



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 April 2022

Press Release

Monetary developments in the Republic of North Macedonia: March 2022

- In March 2022, **broad money (monetary aggregate M3^{1,2})** went down on a monthly basis by 1.8%. The downward change is mostly a result of the decrease in the demand deposits³, amid smaller decline also in long-term deposits up to two years and currency in circulation, in conditions of increase in the short-term deposits. On annual basis, the broad money increased by 4.0%, mainly due to the growth of short-term deposits, registering a positive impact of demand deposits, in conditions of a decline in long-term deposits up to two years and currency in circulation.

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	2.2022	3.2022	3.2021	6.2021	9.2021	12.2021	2.2022	3.2022	2.2022	3.2022
Broad Money M4	491,717	500,202	507,536	521,005	514,222	505,462	7.9	6.7	8.2	7.0	5.3	2.8	-0.4	-1.7
Broad Money M3	441,478	451,639	460,723	474,753	467,548	459,254	9.4	8.3	10.1	8.8	6.8	4.0	-0.5	-1.8
of which:														
Currency in Circulation	43,350	43,604	44,951	44,480	43,281	42,729	14.4	6.0	7.9	1.8	0.0	-1.4	0.0	-1.3
Total Deposits	439,343	447,237	453,469	468,649	462,742	454,763	7.4	6.8	8.3	7.8	6.1	3.5	-0.4	-1.7
of which:														
Corporations	122,085	128,970	130,048	137,557	130,016	126,859	12.9	16.7	15.6	11.6	8.3	3.9	-2.5	-2.4
In national currency	85,618	88,994	87,402	92,116	86,923	83,302	12.8	14.7	9.7	6.7	4.9	-2.7	-3.0	-4.2
In foreign currency	36,467	39,976	42,646	45,441	43,093	43,557	13.0	21.4	29.8	23.2	15.8	19.4	-1.3	1.1
Households	289,941	292,359	297,702	305,407	306,700	301,216	5.2	4.2	6.9	7.1	6.0	3.9	0.5	-1.8
In national currency	152,839	152,597	154,062	151,822	149,275	142,047	3.6	2.3	5.7	0.5	-2.5	-7.1	0.0	-4.8
In foreign currency	137,102	139,762	143,640	153,585	157,425	159,169	7.1	6.4	8.3	14.4	15.5	16.1	1.0	1.1
Total Loans	361,561	370,862	375,116	386,884	390,269	397,016	5.2	5.1	6.3	8.3	8.9	9.8	0.9	1.7
of which:														
Corporations	171,117	175,067	176,093	184,675	187,018	191,504	2.1	1.2	4.8	8.7	10.0	11.9	1.3	2.4
In national currency	103,024	106,876	107,485	114,622	115,672	117,780	-0.6	0.2	5.5	11.6	12.4	14.3	0.8	1.8
In foreign currency	68,093	68,191	68,608	70,053	71,346	73,724	6.3	2.9	3.7	4.3	6.4	8.3	2.0	3.3
Households	188,697	193,906	197,127	200,249	201,334	203,523	8.1	8.7	7.5	7.8	7.8	7.9	0.5	1.1
In national currency	106,994	109,484	111,470	113,317	114,033	115,296	10.7	10.1	7.2	7.9	7.7	7.8	0.5	1.1
In foreign currency	81,703	84,422	85,657	86,932	87,301	88,227	4.8	7.0	7.8	7.6	7.8	8.0	0.5	1.1

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.

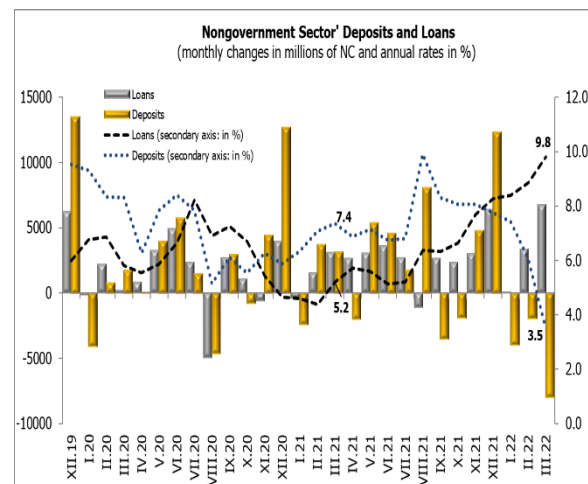
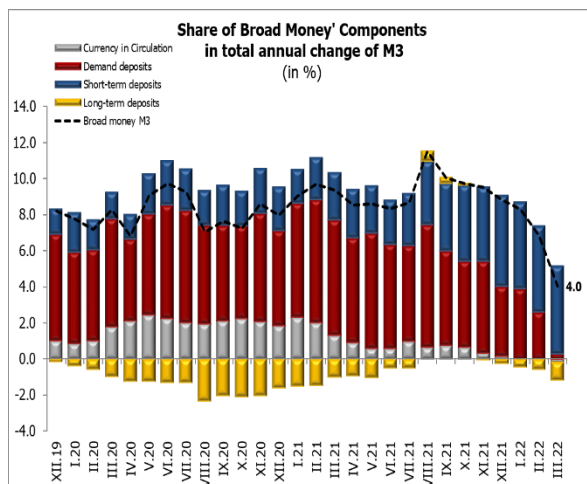
⁴ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

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.



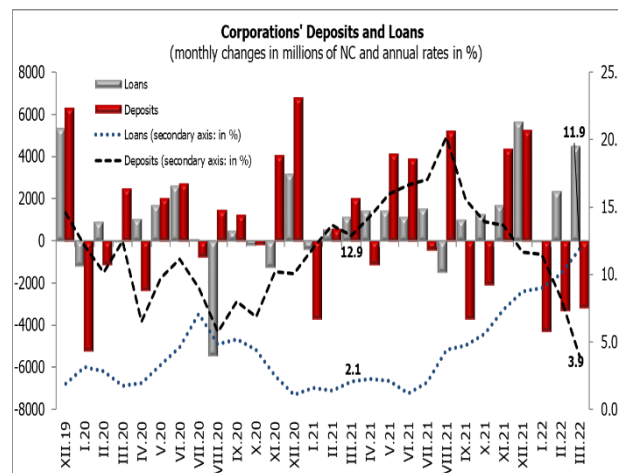
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- In March, **total deposits**⁶ reduced by 1.7%, on a monthly basis, as a result of the decrease in deposits with both sectors, with a greater contribution of the household sector. Annually, total deposits registered an increase of 3.5%, which, in circumstances of deposit growth with both sectors, is more pronounced in the household sector.
- In March, **total loans**⁷ increased on a monthly basis by 1.7%, registering annual growth of 9.8%, respectively. Moreover, the monthly and annual change is influenced by loan growth in both sectors, which is more pronounced in 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.

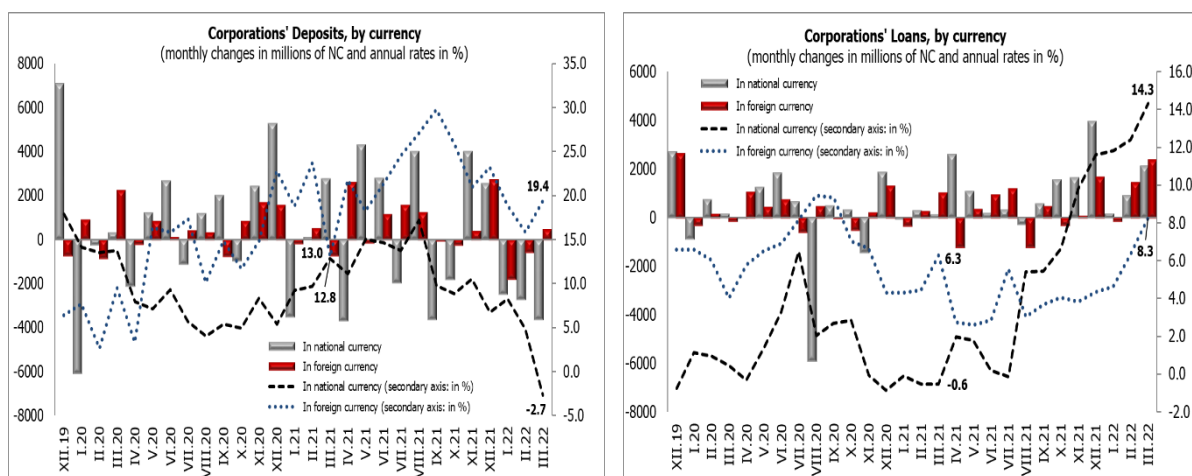
⁷ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer (and to continue to transfer) from on-balance sheet to off-balance sheet records all claims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



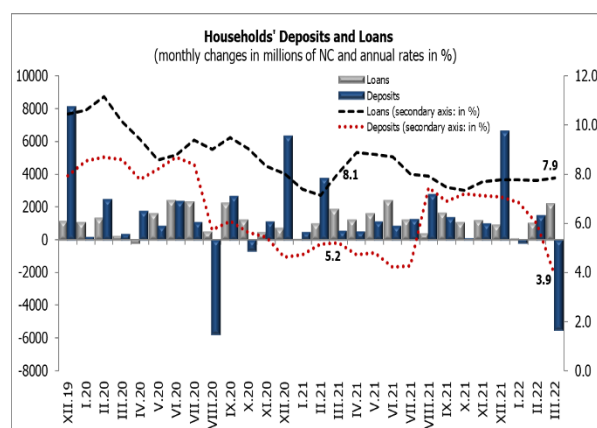
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- In March 2022, the total **corporate deposits** reduced by 2.4% on a monthly basis. Thereby, the downward change is mostly due to the decline in demand deposits, amid decrease in both long-term foreign currency deposits and short-term denar deposits, while short-term foreign currency deposits increased. On annual basis, the corporate deposits increased by 3.9%, which primarily stems from the increased short-term foreign currency deposits, with a positive contribution of the demand deposits, amid a decline in short-term and long-term denar deposits.
- **Corporate loans**⁹ registered an increase of 2.4% this month, which in conditions of intensified lending in both, denar and foreign currency, is slightly more pronounced with foreign currency loans. The annual growth equals 11.9% and is largely due to the higher denar loans.



Source: NBRNM.

2. Deposits and loans of the households¹⁰



Source: NBRNM.

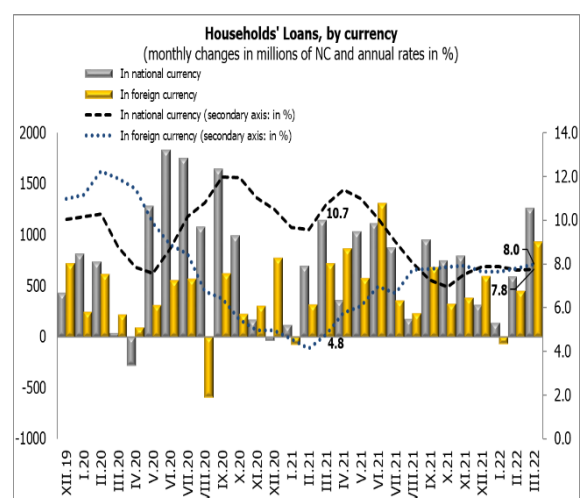
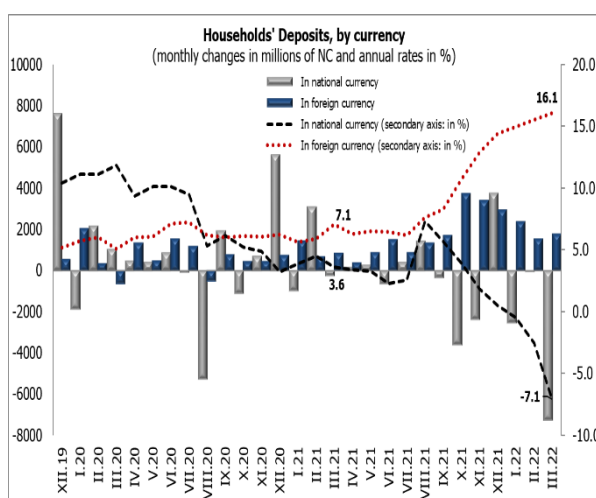
⁹ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

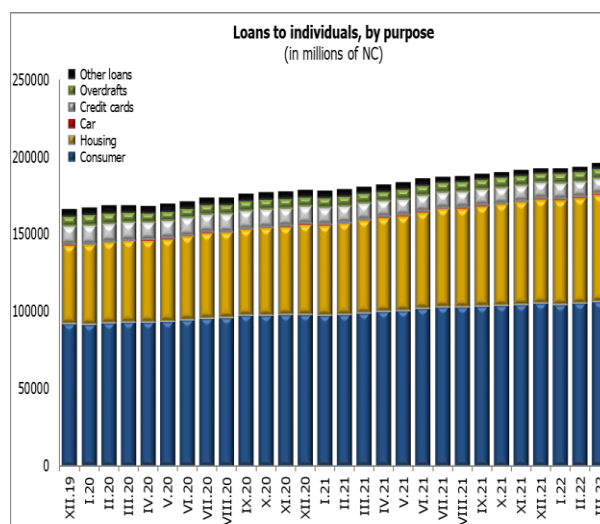


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- In March, the total **household deposits** decreased by 1.8% on a monthly basis. The downward change is a result of the decline in demand deposits, short-term and long-term denar deposits, while short-term and long-term foreign currency deposits increased. Household deposits registered an annual growth of 3.9%, mostly due to the increased short-term foreign currency deposits, with lower growth of long-term foreign currency deposits, amid a decline in long-term and short-term denar deposits.
- This month, the total **household loans** registered a monthly and annual growth of 1.1% and 7.9%, respectively. Analyzed by currency structure, growth on monthly and annual basis was due to higher denar and foreign currency loans, with higher contribution 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	2.2022	3.2022	3.2021	6.2021	9.2021	12.2021	2.2022	3.2022	2.2022	3.2022
Consumer loans	99,721	102,516	103,902	105,888	105,735	106,781	6.7	7.9	6.2	7.2	7.2	7.1	0.5	1.0
Housing loans	59,901	62,384	65,006	67,353	68,385	69,378	13.1	14.7	16.1	15.5	15.5	15.8	1.1	1.5
Car loans	263	242	242	237	226	228	-14.0	-17.1	-16.9	-15.9	-15.6	-13.5	-2.3	0.9
Credit cards	10,539	10,488	10,378	10,253	10,034	10,103	-8.9	-8.9	-10.9	-8.5	-5.7	-4.1	-0.9	0.7
Overdrafts	6,399	6,419	6,470	5,907	6,374	6,443	-1.5	3.4	3.0	1.5	1.9	0.7	-0.8	1.1
Other loans	3,736	3,687	2,766	2,611	2,567	2,508	-5.8	-6.6	-29.3	-32.5	-31.8	-32.9	-0.2	-2.3

Source: NBRNM.

- Analyzing by purpose of loans to natural persons, in March, the most common categories- **consumer and housing loans** registered a monthly growth of 1.0% and 1.5%, respectively, amid annual growth of 7.1% and 15.8%, respectively. After the decline in the previous month, during this month **car loans** and **credit card loans** are higher by 0.9% and 0.7% on monthly basis, respectively, while on annual basis they decreased by 13.5% and 4.1%, respectively. In March, **overdrafts** registered a monthly and annual growth of 1.1% and 0.7%, respectively, while loans granted on **other basis** registered a decrease on monthly and annual level of 2.3% and 32.9%, 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

https://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf

Monetary developments in the Republic of North Macedonia: 20 May 2022 (reference period as of April 2022).

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