



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 November 2020

Press Release

Significant developments in interest rates of banks and savings houses¹: October 2020

- The trend of monthly and annual reduction of the average interest rate on the outstanding amounts of loans continued also in October 2020. Namely, the interest rate on the outstanding amounts of loans amounted to 4.68% and registered a monthly and annual fall of 0.02 and 0.37 percentage points, respectively. The average interest rate on the outstanding amounts of deposits remained at the level of 0.98% of the previous month, while on an annual basis, it dropped by 0.30 percentage points.
- In October, the average interest rate on the newly granted² loans increased by 0.22 percentage points on a monthly level and amounted to 4.21%. On an annual basis, this interest rate decreased by 0.05 percentage points. The average interest rate on newly received deposits registered a minimal monthly increase of 0.01 percentage point and amounted to 0.77%. Compared to October last year, this interest rate decreased by 0.42 percentage points.

Table 1. Interest rates on loans and deposits (outstanding amounts and new business)^{3,4,5}

	10.2019	12.2019	1.2020	2.2020	3.2020	4.2020	5.2020	6.2020	7.2020	8.2020	9.2020	10.2020
in % on annual level												
Loans, outstanding amounts	5.05	4.94	4.93	4.91	4.89	4.86	4.83	4.80	4.75	4.73	4.70	4.68
Corporations	4.27	4.17	4.13	4.11	4.08	4.01	3.97	3.93	3.89	3.85	3.80	3.77
Households	5.78	5.70	5.69	5.67	5.64	5.65	5.64	5.63	5.56	5.55	5.53	5.51
New loans	4.26	4.15	4.46	4.33	4.12	3.77	3.92	3.94	3.98	3.94	3.99	4.21
Corporations	3.89	3.80	4.19	3.82	3.79	3.66	3.71	3.68	3.64	3.58	3.82	4.04
Households	5.06	4.71	4.91	4.95	4.83	4.38	4.43	4.42	4.48	4.37	4.51	4.49
Deposits, outstanding amounts	1.28	1.26	1.20	1.19	1.11	1.11	1.10	1.09	1.05	0.99	0.98	0.98
Corporations	1.51	1.53	1.48	1.49	1.24	1.28	1.24	1.27	1.29	1.15	1.14	1.23
Households	1.25	1.23	1.17	1.15	1.10	1.09	1.08	1.07	1.03	0.98	0.96	0.95
New deposits	1.19	1.14	0.95	0.98	0.54	0.61	0.62	0.64	0.69	0.54	0.76	0.77
Corporations	1.12	1.11	0.71	0.56	0.20	0.37	0.34	0.43	0.57	0.41	0.74	0.67
Households	1.25	1.17	1.07	1.19	0.94	1.01	0.91	0.85	0.79	0.66	0.78	0.87

Source: NBRNM.

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 NBRNM.

⁴ In August 2020, the National Bank revoked the license for founding and operating one bank. Interest rate data for July 2020 include the June interest rate data for this bank.

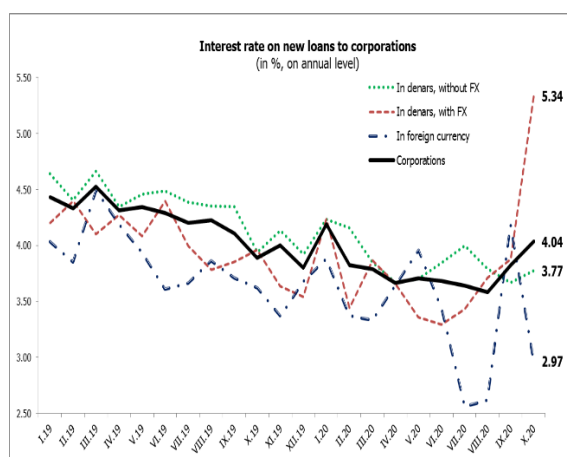
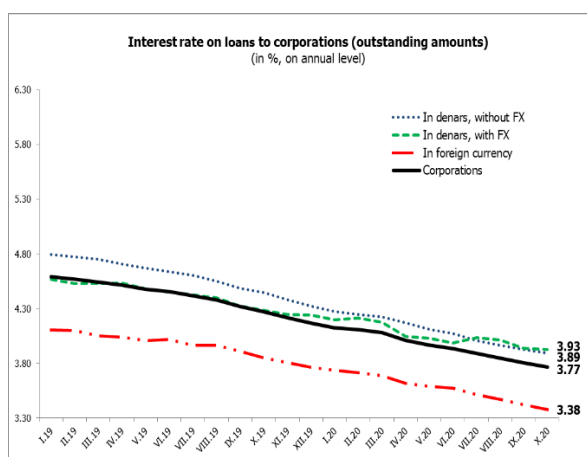
⁵ The interest rate data from August 2020 do not include data on a bank whose founding and operating license was revoked and who went into bankruptcy in August 2020.



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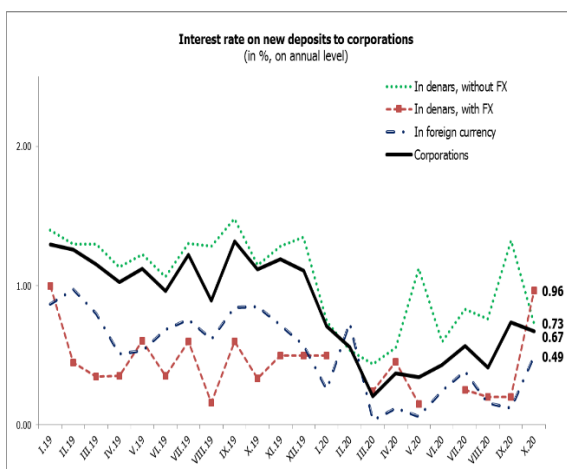
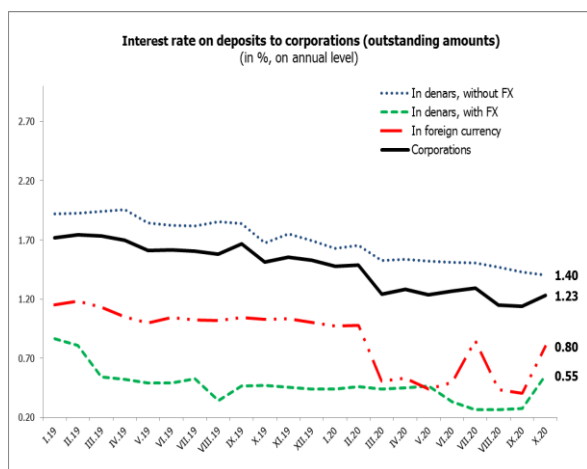
1. Corporate interest rates⁶

- In October, the average interest rate on the outstanding amounts of loans granted to the corporate sector registered a monthly decrease of 0.03 percentage points and equaled 3.77%. The downward change is due to the fall in all components: interest rates on denar loans without currency clause and interest rates on foreign currency loans (by 0.04 percentage points, respectively) and interest rates on denar loans with currency clause (by 0.01 percentage point). On an annual basis, this interest rate decreased by 0.50 percentage points.



Source: NBRNM.

- In October, the interest rate on newly granted loans to the corporate sector increased by 0.22 percentage points on a monthly basis and equaled 4.04%. Moreover, the monthly growth results from the increase in the interest rates on denar loans with and without currency clause (of 1.46 and 0.10 percentage points, respectively), amid decline in the interest rates on foreign currency loans (of 1.22 percentage points). On an annual basis, the interest rate on newly granted loans to the corporate sector grew by 0.15 percentage points.



Source: NBRNM.

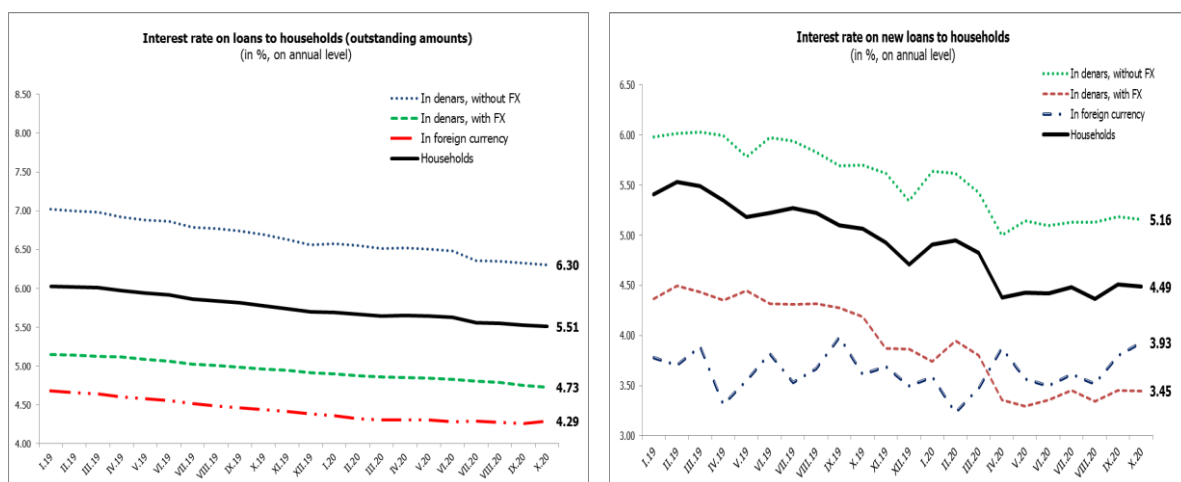
⁶ For the purposes of this press release, the corporate sector includes non-financial corporations (public and other).



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- The interest rate on the outstanding amounts of corporate deposits amounted to 1.23% and registered a monthly growth of 0.09 percentage points in October. The increase is a result of the growth of the interest rates on foreign currency deposits and denar deposits with currency clause (of 0.40 and 0.27 percentage points, respectively), amid decline in the interest rates on denar deposits without currency clause (of 0.03 percentage points). The interest rate on the outstanding amounts of corporate deposits decreased by 0.28 percentage points compared to October 2019.
- This month, the interest rate on newly received corporate deposits⁷ decreased by 0.07 percentage points and equaled 0.67%. Analyzed by currency structure, the monthly decrease entirely results from the fall in the interest rates on denar deposits without currency clause (of 0.59 percentage points), amid growth in the interest rates on denar deposits with currency clause and foreign currency deposits (of 0.76 and 0.37 percentage points, respectively). On an annual basis, this interest rate decreased by 0.45 percentage points.

2. Interest rates for households⁸



Source: NBRNM.

- Compared to the previous month, the interest rate on the outstanding amounts of household loans decreased by 0.02 percentage points and equaled 5.51%. The downward change results from the cut of interest rates on denar loans without and with currency clause (by 0.03 and 0.02 percentage points, respectively), in circumstances when the interest rates on foreign currency loans grew (by 0.03 percentage points). This interest rate decreased by 0.27 percentage points compared to October last year.

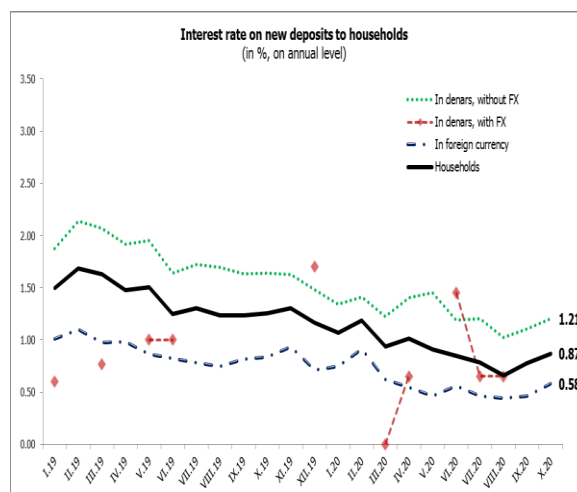
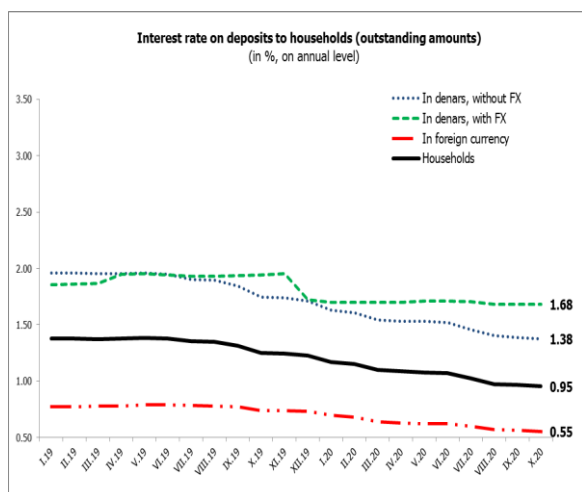
⁷ The disruption in series of data on interest rates in denars with currency clause shown in the chart referring to interest rates on newly received deposits of the corporate sector reflects fact that in some months, banks and savings houses have not received such deposits from the corporate sector.

⁸ For the purposes of this press release, households include: individuals, self-employed individuals and nonprofit institutions serving households.



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- In October, the average interest rate on newly granted household loans amounted to 4.49% and decreased by 0.02 percentage points on a monthly level. The monthly change is entirely due to the reduction of the interest rates on denar loans without currency clause (of 0.02 percentage points), amid growth of the interest rates on foreign currency loans (of 0.13 percentage points) and unchanged interest rates on denar loans with currency clause. The interest rate on newly granted loans to households decreased by 0.57 percentage points on an annual basis.



Source: NBRNM.

- In October, the interest rate on the outstanding amounts of household deposits registered a minimal monthly decline of 0.01 percentage point and equaled 0.95%. The downward change is due to the fall in the interest rates on denar deposits without currency clause and foreign currency deposits (of 0.01 percentage point, respectively), in circumstances when the interest rates on denar deposits with currency clause register no changes. Compared to October last year, this interest rate decreased by 0.30 percentage points.
- In October, the average interest rate on newly received household deposits⁹ equaled 0.87%, which is a monthly growth of 0.09 percentage points. The growth arises from the increased interest rates on foreign currency deposits and denar deposits without currency clause (by 0.12 and 0.10 percentage points, respectively). For the second consecutive month, no newly received denar deposits with currency clause were recorded. On an annual basis, the interest rate decreased by 0.38 percentage points.

⁹ 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.



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Supporting information

Time series of data: annual, quarterly and monthly data on weighted interest rates of banks and savings houses

http://www.nbrm.mk/statistika_na_kamatni_stapki-en.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: 31 December 2020 (reference period as of November 2020).

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).