



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 December 2022

Press Release

Monetary developments in the Republic of North Macedonia: November 2022

- In November 2022, the **broad money (monetary aggregate M3^{1,2})** registered a monthly growth of 1.8%, mainly due to the increased demand deposits and short-term deposits, and to a lesser extent due to the growth in long-term deposits up to two years. The annual growth equals 5.4% and is largely driven by the higher short-term deposits, with an additional positive contribution of demand deposits, amid drop of long-term deposits up to two years.
- In November, **total deposits³** increased by 1.7% on a monthly basis, almost entirely reflecting the growth of corporate deposits. On an annual basis, total deposits registered a growth of 5.0%, which, given the increased deposits in both sectors, is more pronounced in the household sector.

Table 1. Broad Money and Total Deposits on Nongovernment Sector⁶

	stocks (in million NC)			annual changes (in %)					monthly changes (in %)				
	12.2021	10.2022	11.2022	12.2021	3.2022	6.2022	9.2022	11.2022	12.2021	3.2022	6.2022	9.2022	11.2022
Broad Money M4	521,005	522,777	531,157	7.0	2.8	1.4	2.9	4.6	2.6	-1.7	0.5	0.8	1.6
Broad Money M3	474,753	477,913	486,326	8.8	4.0	2.3	3.7	5.4	2.9	-1.8	0.7	0.9	1.8
<i>of which:</i>													
<i>Currency in Circulation</i>	44,480	43,315	43,329	1.8	-1.4	0.0	-0.7	1.2	3.9	-1.3	1.3	-0.3	0.0
<i>Demand deposits</i>	177,716	176,224	180,709	10.5	0.8	-0.5	3.1	5.7	3.9	-4.4	1.0	2.4	2.5
<i>Short-term deposits</i>	200,811	209,084	212,514	12.2	11.8	10.3	8.9	8.7	2.7	0.8	0.4	-0.3	1.6
<i>Long-term deposits up to 2 y.</i>	51,746	49,289	49,775	-1.9	-8.5	-14.8	-9.3	-4.7	-0.9	-3.6	-0.2	1.9	1.0
Total Deposits	468,649	470,940	479,109	7.8	3.5	1.8	3.4	5.0	2.7	-1.7	0.4	0.9	1.7
<i>of which:</i>													
<i>Corporations</i>	137,557	129,959	138,036	11.6	3.9	-4.8	0.4	4.3	3.9	-2.4	-0.2	1.5	6.2
<i>In national currency</i>	92,116	89,302	93,477	6.7	-2.7	-7.3	2.6	4.3	2.8	-4.2	0.9	3.1	4.7
<i>In foreign currency</i>	45,441	40,657	44,559	23.2	19.4	0.8	-4.2	4.2	6.3	1.1	-2.5	-1.7	9.6
<i>Households</i>	305,407	314,479	314,558	7.1	3.9	5.2	5.3	5.3	2.2	-1.8	1.0	1.1	0.0
<i>In national currency</i>	151,822	145,607	146,105	0.5	-7.1	-6.2	-5.8	-1.3	2.5	-4.8	0.3	1.4	0.3
<i>In foreign currency</i>	153,585	168,872	168,453	14.4	16.1	17.8	17.1	11.8	1.9	1.1	1.7	0.8	-0.2

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 Total deposits consist of all deposits included in the monetary aggregate M4.



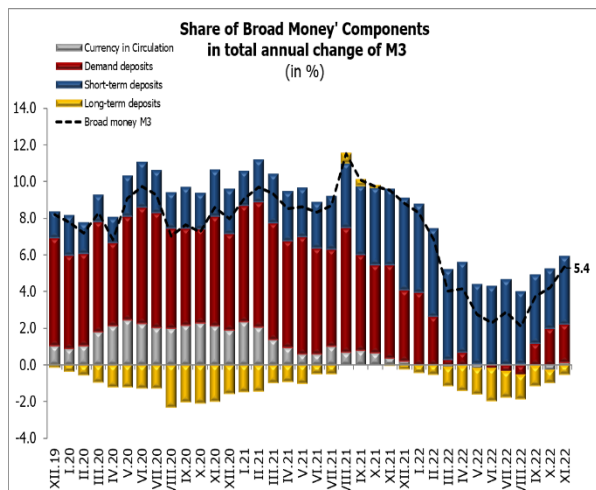
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- This month, **total loans⁴** registered a monthly increase of 0.4%, as a result of the increased lending to both sectors, with a more pronounced contribution of the household sector. The annual growth equals 9.6% and is explained by the higher lending to both sectors, which is more pronounced in the corporate sector.

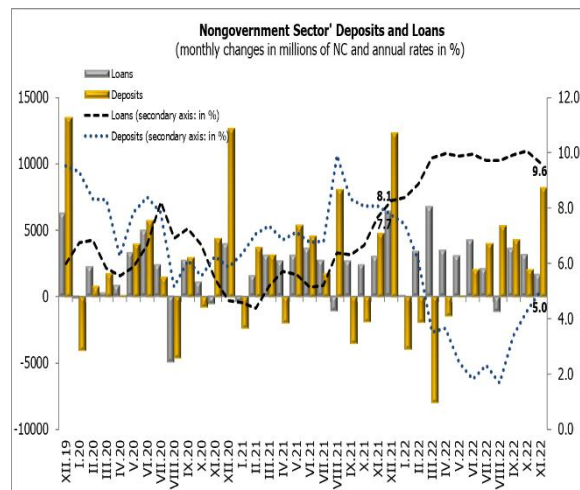
Table 2. Total loans^{5,6} of the non-government sector

	stocks (in million NC)			annual changes (in %)					monthly changes (in %)				
	12.2021	10.2022	11.2022	12.2021	3.2022	6.2022	9.2022	11.2022	12.2021	3.2022	6.2022	9.2022	11.2022
Total Loans	386,884	415,484	417,121	8.3	9.8	10.0	9.9	9.6	1.7	1.7	1.0	0.9	0.4
<i>of which:</i>													
Corporations	184,675	200,238	200,679	8.7	11.9	12.4	12.6	12.1	3.1	2.4	1.1	1.1	0.2
<i>In national currency</i>	114,622	118,173	118,264	11.6	14.3	11.9	9.3	6.9	3.6	1.8	-0.2	0.9	0.1
<i>In foreign currency</i>	70,053	82,065	82,415	4.3	8.3	13.3	17.6	20.5	2.5	3.3	3.3	1.5	0.4
Households	200,249	213,137	214,265	7.8	7.9	7.7	7.6	7.5	0.4	1.1	1.0	0.7	0.5
<i>In national currency</i>	113,317	119,234	119,461	7.9	7.8	7.7	6.8	5.7	0.3	1.1	0.8	0.4	0.2
<i>In foreign currency</i>	86,932	93,903	94,804	7.6	8.0	7.6	8.5	9.8	0.7	1.1	1.2	1.0	1.0

Source: NBRNM.



Source: NBRNM.



⁴ 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.

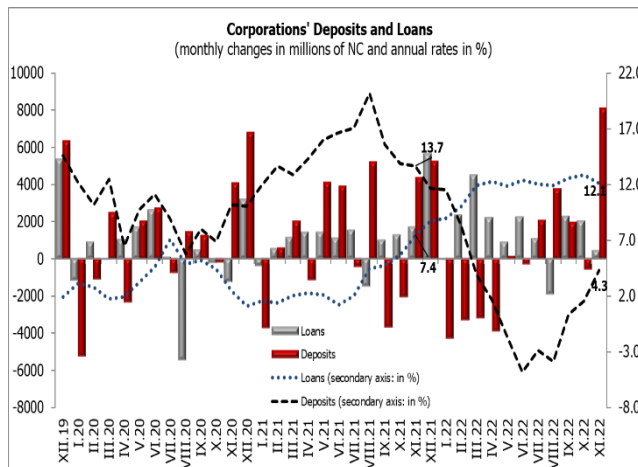
⁵ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

⁶ 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.



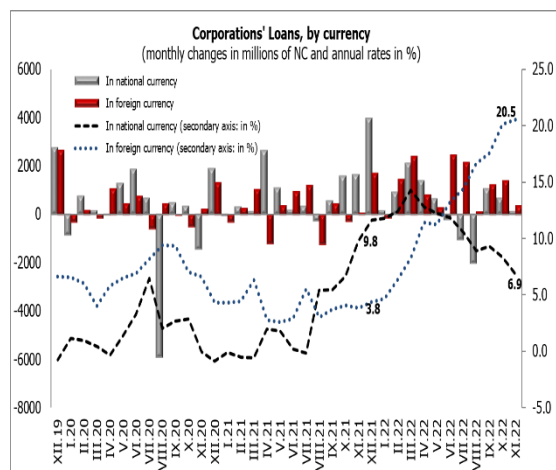
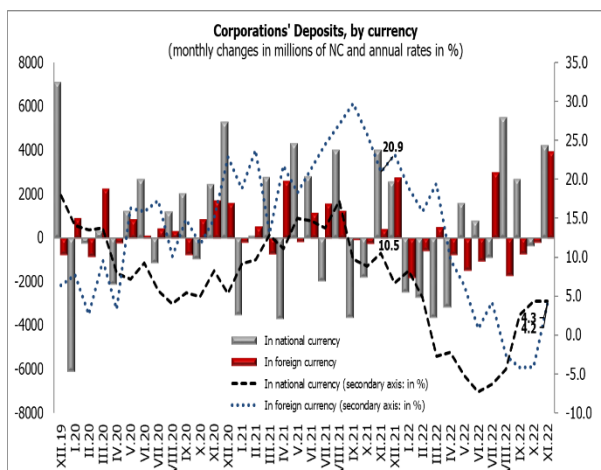
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1. Deposits and loans of the corporate sector⁷



Source: NBRNM.

- In November, total **corporate deposits** registered a monthly growth of 6.2%. The upward change is mainly explained by the increased demand deposits and short-term deposits in foreign currency, with a small positive contribution of the other components. Compared to November last year, corporate deposits increased by 4.3% as a result of the higher short-term deposits in foreign currency and demand deposits, with an additional positive contribution of short-term deposits in denars, given the decline in long-term deposits in foreign currency and in denars.
- In November, **corporate loans**⁸ registered a minor monthly growth of 0.2%, amid an annual growth of 12.1% and is due to the growth of lending in denars and in foreign currency, which is more pronounced in foreign currency loans.



Source: NBRNM.

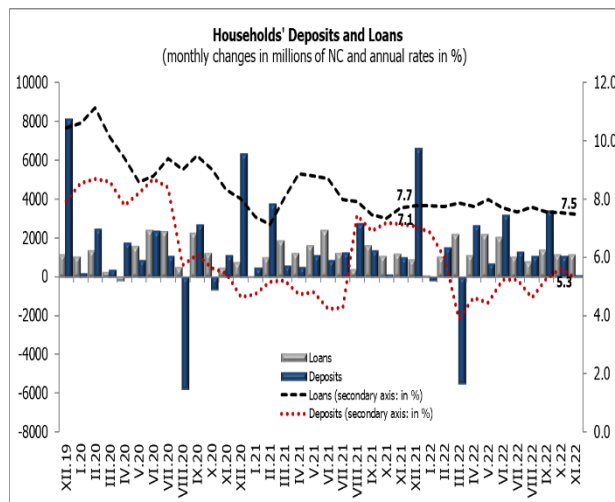
⁷ For the purposes of this press release, corporate sector includes public and private non-financial corporations.

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.



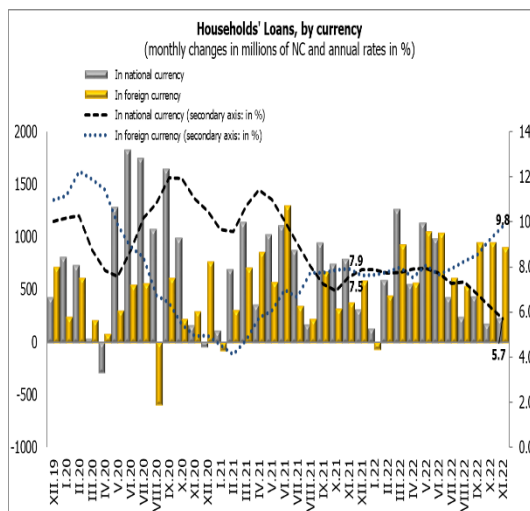
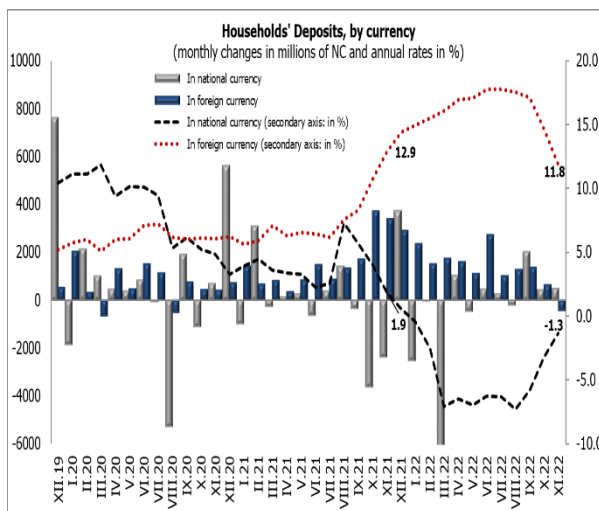
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2. Deposits and loans of the households⁹



Source: NBRNM.

- In November, **household deposits** remained unchanged on a monthly basis. The annual growth of 5.3% is mostly due to the increased short-term deposits in foreign currency, with an additional positive contribution of demand deposits and long-term deposits in foreign currency, amid drop of long-term and short-term deposits in denars.
- This month, **household loans** grew by 0.5% on a monthly basis, which is largely explained by the increased lending in foreign currency. On an annual basis, household loans increased by 7.5%, due to the growth of denar and foreign currency loans, with a more pronounced contribution of foreign currency loans.

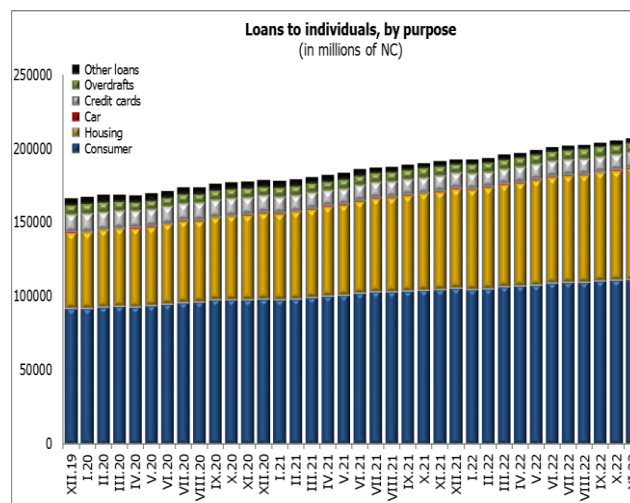


Source: NBRNM.

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



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Source: NBRNM.

Table 2. Bank and savings house loans granted to individuals, by purpose¹⁰

	Stocks (in millions of NC)			annual changes (in %)					monthly changes (in %)				
	12.2021	10.2022	11.2022	12.2021	3.2022	6.2022	9.2022	11.2022	12.2021	3.2022	6.2022	9.2022	11.2022
Consumer loans	105,797	111,258	111,767	7.2	7.0	6.7	6.7	6.6	0.9	1.0	1.1	0.8	0.5
Housing loans	67,353	74,209	75,021	15.5	15.8	14.9	12.9	12.9	1.4	1.5	1.1	0.9	1.1
Car loans	328	337	359	-0.1	-0.6	6.2	0.8	9.1	-0.2	1.2	-0.9	-0.5	6.3
Credit cards	10,253	10,418	10,421	-8.5	-4.1	-2.1	-0.1	0.8	-0.8	0.7	0.7	-0.1	0.0
Overdrafts	5,907	6,466	6,642	1.5	0.7	1.5	0.0	1.6	-9.6	1.1	0.6	-2.0	2.7
Other loans	2,611	2,265	2,222	-32.5	-32.9	-35.8	-17.1	-17.1	-2.6	-2.3	-1.4	-1.2	-1.9

Source: NBRNM.

- In November, considering the purpose of loans granted to individuals, the most common categories -**consumer and housing loans** registered a monthly increase of 0.5% and 1.1%, respectively, while the annual growth rates are 6.6% and 12.9%, respectively. **Car loans** registered a monthly and annual growth of 6.3% and 9.1%, respectively. Loans on **credit cards** remained unchanged on a monthly basis, while the annual growth amounts to 0.8%. In November, **overdrafts** registered a monthly and annual growth of 2.7% and 1.6%, respectively, while loans granted on **other basis** decreased by 1.9% and 17.1% on both monthly and annual basis, respectively.

¹⁰ In October 2022, consumer and car loans data were revised for the period September 2018 – July 2022, according to new data obtained from the reporting entities.



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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

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

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 January 2023 (reference period as of December 2022).

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