



National Bank of the Republic of Macedonia Statistics Department

Skopje, 31 January 2019

Press Release

Significant developments in interest rates of banks and savings houses¹: December 2018

- The average interest rate on the outstanding amounts of loans kept on decreasing also in December 2018, with a monthly decrease of 0.07 percentage points, whereby the rate reduced to 5.33%. The average interest rate on the outstanding amounts of deposits registered a minimal monthly decrease of 0.01 percentage point and equaled 1.41%.
- In December, the average interest rate on new² loans reached the historically lowest level of 4.49% (analyzed since 2005 i.e. after the establishment of the statistical monitoring of this indicator) and decreased by 0.26 percentage points compared to November. The average interest rate on newly received deposits amounted to 1.40% and decreased by 0.19 percentage points compared to the previous month.

Table 1. Interest rates on loans and deposits (outstanding amounts and new business)³

	12.2017	3.2018	6.2018	9.2018	11.2018	12.2018
in % on annual level						
Loans, outstanding amounts	5.73	5.67	5.57	5.46	5.40	5.33
Corporations	5.14	5.03	4.92	4.77	4.69	4.63
Households	6.38	6.35	6.25	6.17	6.12	6.08
New loans	4.88	4.92	4.97	4.86	4.75	4.49
Corporations	4.72	4.61	4.64	4.58	4.42	4.30
Households	5.35	5.56	5.53	5.39	5.36	5.03
Deposits, outstanding amounts	1.51	1.48	1.45	1.42	1.42	1.41
Corporations	1.76	1.69	1.63	1.71	1.74	1.69
Households	1.47	1.45	1.43	1.39	1.38	1.38
New deposits	1.29	1.47	1.29	1.57	1.59	1.40
Corporations	1.02	1.08	0.89	1.49	1.36	1.04
Households	1.57	1.79	1.55	1.60	1.82	1.60

Source: NBRM.

¹ Interest rate implies annual weighted average interest rate in percentage. For more details see the methodology at: http://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija_MIR_07_2018_eng.pdf

² With regard to the interest rates on newly granted loans / newly received deposits, variable movements are characteristic. Such movements in interest rates stem from changes in the volume of new deposits / loans (which can significantly vary from month to month), as well as from the newly agreed interest rate.

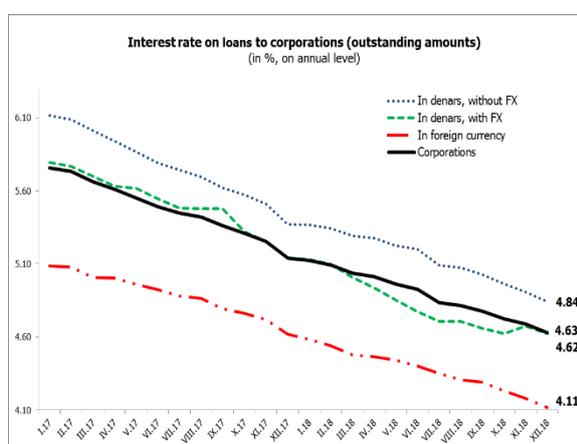
³ The effects of the changes in the methodology published in the Information on 20 July 2018 (http://www.nbrm.mk/content/statistika/informacii/Informacija_za_promeni_vo_monetarnata_statistika_eng.pdf) are not perceived in the individual categories of interest rates on deposits/loans (in denars without currency clause, in denars with currency clause and in foreign currency), but only in the aggregate interest rates (in denars and in foreign currency) which are not subject to analysis in the press release, but are published on the website of the NBRM.



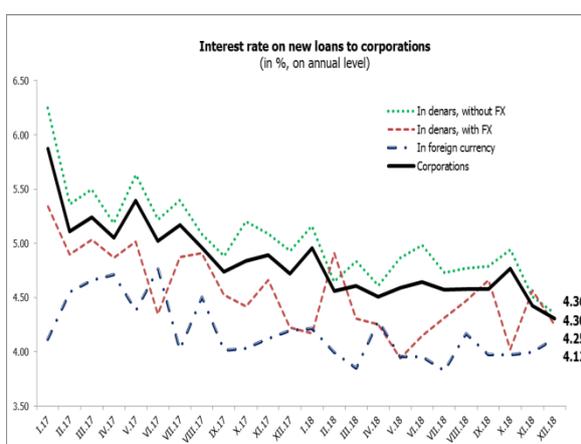
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1. Corporate interest rates⁴

- In December, the average interest rate on the outstanding amounts of loans granted to the corporate sector registered a monthly fall of 0.06 percentage points and equaled 4.63%. Analyzed by currency structure, the downward change is due to the reduction in all its components: the interest rates on the loans granted in denars without currency clause (of 0.07 percentage points), the foreign currency loans (of 0.06 percentage points) and the loans granted in denars with currency clause (of 0.05 percentage points). The average interest rate on the outstanding amounts of loans granted to the corporate sector decreased by 0.51 percentage point compared to December 2017.



Source: NBRM.

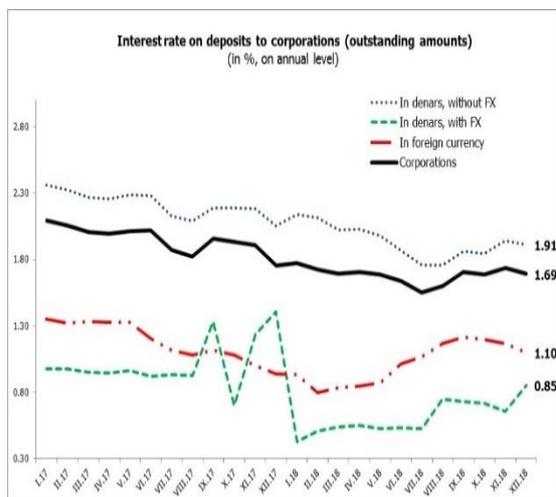


- In December, banks and savings houses granted new loans to the corporate sector at an average interest rate of 4.30%, which is lower by 0.12 percentage points compared to November. The monthly change is a result of the decrease in the interest rates on denar loans with and without currency clause (of 0.32 percentage points and 0.15 percentage points, respectively), with growth recorded in the interest rate on foreign currency loans (of 0.13 percentage points). On an annual basis, this interest rate decreased by 0.42 percentage points.

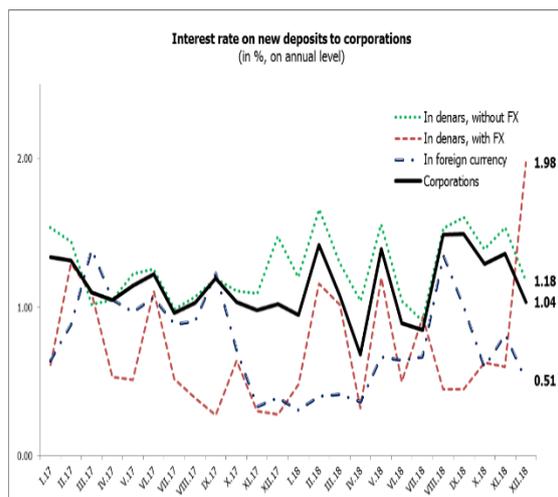
⁴ For the purposes of this press release, the corporate sector includes non-financial corporations (public and other).



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Source: NBRM.



- In December, the interest rate on the outstanding amounts of corporate deposits reduced to 1.69% and decreased by 0.05 percentage points compared to the previous month. The downward change is a result of the decrease in the interest rates on foreign currency deposits and denar deposits without currency clause (of 0.07 and 0.03 percentage points, respectively), amid growth of the interest rate on denar deposits with currency clause (of 0.19 percentage points). Compared to December 2017, this interest rate decreased by 0.07 percentage points.
- In December, the average interest rate on the newly received corporate deposits⁵ registered a monthly fall of 0.32 percentage points and equaled 1.04%. Analyzed by currency structure, the fall results from the decline in the interest rates on Denar deposits without currency clause and foreign currency deposits (of 0.36 percentage points and 0.31 percentage point, respectively), which entirely exceeds the effect of the growth in the interest rate on Denar deposits with currency clause of 1.38 percentage points.⁶ On an annual basis, the average interest rate on newly received deposits increased by 0.02 percentage points.

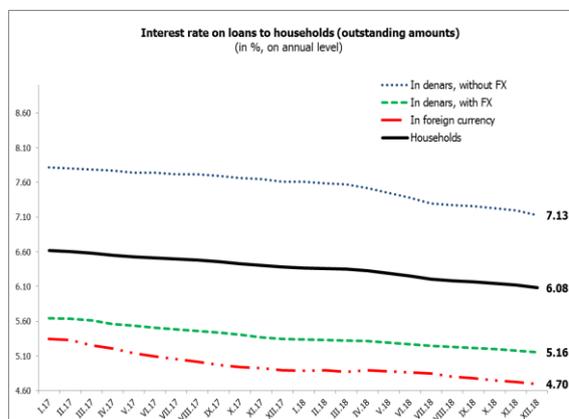
⁵ The disruption in series of data on interest rates in denars with currency clause shown in the chart referring to interest rates on newly received deposits of the corporate sector reflects fact that in some months, banks and savings houses have not received such deposits from the corporate sector.

⁶ According to the information provided by reporters, it is a matter of receipt of new deposits, in smaller amounts, but at a higher contractual interest rate.

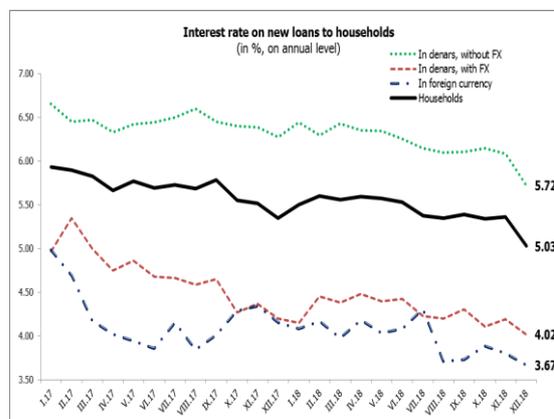


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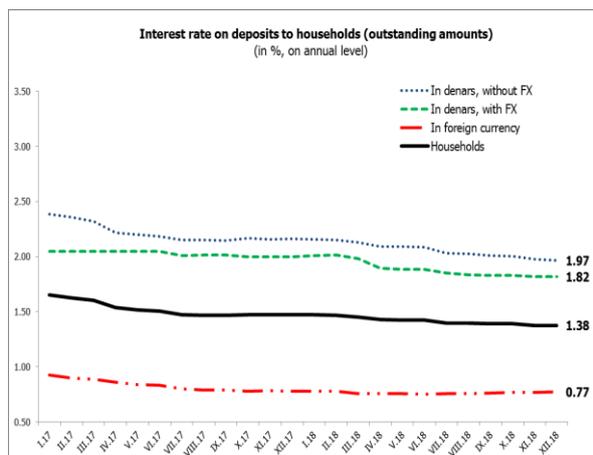
2. Interest rates for households⁷



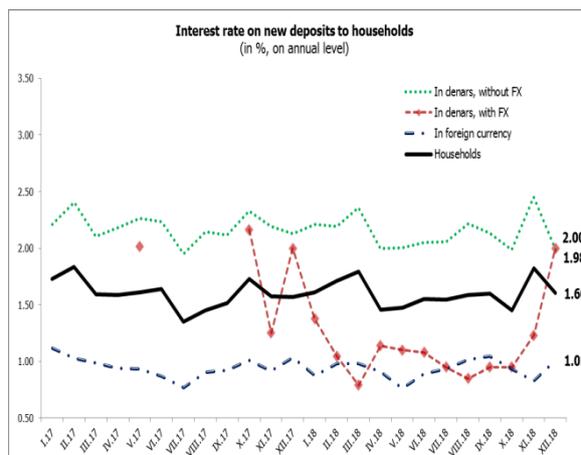
Source: NBRM.



- In December, the interest rate on the outstanding amounts of household loans recorded a monthly decrease of 0.04 percentage points and equaled 6.08%. Analyzing the currency structure, the monthly change is explained by the reduction in all its components: interest rates on denar loans without currency clause (of 0.07 percentage points), denar loans with currency clause and foreign currency loans (of 0.02 percentage points, respectively). On an annual basis, the interest rate on the outstanding amounts of household loans decreased by 0.30 percentage points.
- In December, the average interest rate on new loans to households registered a monthly decrease of 0.33 percentage points and equaled 5.03%. The monthly downward movement is due to the decrease in all its components: interest rates on denar loans without and with currency clause (of 0.36 and 0.17 percentage points, respectively) and foreign currency loans (of 0.13 percentage points). Compared to December last year, this rate decreased by 0.32 percentage points.



Source: NBRM.



⁷ For the purposes of this press release, households include: individuals, self-employed individuals and nonprofit institutions serving households.



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- In December, the average interest rate on the outstanding amounts of household deposits did not register a monthly change and remained at the level of 1.38%. On an annual basis, this interest rate decreased by 0.09 percentage points.
- In December, the new household deposits⁸ were received at an average interest rate of 1.60% (lower by 0.22 percentage points compared to the previous month). The monthly downward change is fully due to the decrease in the interest rate on denar deposits without currency clause (of 0.47 percentage points), with growth recorded in the interest rates on denar deposits with currency clause and foreign currency deposits (of 0.77 and 0.18 percentage points, respectively). Compared to the same month last year, the average interest rate on new household deposits increased by 0.03 percentage points.

Supporting information

Time series of data: annual, quarterly and monthly data on weighted interest rates of banks and savings houses http://www.nbrm.mk/ns-newsarticle-ponderirani_kamatni_stapki_na_bankite_i_stedilnicite_nova_metodologija_od_januari_2015_godina.nspix

Methodological explanations:

http://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija_MIR_07_2018_eng.pdf

Next publications: Advance Release Calendar

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

Monthly data on interest rates: 28 February 2019 (reference period as of January 2019).

We kindly ask journalists to contact the Governor's Office for any queries.

For more details about the disseminated statistical data, please contact us at contact.statistika@nbrm.mk or phone: 02 3215 181 extension 116 (or 112/110/108).

⁸ The disruption in series of data on interest rates in denars with FX clause shown in the chart referring to interest rates on newly received household deposits reflects fact that in some months, banks and savings houses have not accepted such deposits from households.