



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 21 October 2022

Press Release

Monetary developments in the Republic of North Macedonia: September 2022

- In September 2022, the **broad money (monetary aggregate M3^{1,2})**, registered a monthly growth of 0.9%, primarily as a result of higher demand deposits, amid slight growth in long-term deposits up to two years, while the short-term deposits and currency in circulation decreased. The broad money increased by 3.7% on an annual basis, largely due to the growth of short-term deposits, amid additional growth of demand deposits, given the decline 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	8.2022	9.2022	3.2021	6.2021	9.2021	12.2021	8.2022	9.2022	8.2022	9.2022
Broad Money M4	491,717	500,202	507,536	521,005	517,897	522,217	7.9	6.7	8.2	7.0	1.3	2.9	0.8	0.8
Broad Money M3	441,478	451,639	460,723	474,753	473,611	477,946	9.4	8.3	10.1	8.8	2.1	3.7	0.9	0.9
of which:														
Currency in Circulation	43,350	43,604	44,951	44,480	44,801	44,648	14.4	6.0	7.9	1.8	0.6	-0.7	-3.4	-0.3
Total Deposits	439,343	447,237	453,469	468,649	464,643	468,920	7.4	6.8	8.3	7.8	1.7	3.4	1.2	0.9
of which:														
Corporations	122,085	128,970	130,048	137,557	128,584	130,519	12.9	16.7	15.6	11.6	-3.8	0.4	3.0	1.5
In national currency	85,618	88,994	87,402	92,116	87,015	89,669	12.8	14.7	9.7	6.7	-4.4	2.6	6.7	3.1
In foreign currency	36,467	39,976	42,646	45,441	41,569	40,850	13.0	21.4	29.8	23.2	-2.7	-4.2	-3.9	-1.7
Households	289,941	292,359	297,702	305,407	310,027	313,420	5.2	4.2	6.9	7.1	4.6	5.3	0.3	1.1
In national currency	152,839	152,597	154,062	151,822	143,152	145,187	3.6	2.3	5.7	0.5	-7.3	-5.8	-0.1	1.4
In foreign currency	137,102	139,762	143,640	153,585	166,875	168,233	7.1	6.4	8.3	14.4	17.6	17.1	0.8	0.8
Total Loans	361,561	370,862	375,116	386,884	408,716	412,346	5.2	5.1	6.3	8.3	9.7	9.9	-0.3	0.9
of which:														
Corporations	171,117	175,067	176,093	184,675	195,961	198,210	2.1	1.2	4.8	8.7	11.9	12.6	-1.0	1.1
In national currency	103,024	106,876	107,485	114,622	116,473	117,523	-0.6	0.2	5.5	11.6	8.9	9.3	-1.7	0.9
In foreign currency	68,093	68,191	68,608	70,053	79,488	80,687	6.3	2.9	3.7	4.3	16.6	17.6	0.1	1.5
Households	188,697	193,906	197,127	200,249	210,638	212,017	8.1	8.7	7.5	7.8	7.7	7.6	0.4	0.7
In national currency	106,994	109,484	111,470	113,317	118,625	119,058	10.7	10.1	7.2	7.9	7.3	6.8	0.2	0.4
In foreign currency	81,703	84,422	85,657	86,932	92,013	92,959	4.8	7.0	7.8	7.6	8.3	8.5	0.6	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

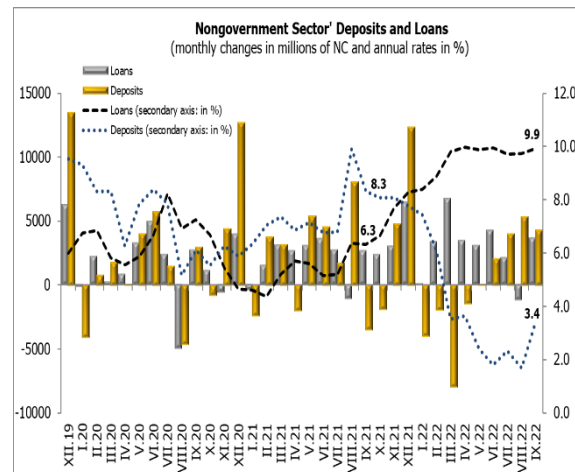
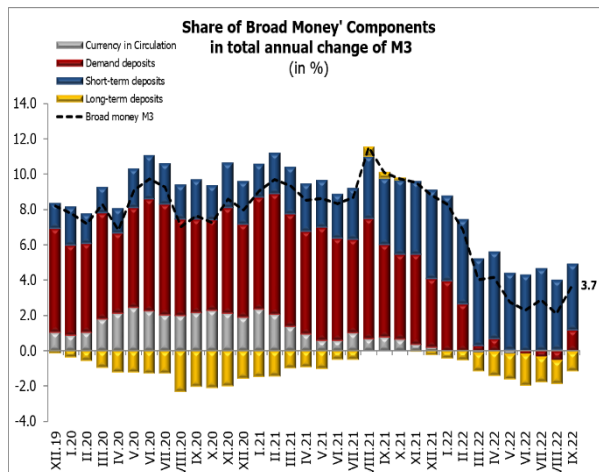
³ The annual loan rates since July 2019 have been influenced by the National Bank's measure for writing-off of claims fully covered for more than a year.

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.



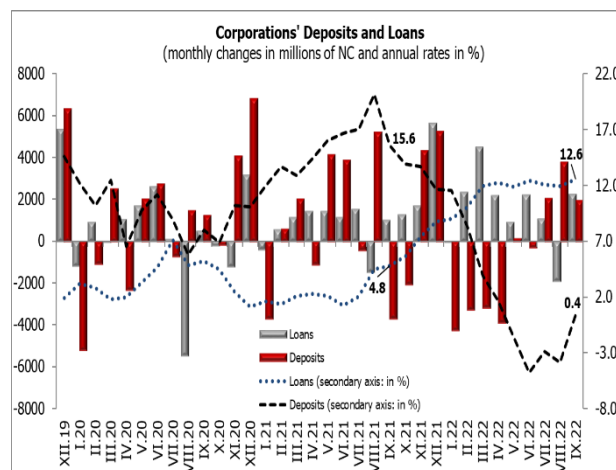
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- In September, **total deposits**⁵ increased by 0.9% on a monthly basis, due to the increase in deposits in both sectors, with a greater contribution of the household sector. The annual growth equals 3.4% and is almost entirely due to higher household deposits.
- **Total loans**⁶ registered monthly and annual growth of 0.9% and 9.9%, respectively. Moreover, the upward monthly and annual change is a result of the increased lending to both sectors, which is more pronounced in 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.

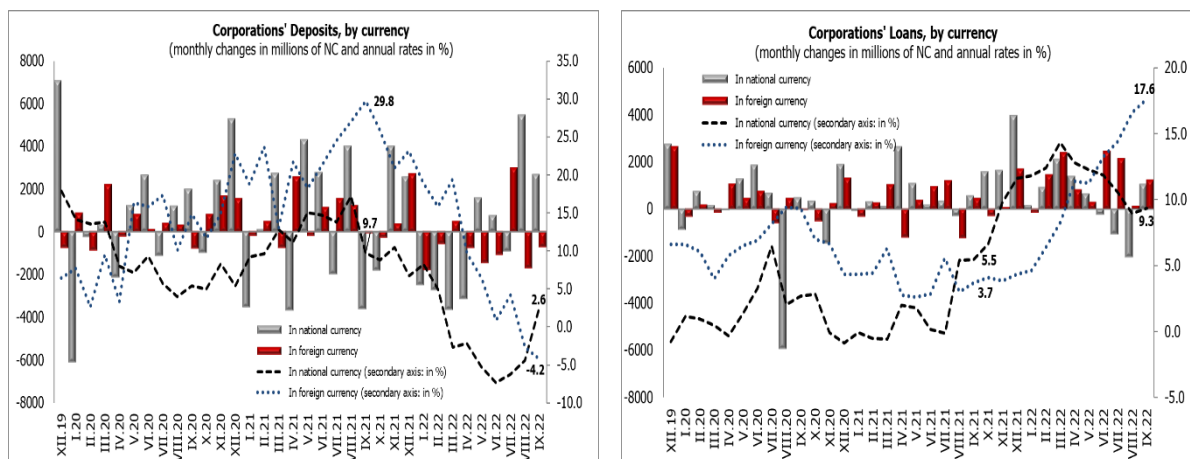
⁶ On 9 August 2018, the National Bank Council adopted the Decision on the methodology for credit risk management (Official Gazette of the Republic of Macedonia No. 149/18) that requires from banks to transfer from the on-balance sheet to the off-balance sheet records (and to continue to transfer) all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



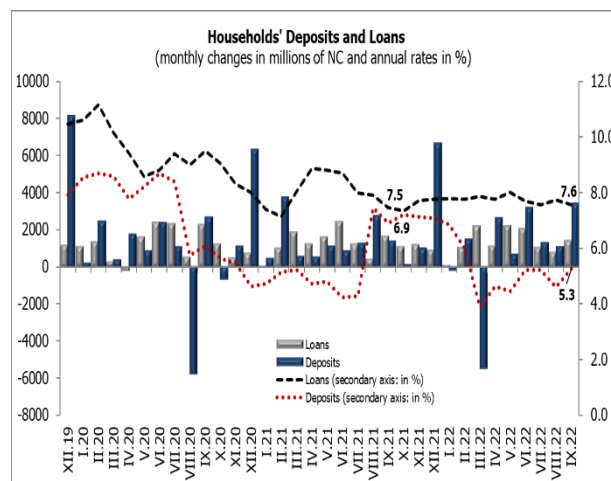
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- In September, total **corporate deposits** increased by 1.5%, on a monthly basis. The upward change primarily results from the growth of demand deposits, amid growth in long-term denar and foreign currency deposits and short-term denar deposits, while the short-term foreign currency deposits declined. These deposits increased by 0.4% annually, as a result of higher demand deposits and short-term foreign currency deposits and denar deposits, amid decline in long-term foreign currency and denar deposits.
- This month, **corporate sectors loans**⁸ registered a monthly increase of 1.1%, amid annual growth of 12.6%. Furthermore, the upward change on both basis is due to the increased lending in denars and in foreign currency, with a slightly larger contribution of loans in foreign currency.



Source: NBRNM.

2. Deposits and loans of the households⁹



Source: NBRNM.

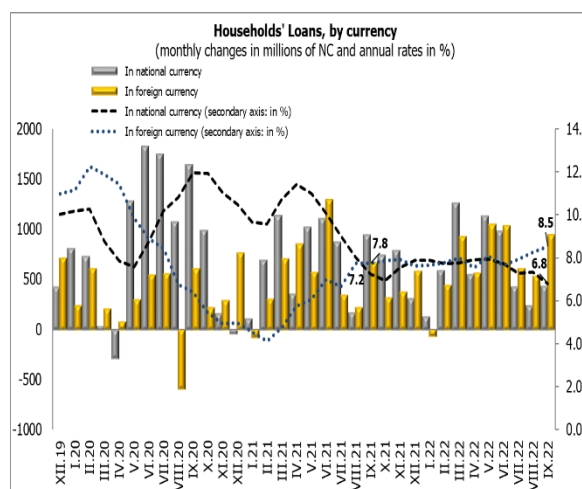
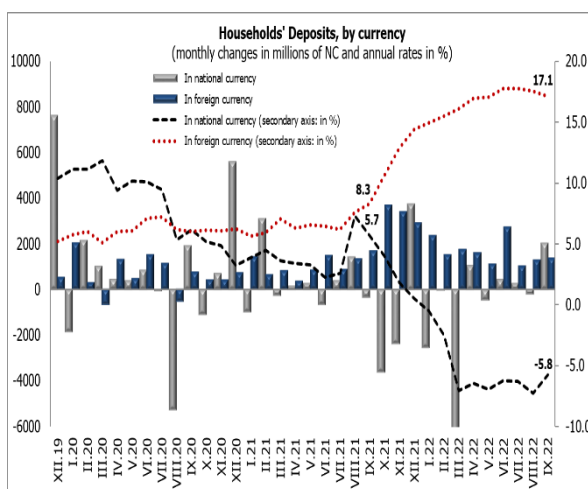
⁸ Starting from June 2018, and according to the new methodology, data on financial instruments in denars with FX clause have been included in the foreign currency.

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

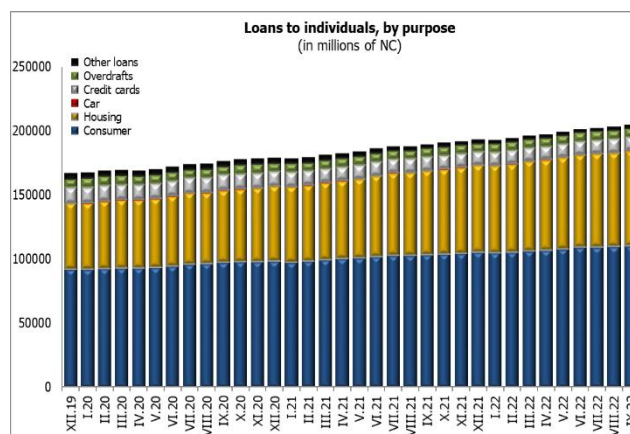


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- In September, **household deposits** registered a monthly growth of 1.1%. The monthly change mostly results from the growth in demand deposits and short-term foreign currency deposits, amid slight growth in long-term foreign currency deposits and denar deposits, in conditions of slight decline in short-term denar deposits. Annually, the growth equals 5.3% and is mainly due to increased short-term foreign currency deposits, amid slight positive contribution of long-term deposits in foreign currency and demand deposits, while long-term and short-term denar deposits decreased.
- This month, **household loans** increased by 0.7% on a monthly basis, amid growth in denar and foreign currency lending, with a larger contribution of foreign currency loans. Compared to the same month last year, household loans increased by 7.6%, as a result of the increased denar and foreign currency loans, with a slightly more pronounced contribution of denar 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	8.2022	9.2022	3.2021	6.2021	9.2021	12.2021	8.2022	9.2022	8.2022	9.2022
Consumer loans	99,662	102,442	103,819	105,797	109,859	110,758	6.7	7.9	6.1	7.2	6.4	6.7	0.0	0.8
Housing loans	59,901	62,384	65,006	67,353	72,690	73,377	13.1	14.7	16.1	15.5	13.5	12.9	0.6	0.9
Car loans	322	316	325	328	329	328	-4.3	-2.2	-0.9	-0.1	3.9	0.8	-0.3	-0.5
Credit cards	10,539	10,488	10,378	10,253	10,373	10,365	-8.9	-8.9	-10.9	-8.5	-0.5	-0.1	0.8	-0.1
Overdrafts	6,399	6,419	6,470	5,907	6,602	6,474	-1.5	3.4	3.0	1.5	5.5	0.0	2.6	-2.0
Other loans	3,736	3,687	2,766	2,611	2,320	2,292	-5.8	-6.6	-29.3	-32.5	-19.0	-17.1	-1.1	-1.2

Source: NBRNM.

- In September, considering the purpose of loans granted to individuals, **consumer and housing loans**, as the most common categories, registered a monthly growth of 0.8% and 0.9%, respectively, amid an annual growth of 6.7% and 12.9%, respectively. According to the revised data, **car loans** registered a monthly decline of 0.5%, with annual growth of 0.8%. In September, **credit card** loans registered monthly and annual decline of 0.1%, respectively, while **overdrafts** decreased by 2.0% on a monthly basis, but remained unchanged annually. Loans granted on **other basis** dropped by 1.2% on a monthly basis and by 17.1% annually.

Data revisions

Data on monetary developments in this press release include revisions for the period September 2018- July 2022, for the purposes of obtaining new, corrected information and data from the reporting entities. These revisions did not cause significant changes in the previously disseminated data and refer to improving the quality of communications through reclassification of consumer loans into car loans.

¹⁰In October 2022, the data for consumer and car loans were revised for the period September 2018- July 2022, in accordance with the new data 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: 21 November 2022 (reference period as of October 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.