



# National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 June 2022

## Press Release

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

- In May 2022, **the broad money (monetary aggregate M3<sup>1,2</sup>)** fell by 0.1% on a monthly basis, primarily as a result of the decrease in short-term deposits, currency in circulation and long-term deposits up to two years, and in conditions of increase in demand deposits. On an annual basis, the broad money increased by 2.7%, almost entirely due to the increase in short-term deposits, amid fall of long-term deposits up to two years and currency in circulation.

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	4.2022	5.2022	3.2021	6.2021	9.2021	12.2021	4.2022	5.2022	4.2022	5.2022
<b>Broad Money M4</b>	<b>491,717</b>	<b>500,202</b>	<b>507,536</b>	<b>521,005</b>	<b>505,720</b>	<b>504,867</b>	<b>7.9</b>	<b>6.7</b>	<b>8.2</b>	<b>7.0</b>	<b>3.0</b>	<b>1.8</b>	<b>0.1</b>	<b>-0.2</b>
<b>Broad Money M3</b>	<b>441,478</b>	<b>451,639</b>	<b>460,723</b>	<b>474,753</b>	<b>459,560</b>	<b>459,013</b>	<b>9.4</b>	<b>8.3</b>	<b>10.1</b>	<b>8.8</b>	<b>4.2</b>	<b>2.7</b>	<b>0.1</b>	<b>-0.1</b>
<i>of which:</i>														
Currency in Circulation	43,350	43,604	44,951	44,480	44,128	43,081	14.4	6.0	7.9	1.8	-0.7	-1.9	3.3	-2.4
<b>Total Deposits</b>	<b>439,343</b>	<b>447,237</b>	<b>453,469</b>	<b>468,649</b>	<b>453,296</b>	<b>453,338</b>	<b>7.4</b>	<b>6.8</b>	<b>8.3</b>	<b>7.8</b>	<b>3.6</b>	<b>2.4</b>	<b>-0.3</b>	<b>0.0</b>
<i>of which:</i>														
Corporations	122,085	128,970	130,048	137,557	122,971	123,078	12.9	16.7	15.6	11.6	1.7	-1.6	-3.1	0.1
<i>In national currency</i>	85,618	88,994	87,402	92,116	80,164	81,723	12.8	14.7	9.7	6.7	-2.2	-5.2	-3.8	1.9
<i>In foreign currency</i>	36,467	39,976	42,646	45,441	42,807	41,354	13.0	21.4	29.8	23.2	9.7	6.4	-1.7	-3.4
Households	289,941	292,359	297,702	305,407	303,839	304,499	5.2	4.2	6.9	7.1	4.6	4.5	0.9	0.2
<i>In national currency</i>	152,839	152,597	154,062	151,822	143,083	142,633	3.6	2.3	5.7	0.5	-6.5	-6.9	0.7	-0.3
<i>In foreign currency</i>	137,102	139,762	143,640	153,585	160,756	161,866	7.1	6.4	8.3	14.4	17.0	17.1	1.0	0.7
<b>Total Loans</b>	<b>361,561</b>	<b>370,862</b>	<b>375,116</b>	<b>386,884</b>	<b>400,488</b>	<b>403,545</b>	<b>5.2</b>	<b>5.1</b>	<b>6.3</b>	<b>8.3</b>	<b>10.0</b>	<b>9.9</b>	<b>0.9</b>	<b>0.8</b>
<i>of which:</i>														
Corporations	171,117	175,067	176,093	184,675	193,683	194,578	2.1	1.2	4.8	8.7	12.3	11.9	1.1	0.5
<i>In national currency</i>	103,024	106,876	107,485	114,622	119,156	119,773	-0.6	0.2	5.5	11.6	12.8	12.2	1.2	0.5
<i>In foreign currency</i>	68,093	68,191	68,608	70,053	74,528	74,805	6.3	2.9	3.7	4.3	11.4	11.2	1.1	0.4
Households	188,697	193,906	197,127	200,249	204,636	206,819	8.1	8.7	7.5	7.8	7.8	8.0	0.5	1.1
<i>In national currency</i>	106,994	109,484	111,470	113,317	115,848	116,979	10.7	10.1	7.2	7.9	7.9	7.9	0.5	1.0
<i>In foreign currency</i>	81,703	84,422	85,657	86,932	88,788	89,840	4.8	7.0	7.8	7.6	7.5	8.1	0.6	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)

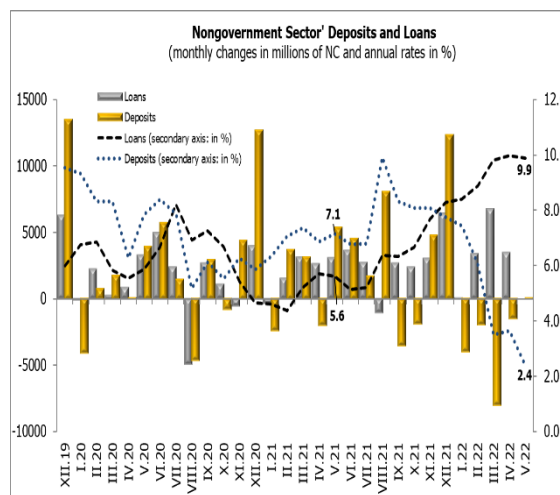
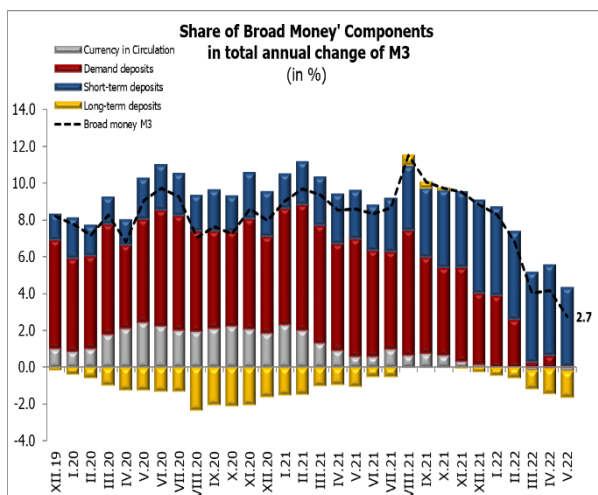
<sup>3</sup> The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

<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.



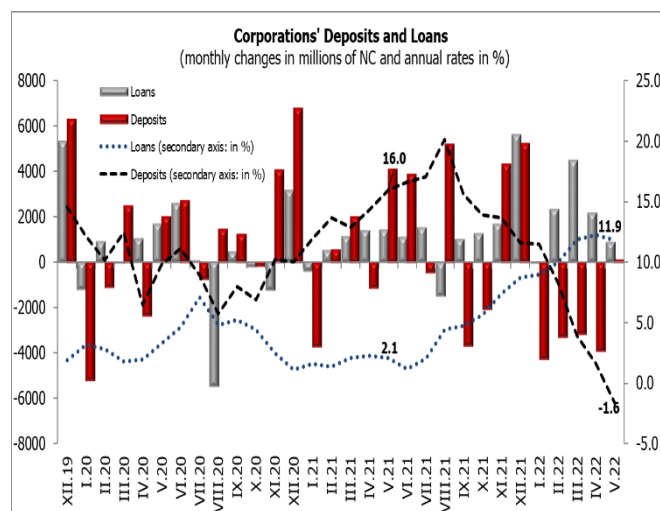
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- In May this year, **total deposits**<sup>5</sup> remained unchanged compared to the previous month. The annual change was positive and equaled 2.4%, which entirely stems from the increase in household deposits.
- **The total loans**<sup>6</sup> this month registered monthly increase of 0.8%, given increased lending with both sectors, with larger contribution of the household sector. The annual growth of 9.9% reflects 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.

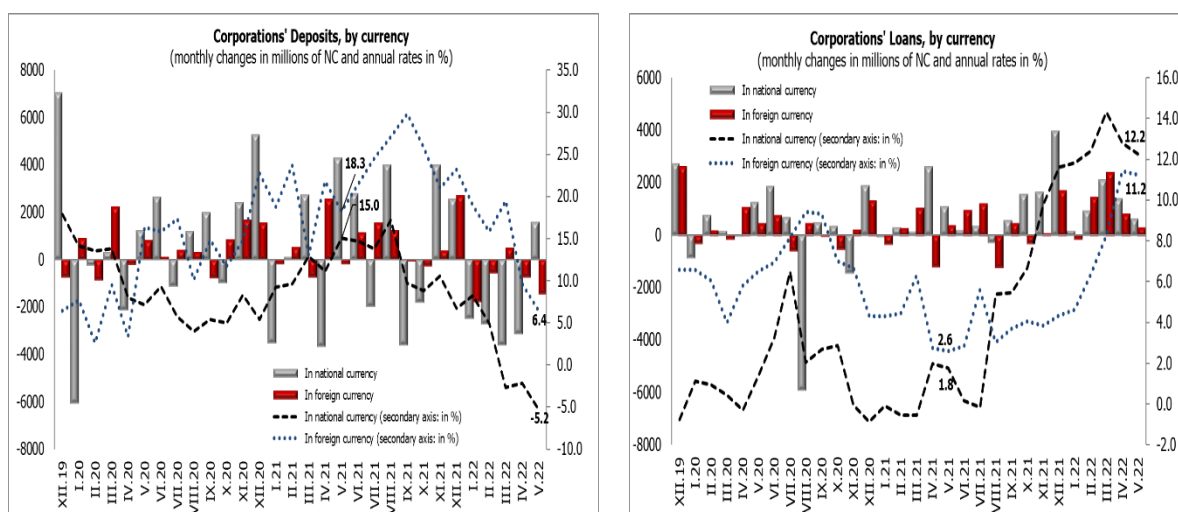
<sup>6</sup> On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records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

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



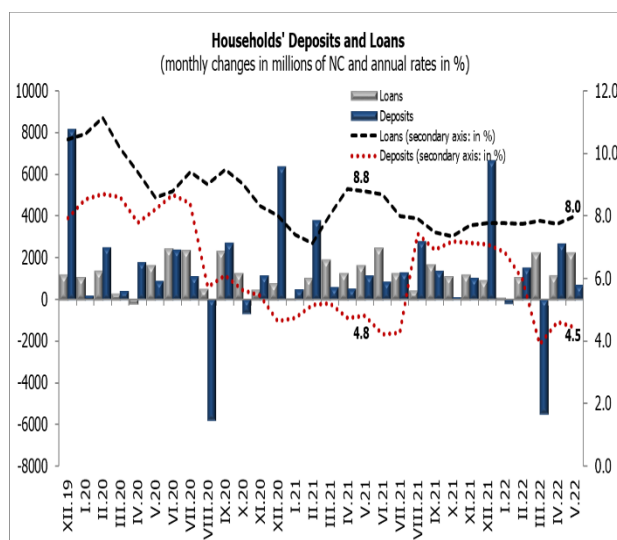
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- In May, the outstanding **amount of corporate deposits** increased by 0.1% on a monthly basis, primarily as a result of the increased demand deposits, and to a lesser extent of the long-term denar deposits, amid fall in other components. Compared to May last year, the outstanding amount of corporate deposits reduced by 1.6% which is mostly due to the decrease in long-term foreign currency deposits, as well as short-term and long-term denar deposits, and to a lesser extent the demand deposits, amid increase in short-term foreign currency deposits.
- This month, **corporate loans**<sup>8</sup> registered a monthly and annual growth of 0.5% and 11.9%, respectively, 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.

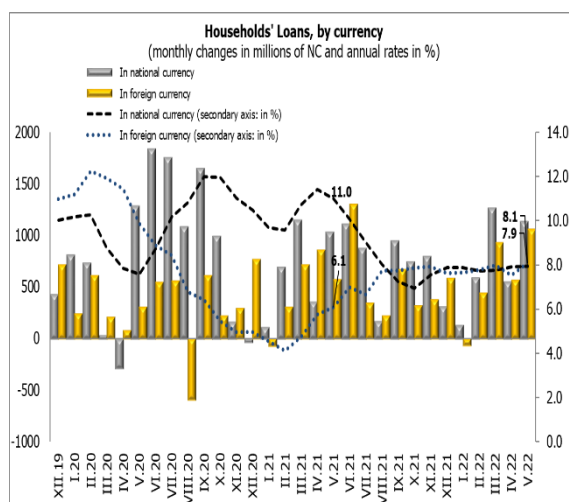
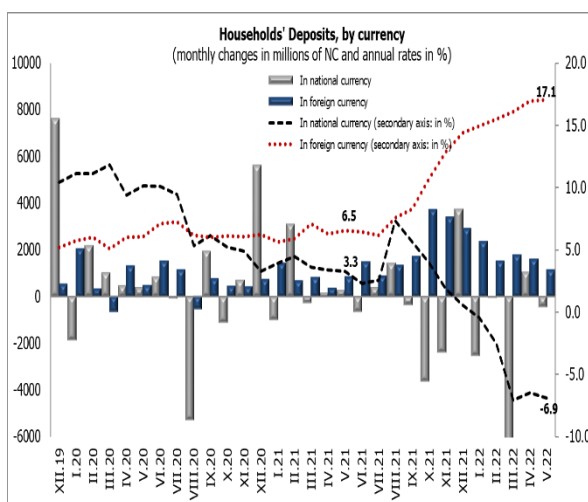
<sup>8</sup> Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

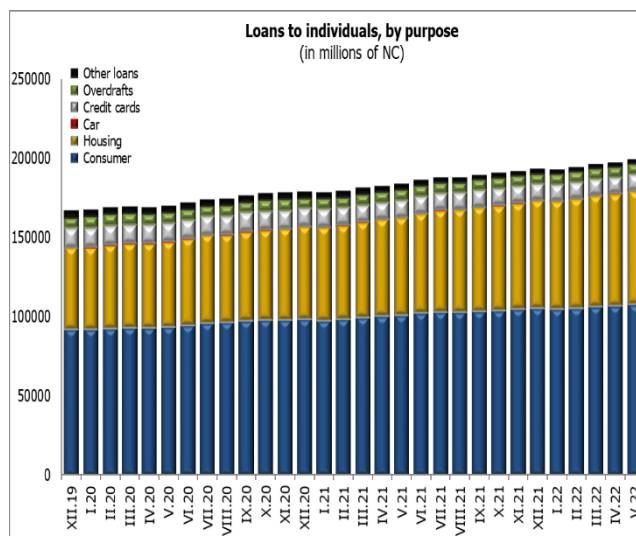


## National Bank of the Republic of North Macedonia Statistics Department

- **Household deposits** in May increased by 0.2% compared to the previous month. The growth is mainly due to the increase in short-term foreign currency deposits, amid additional positive contribution of demand deposits and long-term foreign currency deposits, and in conditions of decline in long-term and short-term denar deposits. The annual growth equaled 4.5% and primarily reflects the increase in short-term foreign currency deposits, amid slight positive impact of long-term foreign currency deposits and demand deposits, in conditions of decline in long-term and short-term denar deposits.
- This month, the outstanding amount of household loans grow at a rate of 1.1%, due to increased lending in denars and in foreign currency, slightly more pronounced in denars. Analyzed annually, these loans increased by 8.0% which is largely due to denar loans.



Source: NBRNM.



Source: NBRNM.



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

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	4.2022	5.2022	3.2021	6.2021	9.2021	12.2021	4.2022	5.2022	4.2022	5.2022
Consumer loans	99,721	102,516	103,902	105,888	107,291	108,201	6.7	7.9	6.2	7.2	6.6	6.9	0.5	0.8
Housing loans	59,901	62,384	65,006	67,353	70,043	70,899	13.1	14.7	16.1	15.5	15.4	15.8	1.0	1.2
Car loans	263	242	242	237	233	227	-14.0	-17.1	-16.9	-15.9	-10.0	-8.9	2.3	-2.4
Credit cards	10,539	10,488	10,378	10,253	10,126	10,201	-8.9	-8.9	-10.9	-8.5	-2.8	-2.2	0.2	0.7
Overdrafts	6,399	6,419	6,470	5,907	6,344	6,478	-1.5	3.4	3.0	1.5	4.1	0.5	-1.5	2.1
Other loans	3,736	3,687	2,766	2,611	2,448	2,402	-5.8	-6.6	-29.3	-32.5	-34.0	-34.4	-2.4	-1.9

Source: NBRNM.

- In May this year, analyzed by the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered a monthly growth of 0.8% and 1.2%, respectively, and an annual growth of 6.9% and 15.8%, respectively. In May, **car loans** registered a monthly and annual decrease of 2.4% and 8.9%, respectively. This month, loans on **credit cards** increased by 0.7% on a monthly basis, while on an annual basis they decreased by 2.2%. In May, **overdrafts** registered a monthly and annual growth of 2.1% and 0.5%, respectively. Loans granted on **other basis** registered a monthly and annual decrease of 1.9% and 34.4%, 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 July 2022 (reference period as of June 2022).

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