



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 November 2022

Press Release

Monetary developments in the Republic of North Macedonia: October 2022

- In October 2022, the **broad money (monetary aggregate M3^{1,2})** remained at the level of the previous month. Regarding the components, growth was registered in long-term deposits up to two years, with a moderate increase in short-term deposits and demand deposits. Decrease was registered only in currency in circulation. On an annual basis, the broad money increased by 4.2%, which is due to the increased short-term deposits and demand deposits, given the fall in long-term deposits up to two years and currency in circulation.

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	9.2022	10.2022	3.2021	6.2021	9.2021	12.2021	9.2022	10.2022	9.2022	10.2022
Broad Money M4	491,717	500,202	507,536	521,005	522,217	522,777	7.9	6.7	8.2	7.0	2.9	3.5	0.8	0.1
Broad Money M3	441,478	451,639	460,723	474,753	477,946	477,913	9.4	8.3	10.1	8.8	3.7	4.2	0.9	0.0
of which:														
Currency in Circulation	43,350	43,604	44,951	44,480	44,648	43,315	14.4	6.0	7.9	1.8	-0.7	-3.1	-0.3	-3.0
Total Deposits	439,343	447,237	453,469	468,649	468,920	470,940	7.4	6.8	8.3	7.8	3.4	4.3	0.9	0.4
of which:														
Corporations	122,085	128,970	130,048	137,557	130,519	129,959	12.9	16.7	15.6	11.6	0.4	1.5	1.5	-0.4
In national currency	85,618	88,994	87,402	92,116	89,669	89,302	12.8	14.7	9.7	6.7	2.6	4.3	3.1	-0.4
In foreign currency	36,467	39,976	42,646	45,441	40,850	40,657	13.0	21.4	29.8	23.2	-4.2	-4.1	-1.7	-0.5
Households	289,941	292,359	297,702	305,407	313,420	314,479	5.2	4.2	6.9	7.1	5.3	5.6	1.1	0.3
In national currency	152,839	152,597	154,062	151,822	145,187	145,607	3.6	2.3	5.7	0.5	-5.8	-3.2	1.4	0.3
In foreign currency	137,102	139,762	143,640	153,585	168,233	168,872	7.1	6.4	8.3	14.4	17.1	14.6	0.8	0.4
Total Loans	361,561	370,862	375,116	386,884	412,346	415,484	5.2	5.1	6.3	8.3	9.9	10.1	0.9	0.8
of which:														
Corporations	171,117	175,067	176,093	184,675	198,210	200,238	2.1	1.2	4.8	8.7	12.6	12.9	1.1	1.0
In national currency	103,024	106,876	107,485	114,622	117,523	118,173	-0.6	0.2	5.5	11.6	9.3	8.4	0.9	0.6
In foreign currency	68,093	68,191	68,608	70,053	80,687	82,065	6.3	2.9	3.7	4.3	17.6	20.1	1.5	1.7
Households	188,697	193,906	197,127	200,249	212,017	213,137	8.1	8.7	7.5	7.8	7.6	7.5	0.7	0.5
In national currency	106,994	109,484	111,470	113,317	119,058	119,234	10.7	10.1	7.2	7.9	6.8	6.3	0.4	0.1
In foreign currency	81,703	84,422	85,657	86,932	92,959	93,903	4.8	7.0	7.8	7.6	8.5	9.2	1.0	1.0

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

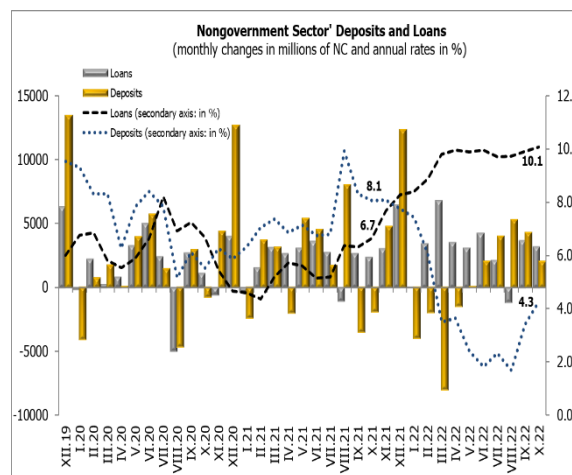
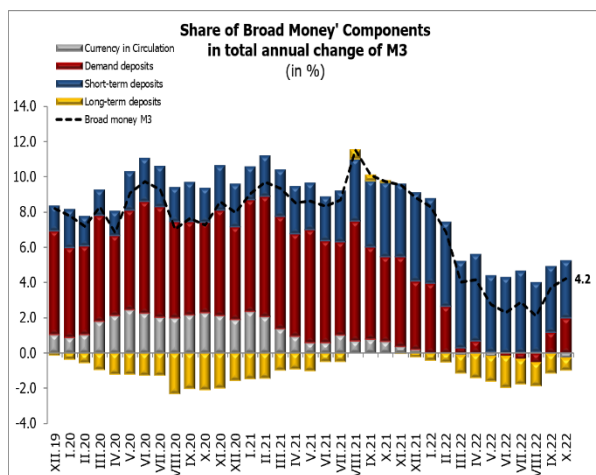
³ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

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.



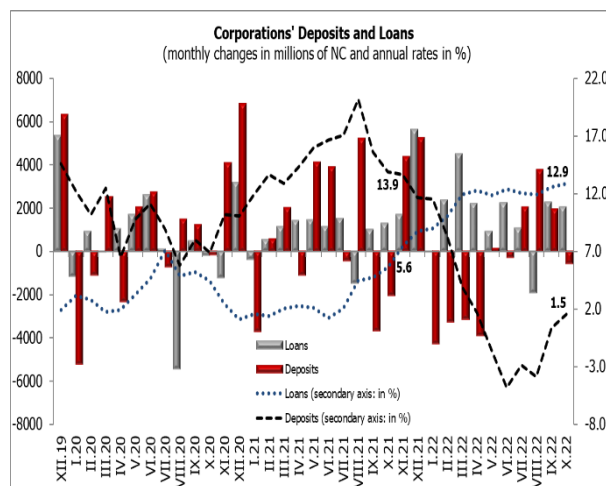
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- In October, **total deposits**⁵ registered a monthly growth of 0.4%, which, given the decline in corporate deposits, is entirely due to the growth of household deposits. On an annual basis, total deposits increased by 4.3%, largely due to the growth of household deposits.
- In October, **total loans**⁶ registered a monthly growth of 0.8%, amid annual growth of 10.1%. Moreover, the increase on a monthly and annual level is due to the increased lending to both sectors, with a more pronounced contribution of 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.

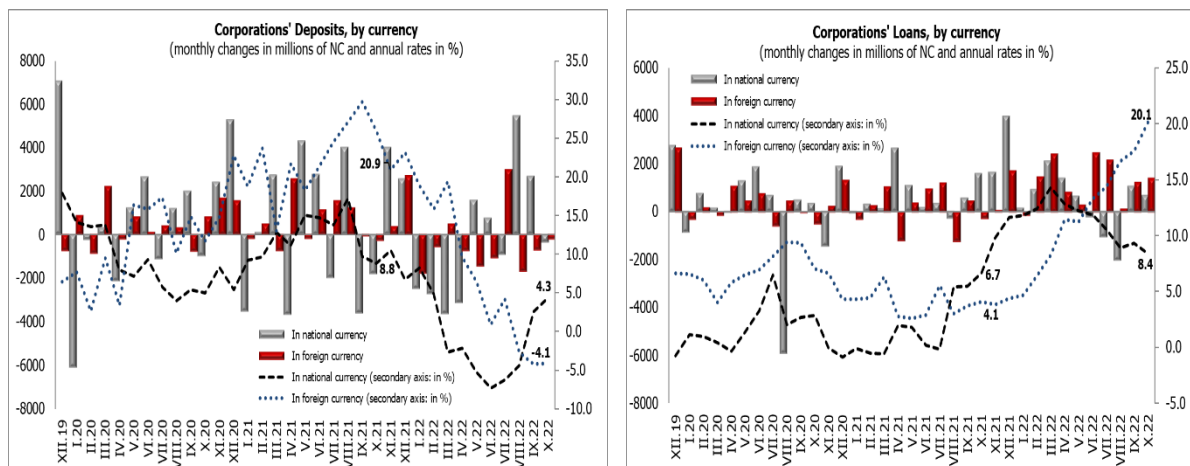
⁶ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer from the on-balance sheet to the off-balance sheet records (and to continue to transfer) all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



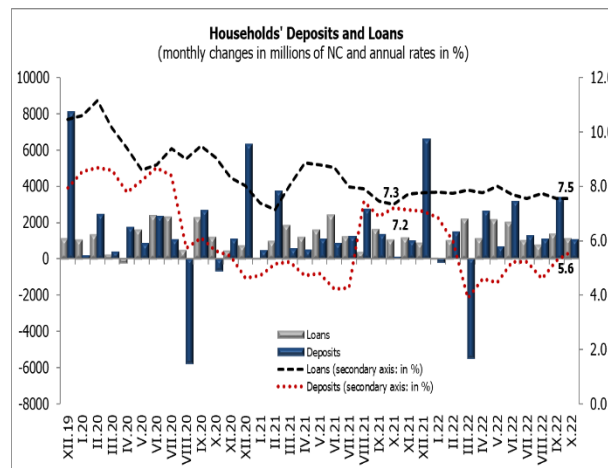
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- In October, total **corporate deposits** decreased by 0.4%, on a monthly basis. The monthly fall is largely due to the decreased short-term foreign currency deposits, amid a decline in both demand deposits and long-term denar deposits, while other components increased. Annually, these deposits registered a growth of 1.5%, which is primarily due to higher demand deposits, amid lower growth in short-term denar deposits and foreign currency deposits, given the fall in long-term foreign currency deposits and denar deposits.
- This month, **corporate loans**⁸ grew by 1.0% on a monthly basis, amid annual growth of 12.9%. The upward monthly and annual change is due to the growth in denar and foreign currency lending, which is more pronounced in foreign currency loans.



Source: NBRNM.

2. Deposits and loans of the households⁹



Source: NBRNM.

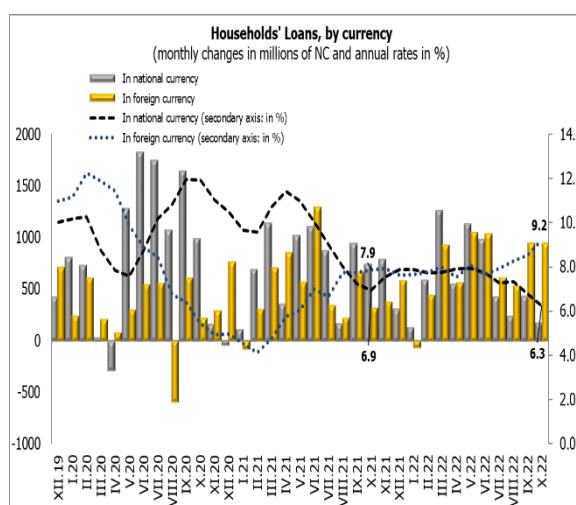
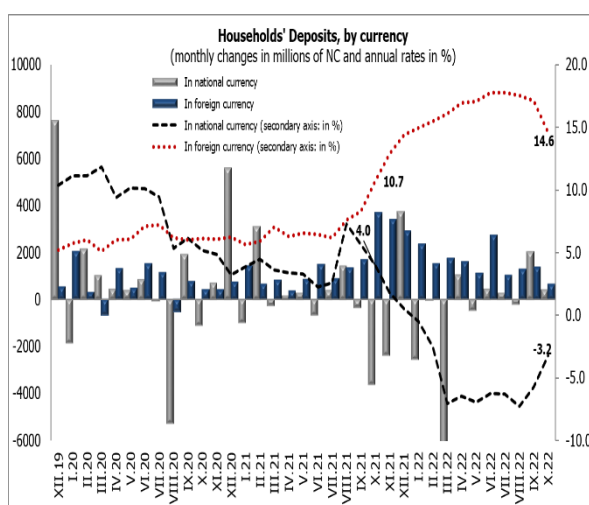
⁸ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

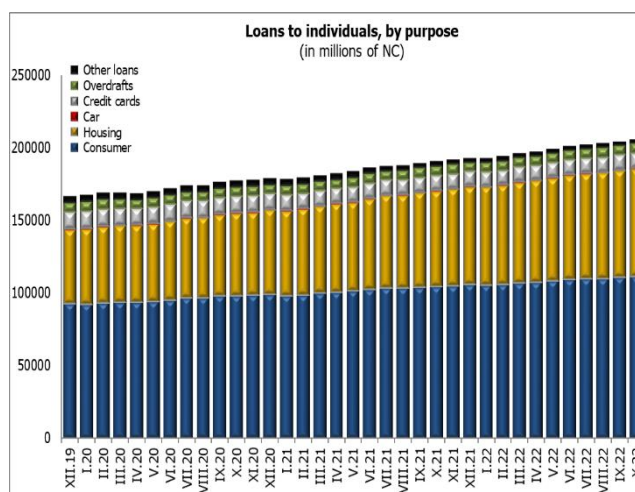


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- In October, **household deposits** grew by 0.3% on a monthly basis, due to the increase in long-term foreign currency deposits, demand deposits and long-term denar deposits, while short-term foreign currency deposits and denar deposits declined. Compared to the same period of the previous year, household deposits increased by 5.6%, primarily due to the increase in short-term foreign currency deposits, amid additional positive contribution of both demand deposits and long-term foreign currency deposits, while long-term and short-term denar deposits decreased.
- This month, **household loans** registered a monthly growth of 0.5%, which largely resulted from the increased lending in foreign currency. On an annual basis, household loans increased by 7.5%, amid growth of denar and foreign currency loans, with a larger contribution of foreign currency loans.



Source: NBRNM.



Source: NBRNM.



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

	Stocks (in millions of NC)						annual changes (in %)						monthly changes (in %)	
	3.2021	6.2021	9.2021	12.2021	9.2022	10.2022	3.2021	6.2021	9.2021	12.2021	9.2022	10.2022	9.2022	10.2022
Consumer loans	99,662	102,442	103,819	105,797	110,758	111,258	6.7	7.9	6.1	7.2	6.7	6.7	0.8	0.5
Housing loans	59,901	62,384	65,006	67,353	73,377	74,209	13.1	14.7	16.1	15.5	12.9	13.0	0.9	1.1
Car loans	322	316	325	328	328	337	-4.3	-2.2	-0.9	-0.1	0.8	2.3	-0.5	2.9
Credit cards	10,539	10,488	10,378	10,253	10,365	10,418	-8.9	-8.9	-10.9	-8.5	-0.1	0.9	-0.1	0.5
Overdrafts	6,399	6,419	6,470	5,907	6,474	6,466	-1.5	3.4	3.0	1.5	0.0	-1.6	-2.0	-0.1
Other loans	3,736	3,687	2,766	2,611	2,292	2,265	-5.8	-6.6	-29.3	-32.5	-17.1	-17.0	-1.2	-1.1

Source: NBRNM.

- In October, analyzing the purpose of loans to individuals, the most common categories- **consumer and housing loans** registered a monthly growth of 0.5% and 1.1%, respectively, amid annual growth of 6.7% and 13.0%, respectively. **Car loans** increased on a monthly and annual basis by 2.9% and 2.3%, respectively, while **credit card** loans registered a monthly and annual growth of 0.5% and 0.9%, respectively. In October, **overdrafts** registered a minimal monthly fall of 0.1%, amid annual decline of 1.6%, while loans granted on **other basis** decreased by 1.1% and 17.0% on a monthly and annual basis, 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

¹⁰In 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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Next publications: Advance Release Calendar

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

Monetary developments in the Republic of North Macedonia: 21 December 2022 (reference period as of November 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 3108 430 or 02/3215-235 extension 108/110.