



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 19 August 2022

Press Release

Monetary developments in the Republic of North Macedonia: July 2022

- In July 2022, the **broad money (monetary aggregate M3¹²)** registered a monthly growth of 1.6%. Short-term deposits made the greatest contribution to the change in the money supply, with a positive contribution of the currency in circulation and long-term deposits up to two years. On the other hand, demand deposits registered a monthly decrease. On an annual basis, broad money increased by 2.9%, almost entirely under the influence of the growth of short-term deposits, amid a decline in long-term deposits up to two years and demand deposits.

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

	stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	3.2021	6.2021	9.2021	12.2021	6.2022	7.2022	3.2021	6.2021	9.2021	12.2021	6.2022	7.2022	6.2022	7.2022
Broad Money M4	491,717	500,202	507,536	521,005	507,188	513,926	7.9	6.7	8.2	7.0	1.4	1.9	0.5	1.3
Broad Money M3	441,478	451,639	460,723	474,753	462,071	469,546	9.4	8.3	10.1	8.8	2.3	2.9	0.7	1.6
of which:														
Currency in Circulation	43,350	43,604	44,951	44,480	43,626	46,387	14.4	6.0	7.9	1.8	0.0	0.3	1.3	6.3
Total Deposits	439,343	447,237	453,469	468,649	455,351	459,341	7.4	6.8	8.3	7.8	1.8	2.3	0.4	0.9
of which:														
Corporations	122,085	128,970	130,048	137,557	122,783	124,827	12.9	16.7	15.6	11.6	-4.8	-2.9	-0.2	1.7
In national currency	85,618	88,994	87,402	92,116	82,477	81,572	12.8	14.7	9.7	6.7	-7.3	-6.3	0.9	-1.1
In foreign currency	36,467	39,976	42,646	45,441	40,306	43,254	13.0	21.4	29.8	23.2	0.8	4.2	-2.5	7.3
Households	289,941	292,359	297,702	305,407	307,662	308,949	5.2	4.2	6.9	7.1	5.2	5.2	1.0	0.4
In national currency	152,839	152,597	154,062	151,822	143,081	143,352	3.6	2.3	5.7	0.5	-6.2	-6.3	0.3	0.2
In foreign currency	137,102	139,762	143,640	153,585	164,580	165,597	7.1	6.4	8.3	14.4	17.8	17.8	1.7	0.6
Total Loans	361,561	370,862	375,116	386,884	407,774	409,865	5.2	5.1	6.3	8.3	10.0	9.7	1.0	0.5
of which:														
Corporations	171,117	175,067	176,093	184,675	196,797	197,870	2.1	1.2	4.8	8.7	12.4	12.1	1.1	0.5
In national currency	103,024	106,876	107,485	114,622	119,555	118,494	-0.6	0.2	5.5	11.6	11.9	10.5	-0.2	-0.9
In foreign currency	68,093	68,191	68,608	70,053	77,243	79,376	6.3	2.9	3.7	4.3	13.3	14.4	3.3	2.8
Households	188,697	193,906	197,127	200,249	208,836	209,869	8.1	8.7	7.5	7.8	7.7	7.6	1.0	0.5
In national currency	106,994	109,484	111,470	113,317	117,960	118,385	10.7	10.1	7.2	7.9	7.7	7.3	0.8	0.4
In foreign currency	81,703	84,422	85,657	86,932	90,876	91,484	4.8	7.0	7.8	7.6	7.6	7.9	1.2	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/Metodologija_monetarna_07_2018_eng.pdf

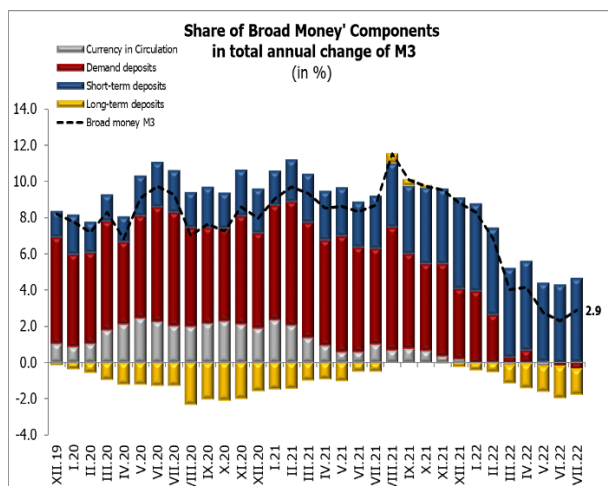
³ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

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.

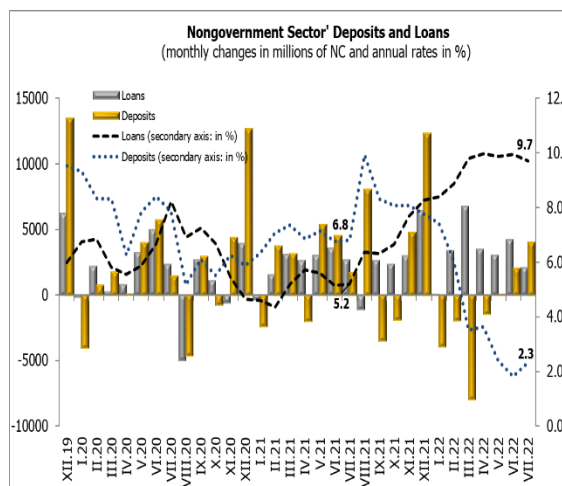


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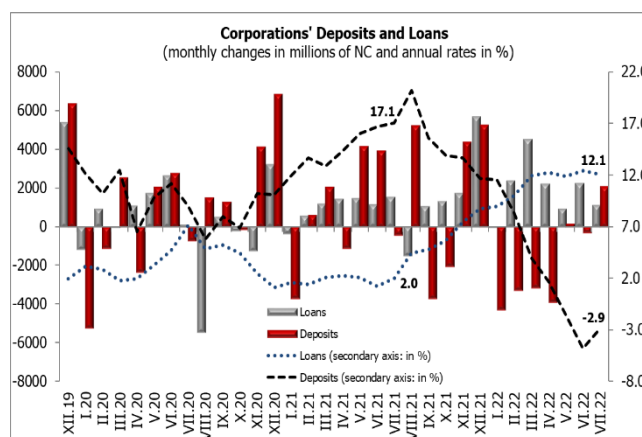
- In July 2022, the **total deposits**⁵ increased by 0.9% on a monthly basis, due to the increase in deposits in both sectors, particularly in the corporate sector. The annual growth equals 2.3% and is entirely due to higher household deposits.
- In July, **total loans**⁶ registered a monthly growth of 0.5%, as a result of the increased lending to both sectors, amid a slightly larger contribution of loans to the corporate sector. Annually, total loans increased by 9.7%, largely under the influence of the growth of the lending to 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.

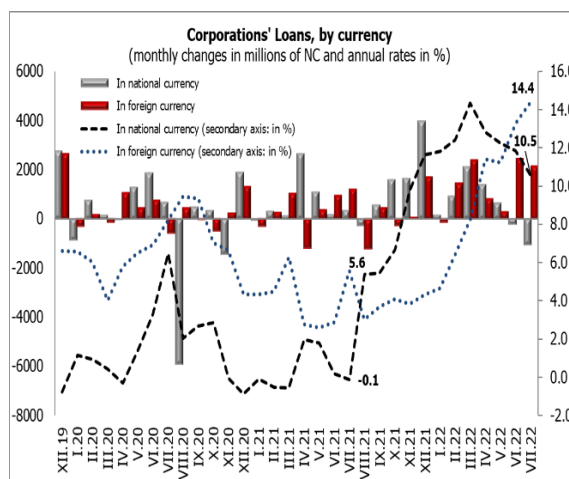
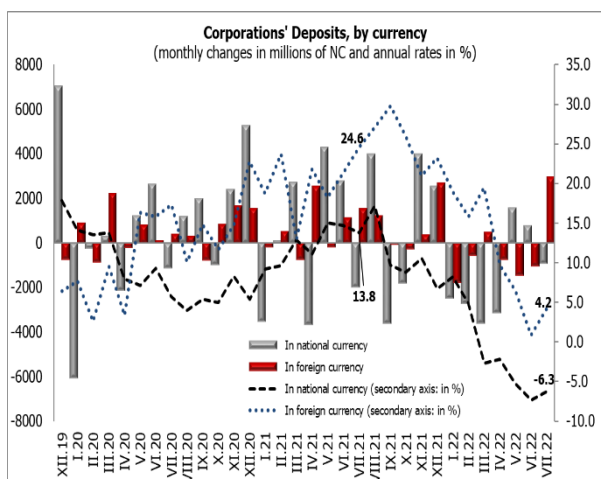
⁶ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer from the on-balance sheet to the off-balance sheet records (and to continue to transfer) all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

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



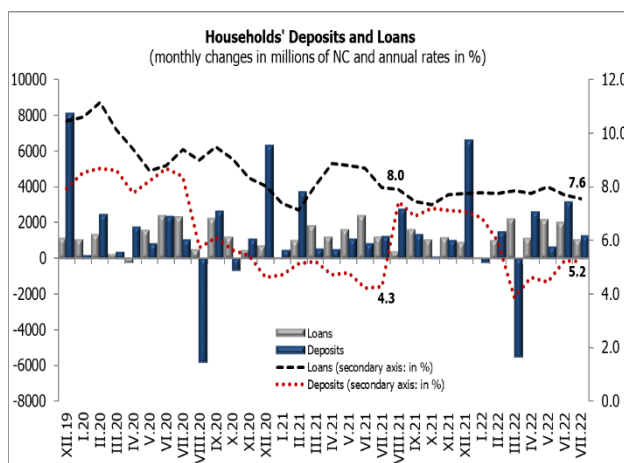
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- In July, the total **corporate deposits** increased by 1.7%, on a monthly basis. The upward change is primarily due to the growth of short-term foreign currency deposits, with a positive contribution of the short-term deposits in denars and long-term deposits in foreign currency, amid reduction in demand deposits. A decline of 2.9% was registered on an annual basis, which resulted from the decrease in all components, except short-term deposits in foreign currency which increased.
- This month, **corporate loans**⁸ increased by 0.5%, entirely due to higher foreign currency loans, amid decline in denar loans. The annual growth equals 12.1% and is a result of the increase in denar and foreign currency loans, which is more pronounced in denar loans.



Source: NBRNM.

2. Deposits and loans of the households⁹



Source: NBRNM.

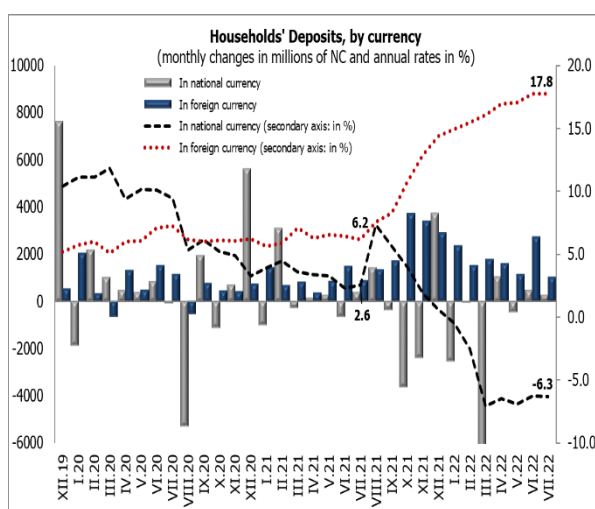
⁸ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

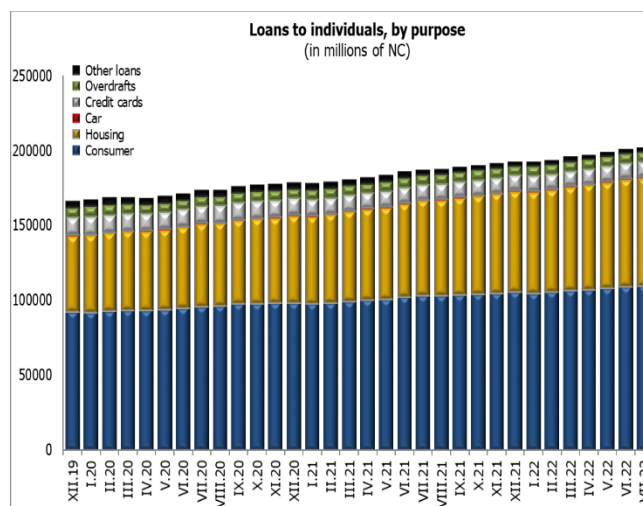
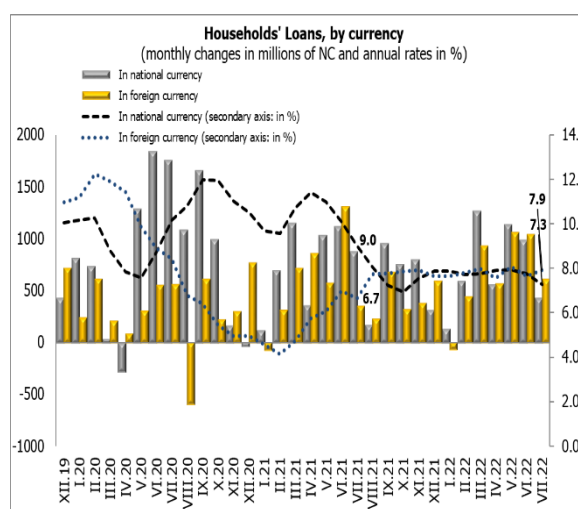


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- In July, the total **household deposits** went up by 0.4% on a monthly level. The change is due to the growth of short-term deposits in foreign currency, demand deposits and long-term deposits in foreign currency, while short-term and long-term deposits in denars decreased. A growth of 5.2% was registered annually, mostly under the influence of the higher short-term deposits in foreign currency, amid growth in long-term deposits in foreign currency and demand deposits, and fall in long-term and short-term deposits in denars.
- In July, the total **household loans** registered a monthly growth of 0.5%, mostly under the influence of the increased lending in foreign currency, amid growth in denar loans. Analyzed annually, household loans registered a growth of 7.6%, which in conditions of higher denar and foreign currency loans is more pronounced in lending in denars.



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	6.2022	7.2022	3.2021	6.2021	9.2021	12.2021	6.2022	7.2022	6.2022	7.2022
Consumer loans	99,721	102,516	103,902	105,888	109,439	109,913	6.7	7.9	6.2	7.2	6.8	6.4	1.1	0.4
Housing loans	59,901	62,384	65,006	67,353	71,664	72,223	13.1	14.7	16.1	15.5	14.9	13.5	1.1	0.8
Car loans	263	242	242	237	227	223	-14.0	-17.1	-16.9	-15.9	-6.4	-6.4	-0.3	-1.4
Credit cards	10,539	10,488	10,378	10,253	10,273	10,293	-8.9	-8.9	-10.9	-8.5	-2.1	-1.6	0.7	0.2
Overdrafts	6,399	6,419	6,470	5,907	6,518	6,436	-1.5	3.4	3.0	1.5	1.5	2.6	0.6	-1.3
Other loans	3,736	3,687	2,766	2,611	2,369	2,345	-5.8	-6.6	-29.3	-32.5	-35.8	-19.1	-1.4	-1.0

Source: NBRNM.

- In July 2022, analyzed by purpose of loans to individuals, the most common categories - **consumer and housing loans** registered a growth of 0.4% and 0.8% on a monthly basis, respectively, amid an annual growth of 6.4% and 13.5%, respectively. This month, **car loans** registered a monthly and annual decline of 1.4% and 6.4%, respectively. In July, **credit card** loans registered a monthly growth of 0.2%, with an annual decline of 1.6%. In July, **overdrafts** decreased by 1.3% on a monthly level, amid an annual growth of 2.6%, while loans granted on **other basis** declined on a monthly and an annual basis by 1.0% and 19.1%, 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:

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



**National Bank of the Republic of North Macedonia
Statistics Department**

Next publications: Advance Release Calendar

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