



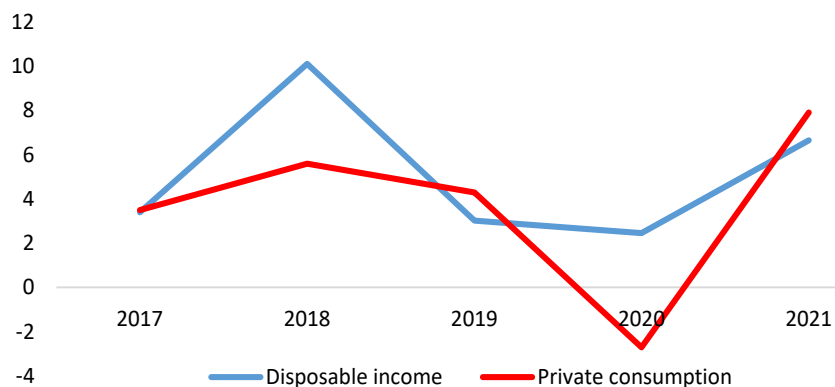
# **Resilience, financial education and financial inclusion of the households in North Macedonia**

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Zagreb, September, 2022



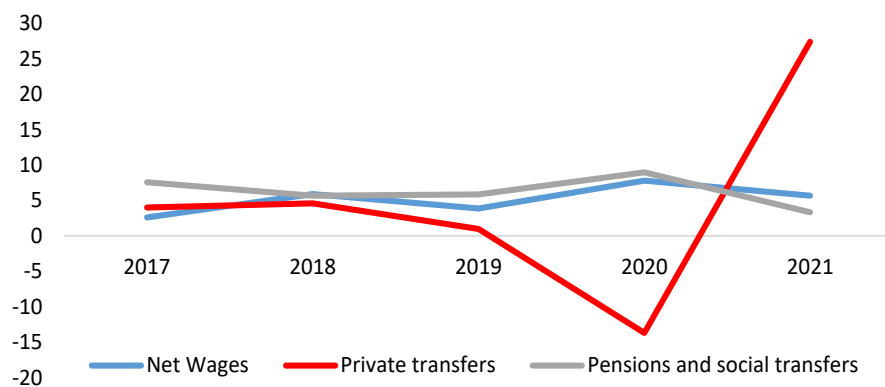
# Households' resilience during Covid-19 crisis

Disposable income and private consumption  
(annual changes, %)



Source: SSO; NBRNM calculations.

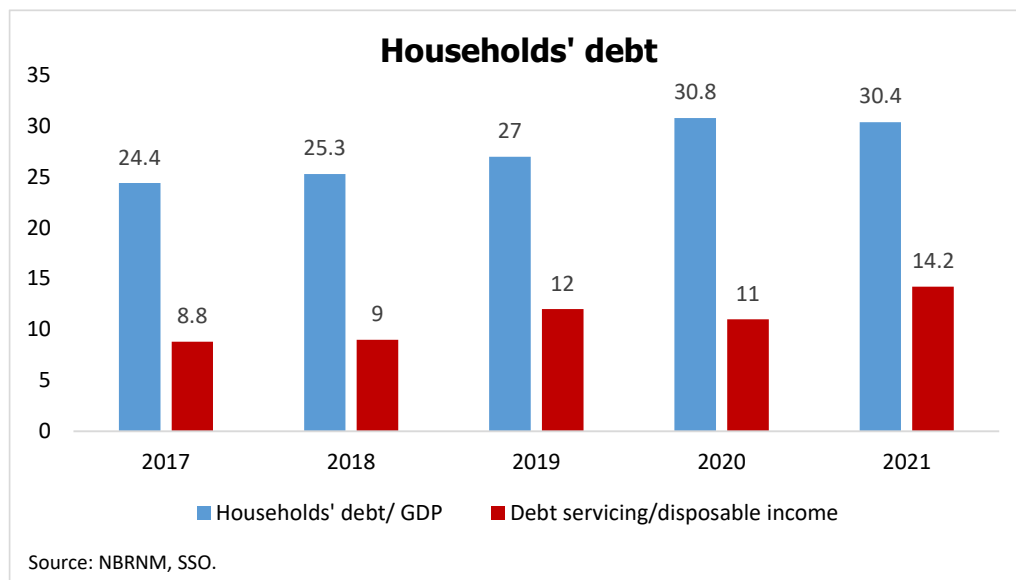
Households' financial inflows  
(annual changes, %)



- At the beginning of corona crisis, slowdown in private consumption and private transfers inflows (from workers from abroad) that recovered in 2021;
- Stable developments in other inflows and Government measures that enabled maintaining sound disposable income.



## Moderate households' debt

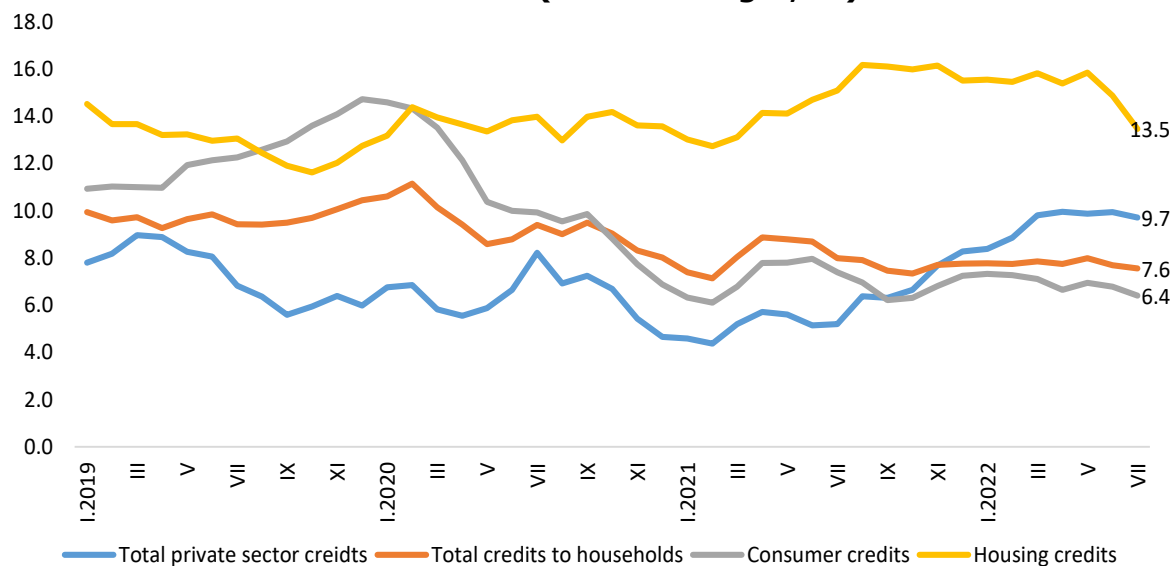


- Households' debt still at moderate level of around 30% of GDP;
- The main component of the households' debt are banks' credits (composing around 90% of the debt), followed by debt to non-residents (close to 5% of the debt) and debt to other financial institutions.



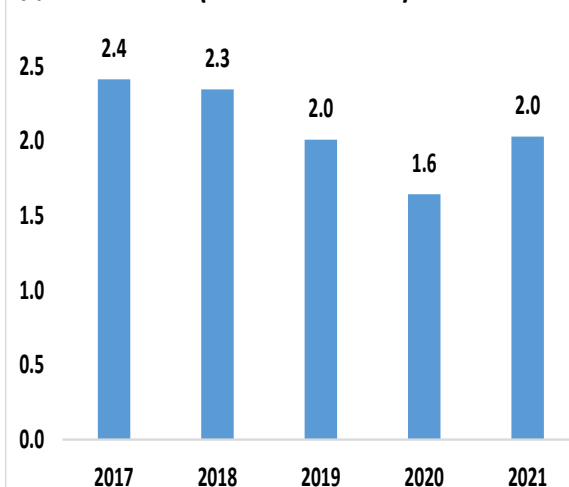
# Banks' lending to households sector

**Banks' credits (annual changes, %)**



Source: NBRNM.

**Non-performing loans of households  
(% of total loans)**



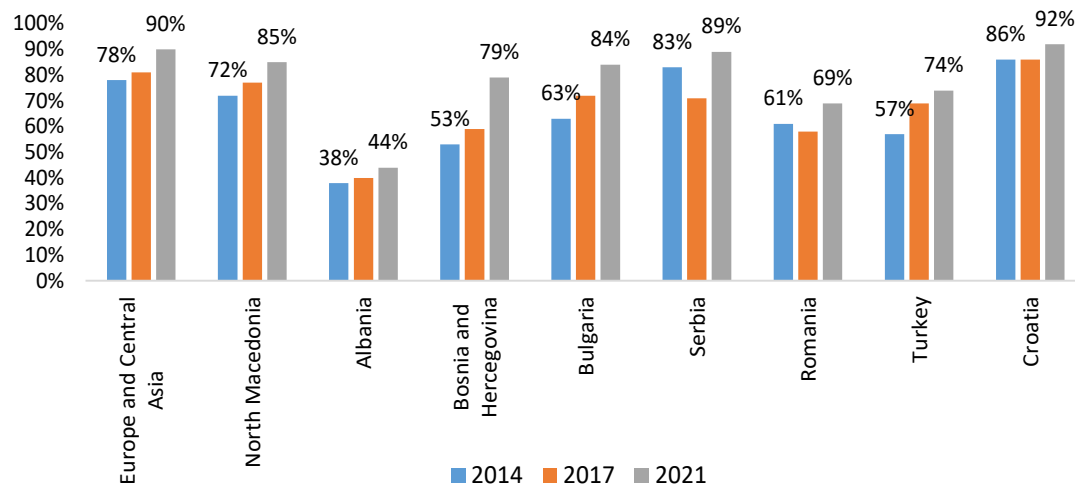
Source: NBRNM.

- In the last years, sound banks' credit support to the households sector, mainly housing credits, consumer credits and overdrafts;
- Low and stable NPL ratio in households sector;
- Moratorium of repayments at the beginning of pandemic.



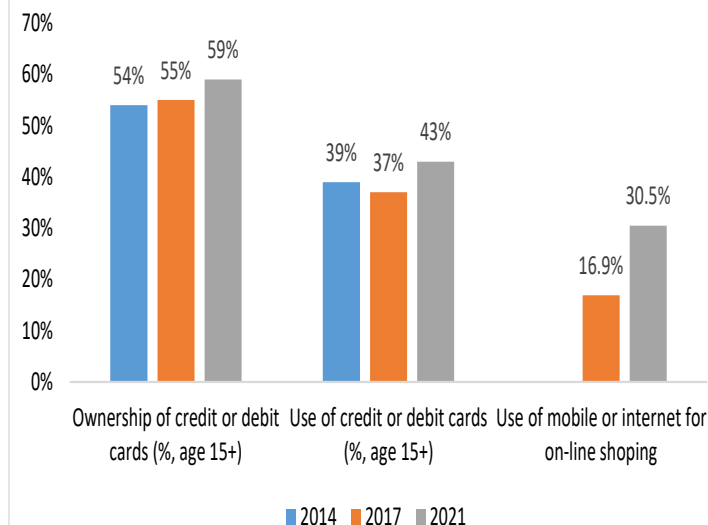
# Increasing financial inclusion

Account, % age 15+



Source: WB Findex database, 2021.

Selected data for fin.inclusion in North Macedonia

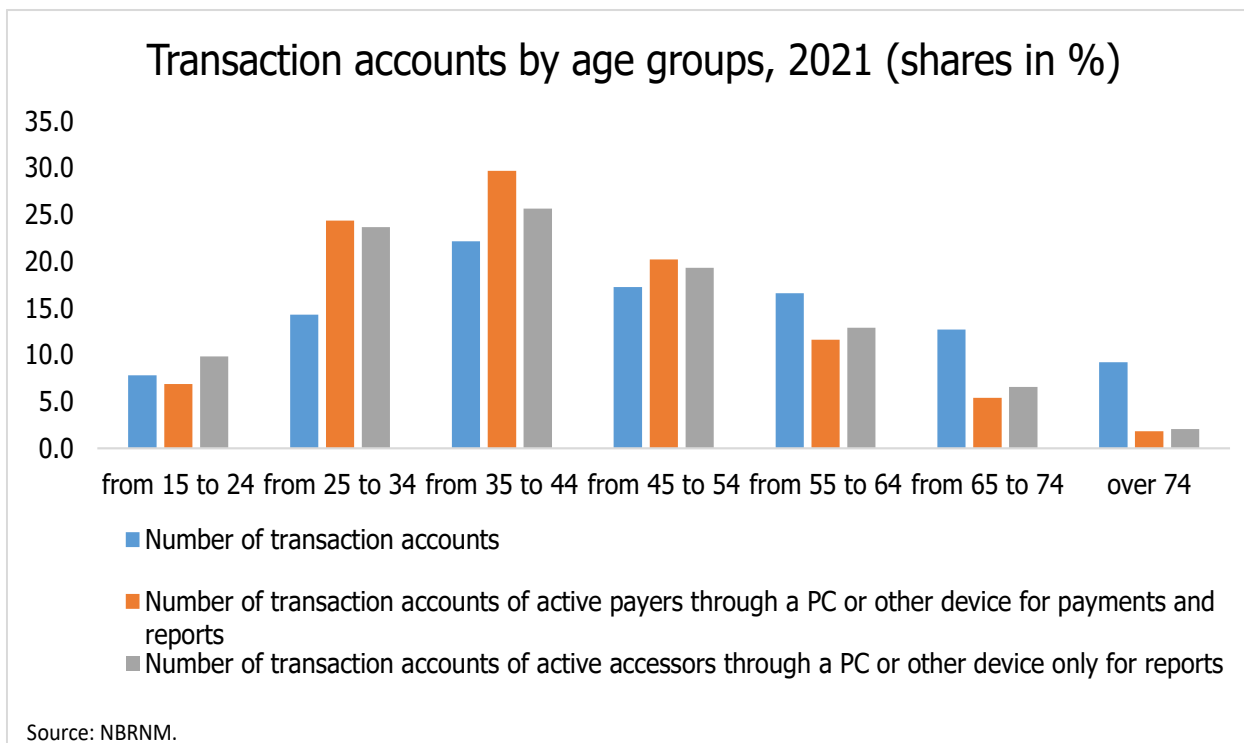


Source: WB Findex database, 2021.

- According to the latest WB Findex database, the financial inclusion in North Macedonia in 2021 increased from 77% in 2017 to 85% in 2021;
- Positive developments in ownership and use of credit or debit cards as well as in digital payments, partially due to corona restrictions.



# Transaction accounts, by age groups

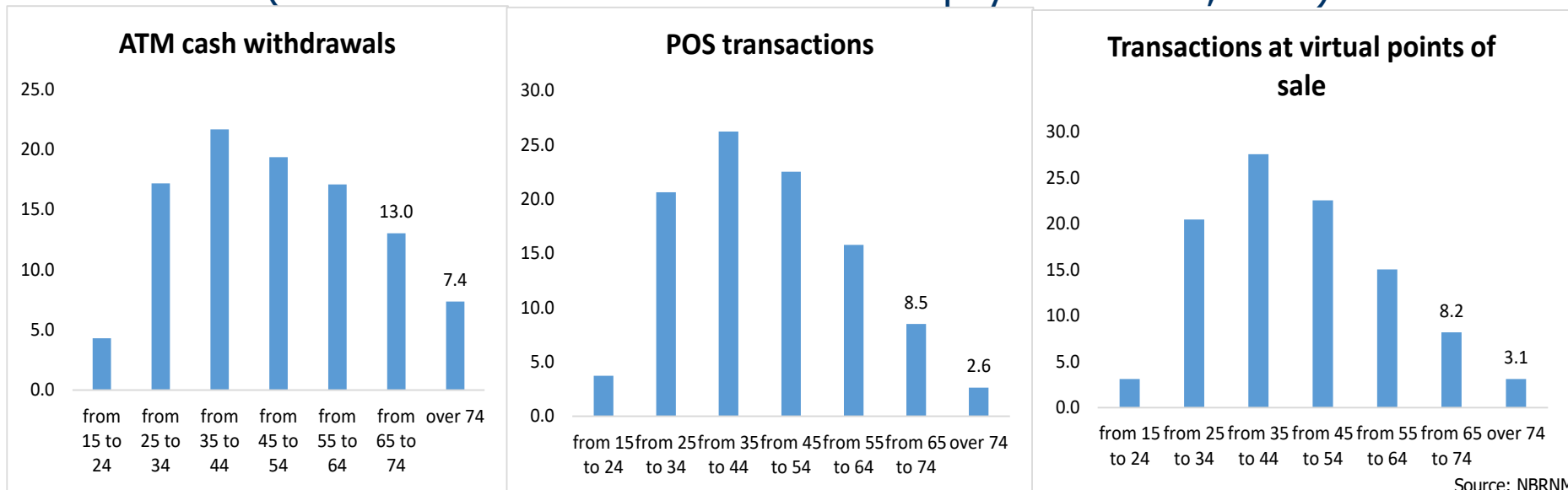


- According to payment statistics of the National Bank, older population with lower share of accounts with access through PC or other device for payments or for reports.



# Shares of transactions by age groups, 2021

(shares in values of transactions with payment cards, in %)



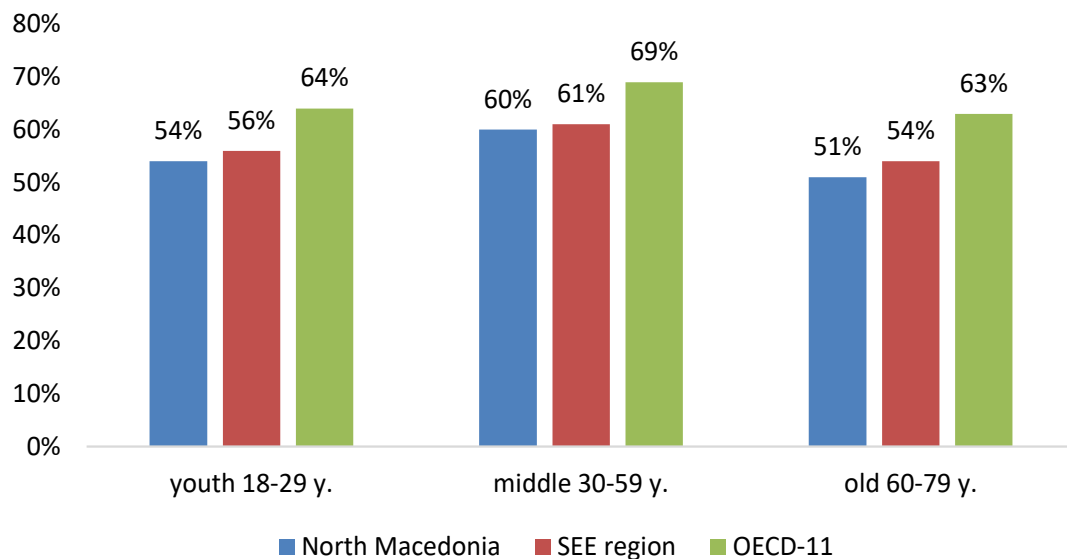
- ◆ Older population with lower shares in total transactions at POS and virtual points of sale;
- ◆ However, older population more active with transactions with cards at ATMs, for cash withdrawals.



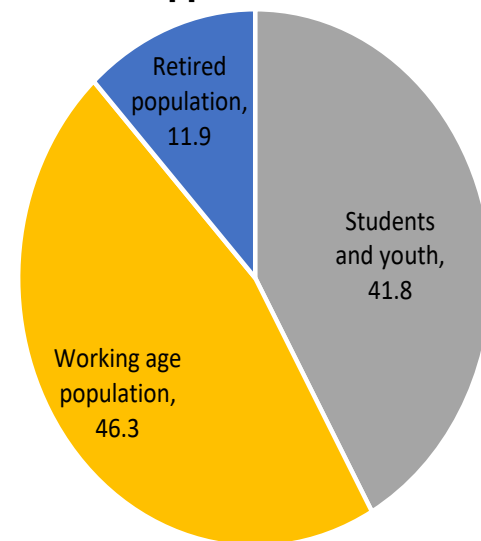


# Financial knowledge by age groups

Minimum correct answers - financial knowledge



What type of audience you mainly approach?

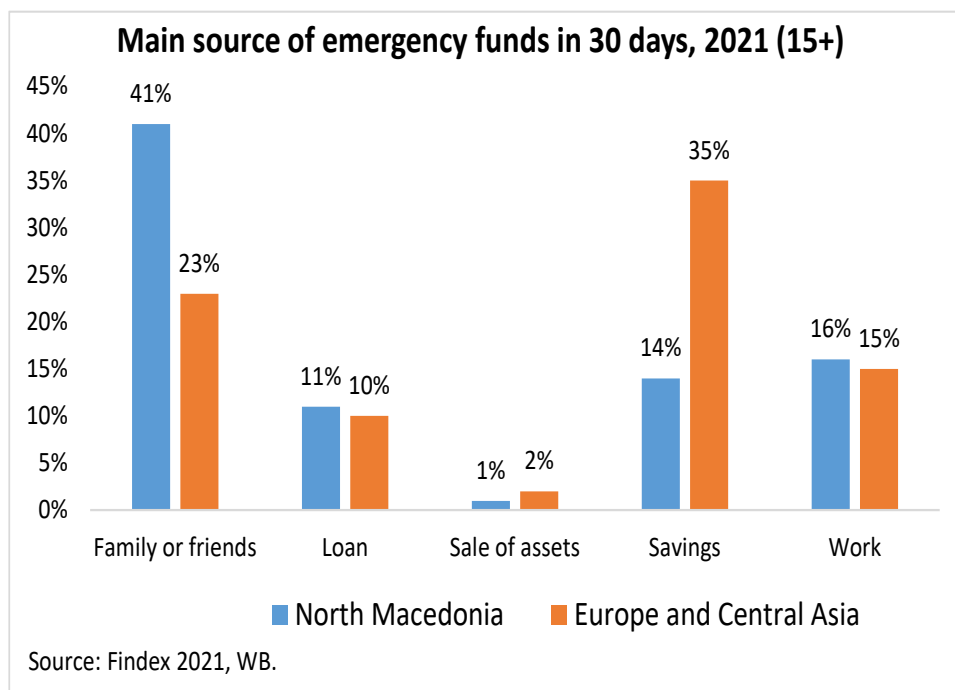
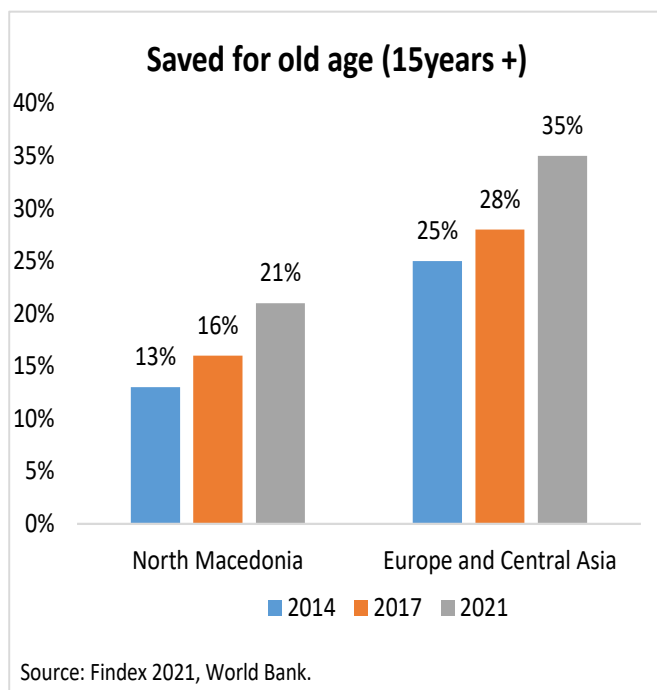


- Measured by the standard methodology by INFE-OECD, financial knowledge close to the average of the region, but lower than developed economies - there is a room for improvement in financial knowledge in all age groups;
- According to the on-line survey of the financial education providers from the public, private and civil sector (September 2021), the retired population with the small coverage.





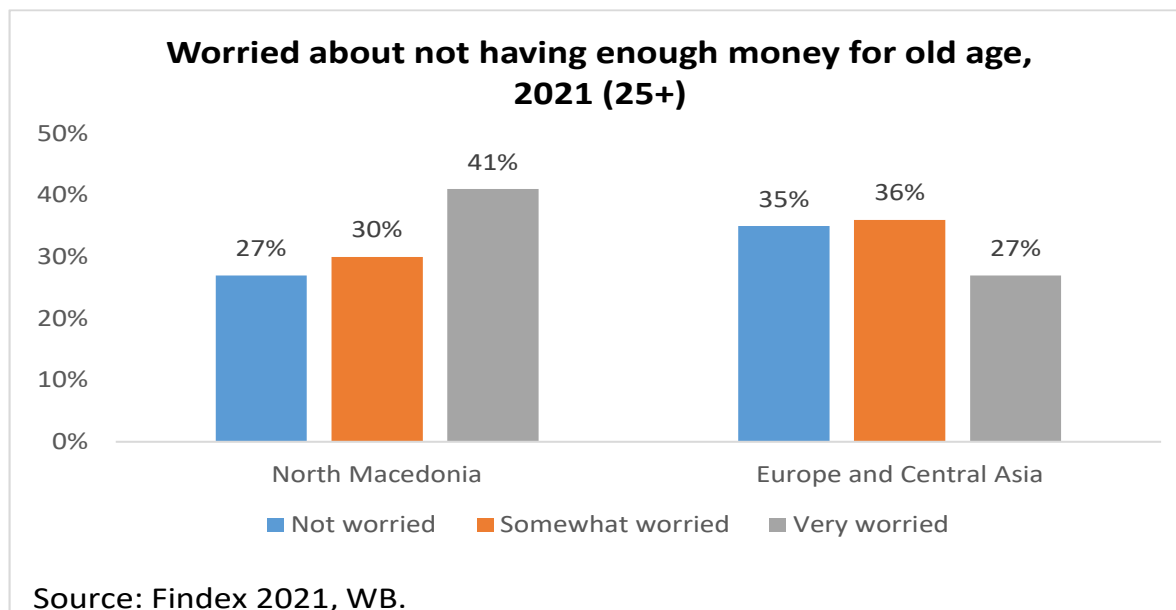
# Positive behavioral changes towards savings for old age



- ◆ Improved behavior towards savings for old age, although still lower than Europe and Central Asia;
- ◆ Only 14% of population would use savings as main source of emergency funds in 30 days (35% in Europe and Central Asia).



## Forward looking...



- ◆ Larger portion of adults (41%) very worried about not having enough money for old age compared to the wider region (27%);
- ◆ Need for strengthening savings behavior, further promotion of the available investment opportunities, financial inclusion.



## Concluding remarks

- ◆ Households sector in North Macedonia weathered relatively well corona crisis, however there are other challenges currently considering inflation rise due to main commodity prices increase on the world market;
- ◆ Households' debt relatively low and mainly bank-based;
- ◆ Financial inclusion on increasing path;
- ◆ There is a room to improve financial behavior and attitude towards savings, as well as the financial knowledge;
- ◆ Ongoing activities for strengthening consumer protection in the financial system;
- ◆ The digitalization in the financial sector imposing a need for continuous and high quality financial education;
- ◆ Ongoing activities for implementation of the first National Strategy for financial education and financial inclusion.