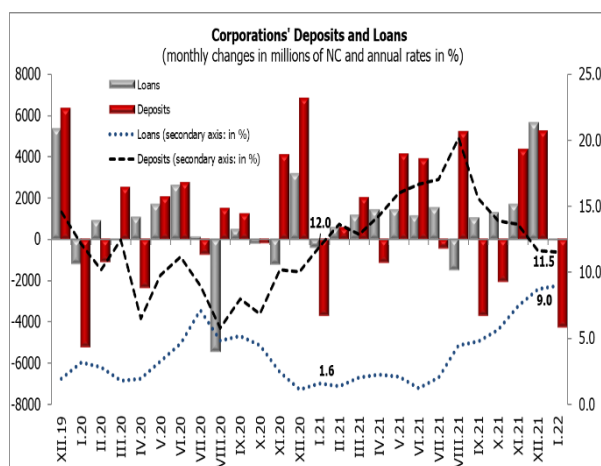
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- In January, **the total deposits**⁶ dropped by 0.8% on a monthly basis, the most of which as a result of the decrease in the corporate deposits. On an annual basis, total deposits increased by 7.4%, resulting from the deposit growth in both sectors, but more pronounced in the household sector.
- In January, **total loans**⁷ registered no monthly changes. Annually, total loans increased by 8.4%, as a result of the loan growth in both sectors, which is more pronounced in the corporate 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.

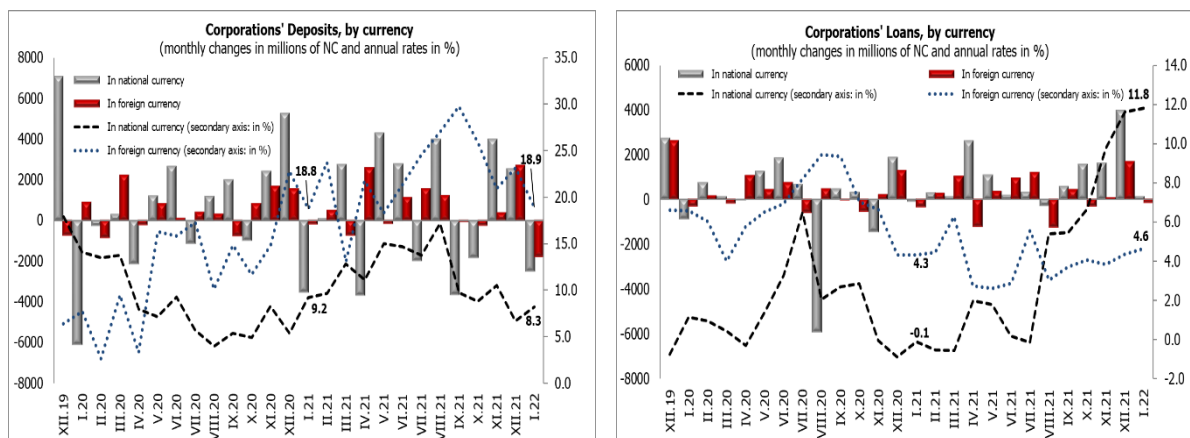
⁷ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims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



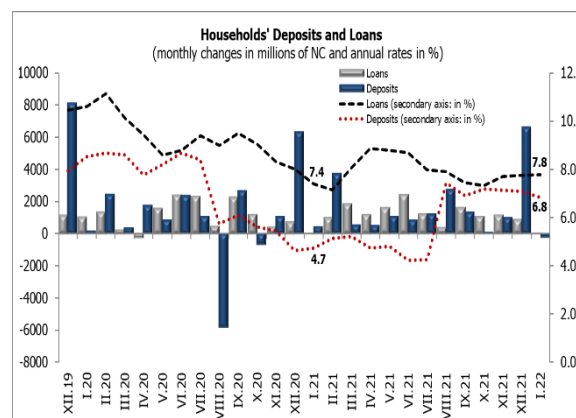
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- In January, the total **corporate deposits** decreased by 3.1% on a monthly basis. Thereby, the decline mostly results from the decrease in the demand deposits, short-term and long-term deposits in foreign currency, with smaller decline in other components being also registered. Annually, the corporate deposits increased by 11.5%, reflecting higher demand deposits, short-term and long-term foreign currency deposits, while short-term and long-term denar deposits registered a decrease.
- The total **corporate loans**⁹, in January remained at the level of the previous month. On an annual basis, these loans increased by 9.0%, as a result of the growth of denar and foreign currency loans, with a larger contribution of denar loans.



Source: NBRNM.

2. Deposits and loans of the households¹⁰



Source: NBRNM.

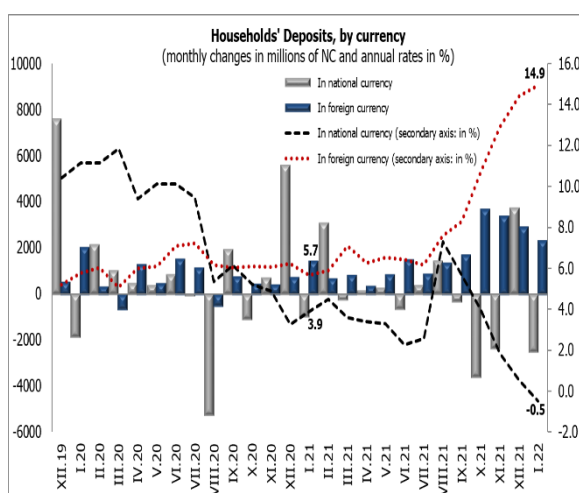
⁹ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

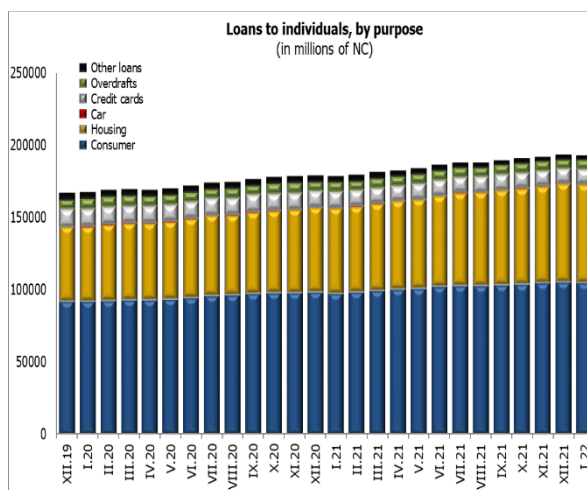
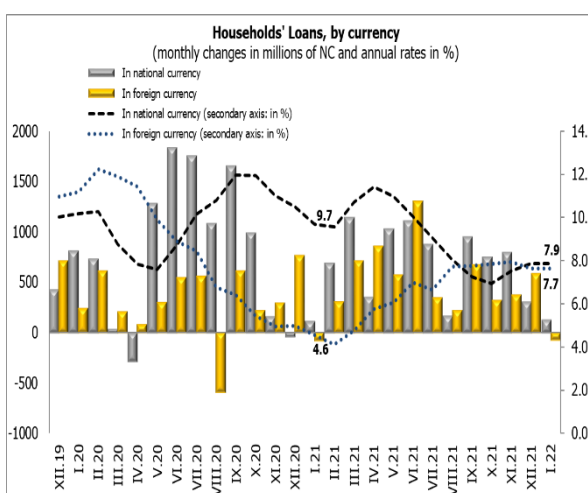


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- In January 2022, total **household deposits** went down minimally by 0.1% on a monthly basis. The change is mostly due to the decrease in demand deposits, give smaller decline also in long-term and short-term deposits in denars, in conditions of rise in short-term and long-term foreign currency deposits. On an annual basis, these deposits increased by 6.8%, mainly influenced by 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.
- In January, no changes were registered in **household loans**. Compared to January 2021, household loans increased by 7.8%, which, in circumstances of growth in denar and foreign currency loans, is largely due to the growth 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 %) | |
|----------------|----------------------------|---------|---------|---------|---------|-----------------------|--------|--------|---------|--------|------------------------|--------|
| | 3.2021 | 6.2021 | 9.2021 | 12.2021 | 1.2022 | 3.2021 | 6.2021 | 9.2021 | 12.2021 | 1.2022 | 12.2021 | 1.2022 |
| Consumer loans | 99,721 | 102,516 | 103,902 | 105,888 | 105,159 | 6.7 | 7.9 | 6.2 | 7.2 | 7.3 | 0.9 | -0.7 |
| Housing loans | 59,901 | 62,384 | 65,006 | 67,353 | 67,657 | 13.1 | 14.7 | 16.1 | 15.5 | 15.6 | 1.4 | 0.5 |
| Car loans | 263 | 242 | 242 | 237 | 231 | -14.0 | -17.1 | -16.9 | -15.9 | -16.4 | -0.3 | -2.4 |
| Credit cards | 10,539 | 10,488 | 10,378 | 10,253 | 10,127 | -8.9 | -8.9 | -10.9 | -8.5 | -7.1 | -0.8 | -1.2 |
| Overdrafts | 6,399 | 6,419 | 6,470 | 5,907 | 6,423 | -1.5 | 3.4 | 3.0 | 1.5 | 1.1 | -9.6 | 8.7 |
| Other loans | 3,736 | 3,687 | 2,766 | 2,611 | 2,572 | -5.8 | -6.6 | -29.3 | -32.5 | -32.3 | -2.6 | -1.5 |

Source: NBRNM.

- Analyzed by the purpose of loans to natural persons, in January, according to the seasonal dynamics, **consumer loans** as the most common category, registered a monthly decline of 0.7%, given annual growth of 7.3%. Thereby, the increase in **housing loans** continued this month, as well, which have risen by 0.5% and 15.6% on monthly and annual basis, respectively. In January, **automobile loans** registered monthly and annual decrease of 2.4% and 16.4%, respectively, while the **credit cards** loans register downward monthly and annual change of 1.2% and 7.1%, respectively. This month, monthly increase 8.7% and annual rise of 1.1% in the **overdrafts** was registered. Loans granted on **other basis** registered a monthly and annual, decrease by 1.5% and 32.3%, 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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Next publications: Advance Release Calendar

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

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).