



# National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 July 2022

## Press Release

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

- In June 2022, the **broad money (monetary aggregate M3<sup>1,2</sup>)** registered a monthly growth of 0.7%, which is mainly due to the increase in demand deposits, with an additional positive contribution of both short-term deposits and currency in circulation, given the decline in long-term deposits up to two years. The annual growth amounts to 2.3% and almost entirely results from the increase in short-term deposits, amid drop of long-term deposits up to two years and demand deposits.

Table 1. Total deposits and loans<sup>3,4</sup> of the non-government sector

	stocks (in millions of NC)						annual changes (in %)							
	3.2021	6.2021	9.2021	12.2021	5.2022	6.2022	3.2021	6.2021	9.2021	12.2021	5.2022	6.2022	5.2022	6.2022
<b>Broad Money M4</b>	<b>491,717</b>	<b>500,202</b>	<b>507,536</b>	<b>521,005</b>	<b>504,867</b>	<b>507,188</b>	<b>7.9</b>	<b>6.7</b>	<b>8.2</b>	<b>7.0</b>	<b>1.8</b>	<b>1.4</b>	<b>-0.2</b>	<b>0.5</b>
<b>Broad Money M3</b>	<b>441,478</b>	<b>451,639</b>	<b>460,723</b>	<b>474,753</b>	<b>459,013</b>	<b>462,071</b>	<b>9.4</b>	<b>8.3</b>	<b>10.1</b>	<b>8.8</b>	<b>2.7</b>	<b>2.3</b>	<b>-0.1</b>	<b>0.7</b>
of which:														
Currency in Circulation	43,350	43,604	44,951	44,480	43,081	43,626	14.4	6.0	7.9	1.8	-1.9	0.0	-2.4	1.3
<b>Total Deposits</b>	<b>439,343</b>	<b>447,237</b>	<b>453,469</b>	<b>468,649</b>	<b>453,338</b>	<b>455,351</b>	<b>7.4</b>	<b>6.8</b>	<b>8.3</b>	<b>7.8</b>	<b>2.4</b>	<b>1.8</b>	<b>0.0</b>	<b>0.4</b>
of which:														
Corporations	122,085	128,970	130,048	137,557	123,078	122,783	12.9	16.7	15.6	11.6	-1.6	-4.8	0.1	-0.2
In national currency	85,618	88,994	87,402	92,116	81,723	82,477	12.8	14.7	9.7	6.7	-5.2	-7.3	1.9	0.9
In foreign currency	36,467	39,976	42,646	45,441	41,354	40,306	13.0	21.4	29.8	23.2	6.4	0.8	-3.4	-2.5
Households	289,941	292,359	297,702	305,407	304,499	307,662	5.2	4.2	6.9	7.1	4.5	5.2	0.2	1.0
In national currency	152,839	152,597	154,062	151,822	142,633	143,081	3.6	2.3	5.7	0.5	-6.9	-6.2	-0.3	0.3
In foreign currency	137,102	139,762	143,640	153,585	161,866	164,580	7.1	6.4	8.3	14.4	17.1	17.8	0.7	1.7
<b>Total Loans</b>	<b>361,561</b>	<b>370,862</b>	<b>375,116</b>	<b>386,884</b>	<b>403,545</b>	<b>407,774</b>	<b>5.2</b>	<b>5.1</b>	<b>6.3</b>	<b>8.3</b>	<b>9.9</b>	<b>10.0</b>	<b>0.8</b>	<b>1.0</b>
of which:														
Corporations	171,117	175,067	176,093	184,675	194,578	196,797	2.1	1.2	4.8	8.7	11.9	12.4	0.5	1.1
In national currency	103,024	106,876	107,485	114,622	119,773	119,555	-0.6	0.2	5.5	11.6	12.2	11.9	0.5	-0.2
In foreign currency	68,093	68,191	68,608	70,053	74,805	77,243	6.3	2.9	3.7	4.3	11.2	13.3	0.4	3.3
Households	188,697	193,906	197,127	200,249	206,819	208,836	8.1	8.7	7.5	7.8	8.0	7.7	1.1	1.0
In national currency	106,994	109,484	111,470	113,317	116,979	117,960	10.7	10.1	7.2	7.9	7.9	7.7	1.0	0.8
In foreign currency	81,703	84,422	85,657	86,932	89,840	90,876	4.8	7.0	7.8	7.6	8.1	7.6	1.2	1.2

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)

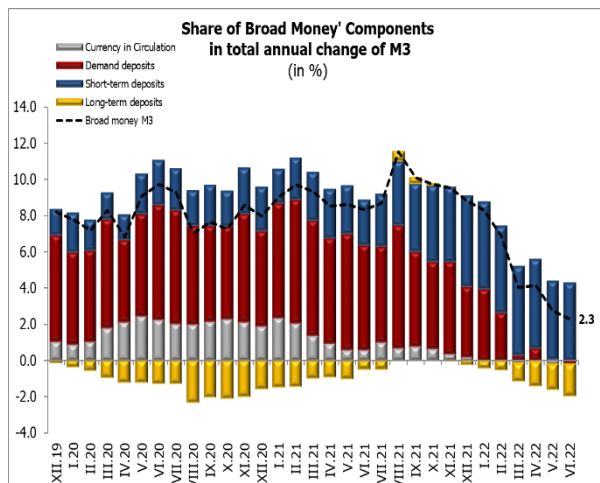
<sup>3</sup> The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

<sup>4</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.

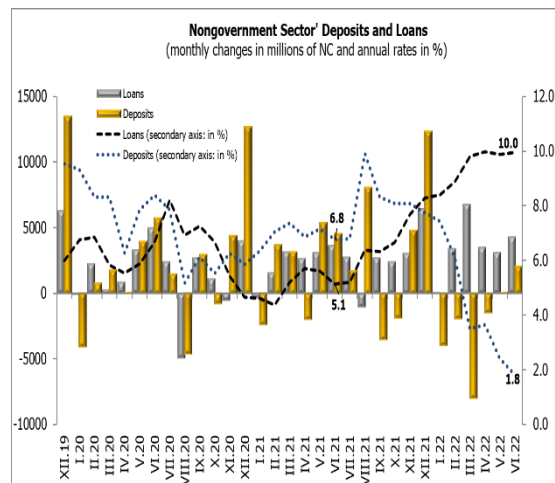


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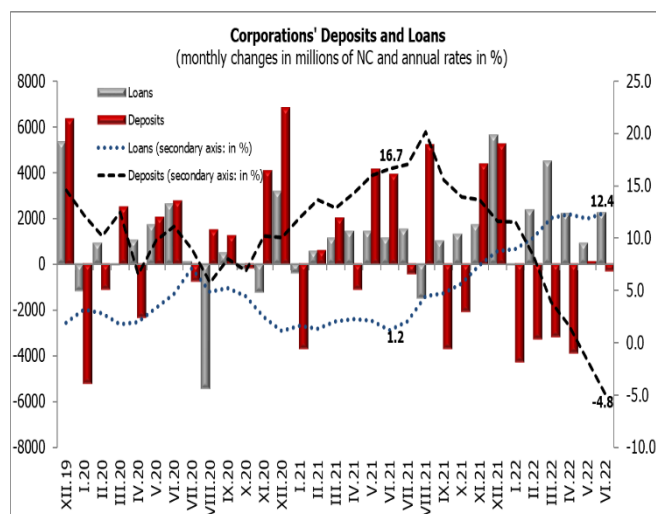
- In June this year, **total deposits**<sup>5</sup> registered a monthly and annual increase of 0.4% and 1.8%, respectively, which is completely a result of the increase in household deposits.
- In June, **total loans**<sup>6</sup> registered a monthly and annual increase of 1.0% and 10.0%, respectively. The positive change on both bases, is a reflection of the higher lending to both sectors, which is more pronounced in the corporate sector.



Source: NBRNM.



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



Source: NBRNM.

<sup>5</sup> Total deposits consist of all deposits included in the monetary aggregate M4.

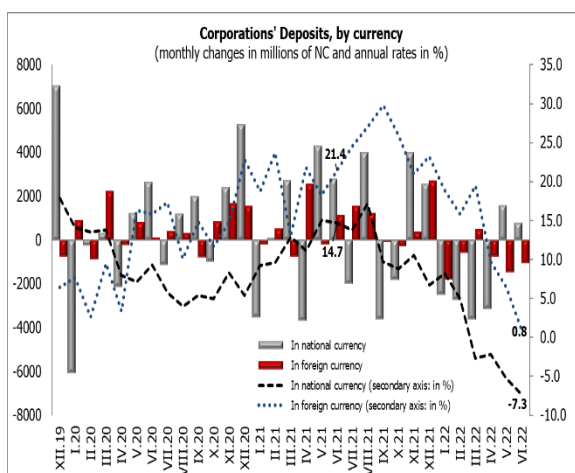
<sup>6</sup> On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer from the on-balance sheet to the off-balance sheet records (and to continue to transfer) 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>7</sup> For the purposes of this press release, corporate sector includes public and private non-financial corporations.

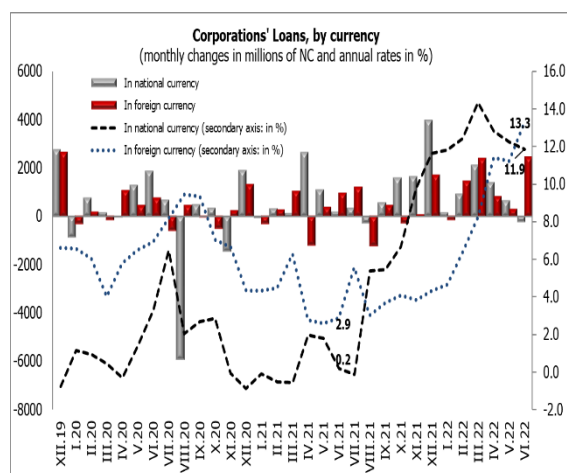


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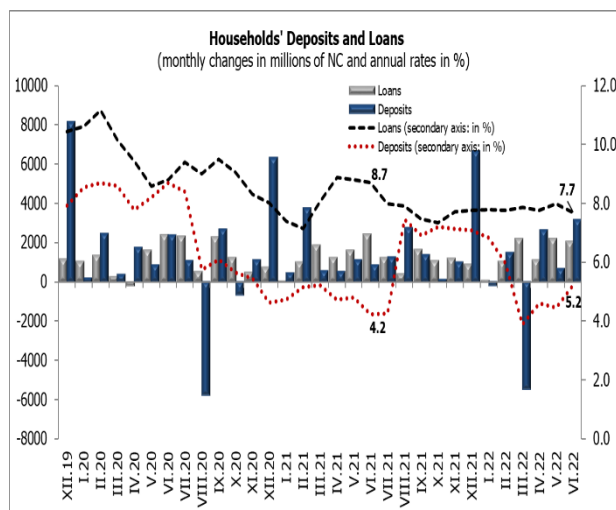
- In June, total **corporate deposits** decreased by 0.2% compared to the previous month. The downward change is largely a result of the decrease in short-term deposits in foreign currency, as well as long-term deposits in denars, and to a lesser extent of long-term deposits in foreign currency, amid growth of demand deposits and short-term deposits in denars. On an annual basis, corporate deposits declined by 4.8%, mainly due to the reduction of long-term deposits in foreign currency, as well as demand deposits, long-term and short-term deposits in denars, in circumstances of growth in short-term deposits in foreign currency.
- This month, **corporate loans**<sup>8</sup> registered a monthly growth of 1.1%, which is entirely explained by the increase in foreign currency loans, amid a slight decline in denar loans. The annual change is positive and equals 12.4%, due to the growth of denar and foreign currency loans, which is more pronounced in denar loans.



Source: NBRNM.



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



Source: NBRNM.

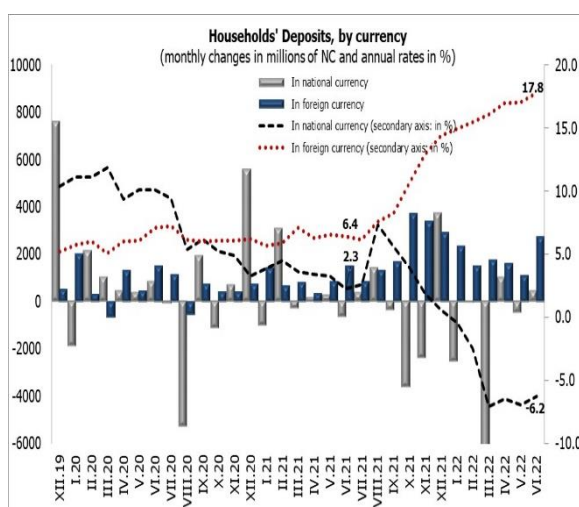
<sup>8</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

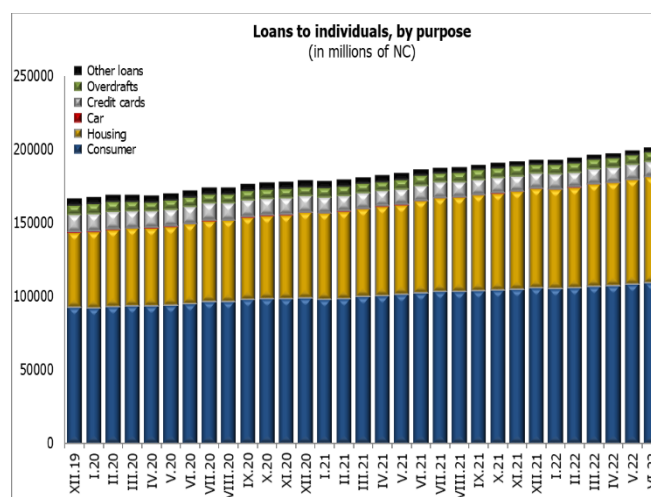
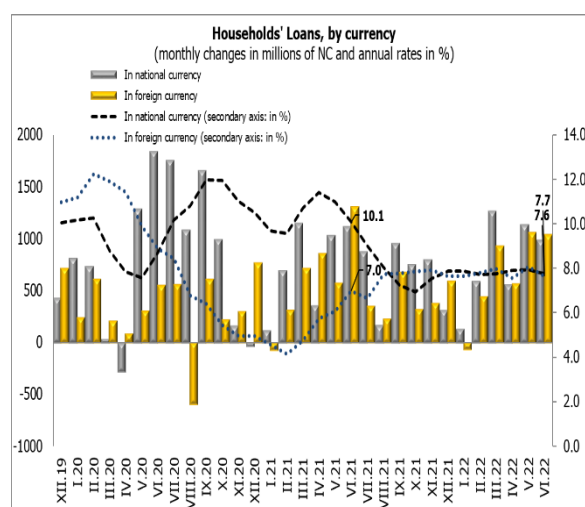


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- This month, **household deposits** grew by 1.0%, on a monthly basis. The upward change is mostly due to the increase in short-term deposits in foreign currency, with a smaller positive impact of demand deposits and long-term deposits in foreign currency, given the decline in long-term and short-term deposits in denars. The annual growth rate of 5.2% primarily results from the increase in short-term deposits in foreign currency, and to a lesser extent from the increase in long-term deposits in foreign currency and demand deposits, amid a decline in long-term and short-term deposits in denars.
- In June, total **household loans** increased by 1.0% on a monthly basis, as a result of the increased lending in denars and in foreign currency, slightly more pronounced in foreign currency loans. Compared to the same month last year, household loans increased by 7.7%, whereby the increase largely resulted from the increased 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	5.2022	6.2022	3.2021	6.2021	9.2021	12.2021	5.2022	6.2022	5.2022	6.2022
Consumer loans	99,721	102,516	103,902	105,888	108,201	109,439	6.7	7.9	6.2	7.2	6.9	6.8	0.8	1.1
Housing loans	59,901	62,384	65,006	67,353	70,899	71,664	13.1	14.7	16.1	15.5	15.8	14.9	1.2	1.1
Car loans	263	242	242	237	227	227	-14.0	-17.1	-16.9	-15.9	-8.9	-6.4	-2.4	-0.3
Credit cards	10,539	10,488	10,378	10,253	10,201	10,273	-8.9	-8.9	-10.9	-8.5	-2.2	-2.1	0.7	0.7
Overdrafts	6,399	6,419	6,470	5,907	6,478	6,518	-1.5	3.4	3.0	1.5	0.5	1.5	2.1	0.6
Other loans	3,736	3,687	2,766	2,611	2,402	2,369	-5.8	-6.6	-29.3	-32.5	-34.4	-35.8	-1.9	-1.4

Source: NBRNM.

- In June, analyzing the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered a monthly growth of 1.1%, respectively, and on an annual basis they increased by 6.8% and 14.9%, respectively. This month, **car loans** decreased by 0.3% and 6.4% on a monthly and annual basis, respectively. In June, loans on **credit cards** registered a monthly increase of 0.7%, and on an annual basis they dropped by 2.1%. **Overdrafts** registered a monthly and annual rise of 0.6% and 1.5%, respectively. This month, loans granted on **other basis** decreased by 1.4% on a monthly basis and 35.8% on an annual basis.

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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: 19 August 2022 (reference period as of July 2022).

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