



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 August 2019

Press Release

Significant developments in interest rates of banks and savings houses¹: July 2019

- In July, the average interest rate on the outstanding amounts of loans was 5.15%, thus maintaining the monthly and annual decreasing trend of 0.04 and 0.35 percentage points, respectively. After three months without any changes, the average interest rate of outstanding amounts of deposits registered a decline of 0.03 percentage points, thus reducing it to the level of 1.38%. On an annual basis, this interest decreased by 0.04 percentage points.
- During July, the average interest rate on newly granted² loans decreased by 0.02 percentage points on a monthly basis and reached 4.68%. Analyzed on an annual basis, the interest rate decreased by 0.19 percentage points. In July, following the drop in the previous month, the average interest rate of newly received deposits registered a monthly increase of 0.12 percentage points, while registering a minor annual increase of 0.01 percentage points.

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

	7.2018	9.2018	12.2018	1.2019	2.2019	3.2019	4.2019	5.2019	6.2019	7.2019
in % on annual level										
Loans, outstanding amounts	5.50	5.46	5.33	5.30	5.28	5.26	5.23	5.20	5.19	5.15
Corporations	4.83	4.77	4.63	4.59	4.57	4.54	4.52	4.48	4.45	4.42
Households	6.20	6.17	6.08	6.03	6.02	6.01	5.98	5.94	5.92	5.86
New loans	4.87	4.86	4.49	4.77	4.76	4.84	4.71	4.68	4.70	4.68
Corporations	4.57	4.58	4.30	4.43	4.33	4.53	4.31	4.34	4.29	4.20
Households	5.38	5.39	5.03	5.41	5.54	5.49	5.35	5.18	5.22	5.27
Deposits, outstanding amounts	1.42	1.42	1.41	1.42	1.42	1.42	1.41	1.41	1.41	1.38
Corporations	1.55	1.71	1.69	1.72	1.74	1.74	1.70	1.61	1.61	1.61
Households	1.40	1.39	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.35
New deposits	1.26	1.57	1.40	1.44	1.56	1.42	1.27	1.31	1.15	1.27
Corporations	0.85	1.49	1.04	1.29	1.26	1.15	1.02	1.12	0.96	1.22
Households	1.55	1.60	1.60	1.49	1.69	1.63	1.48	1.50	1.25	1.30

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.

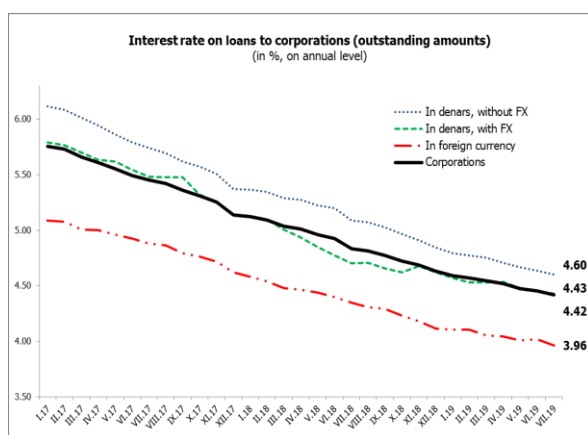
³ The effects of the changes in the methodology published in the information on 20 July 2018 (http://www.nbrm.mk/content/statistika/informacii/Informacija_za_promeni_vo_monetarnata_statistika_eng.pdf) are not perceived in the individual categories of interest rates on deposits/loans (in denars without 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.



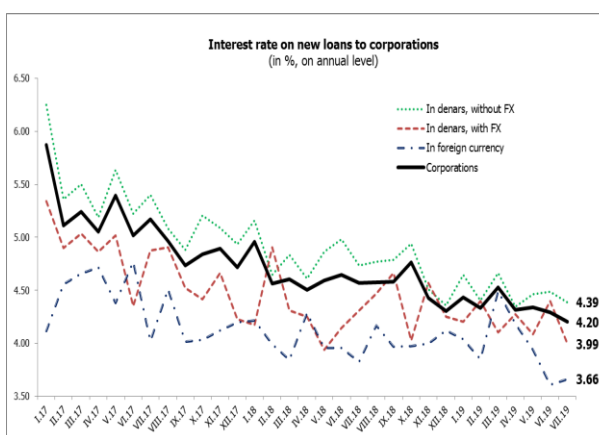
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1. Corporate interest rates⁴

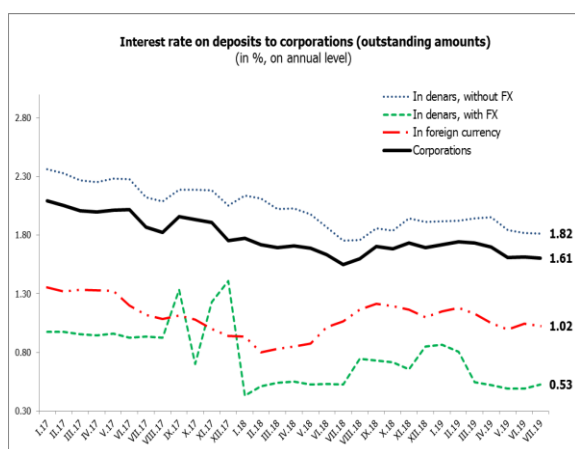
- This month, the interest rate on outstanding amounts of loans granted to the corporate sector was 4.42% registering a monthly decrease of 0.03 percentage points. The decrease reflects the drop in all its components as follows: interest rates on foreign currency loans (of 0.06 percentage points) and denar loans without and with currency clause (of 0.04 and 0.02 percentage points, respectively). Compared to the same month last year, the interest rate on the outstanding amounts of corporate loans decreased by 0.41 percentage points.



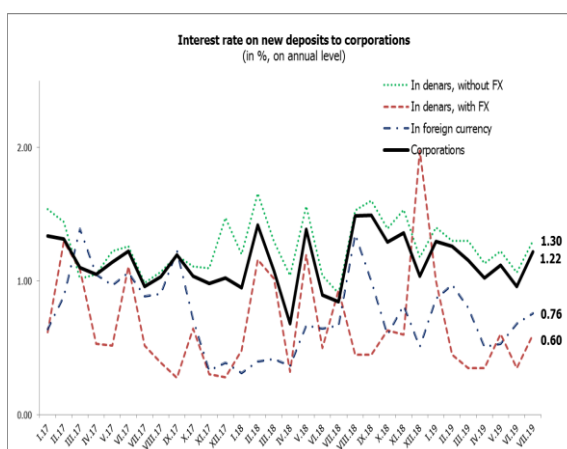
Source: NBRNM.



- In July, the interest rate on newly granted loans to the corporate sector decreased by 0.09 percentage points compared to the previous month and it equaled 4.20%. Analyzing the currency structure, the monthly decrease is due to the fall in the interest rates on denar loans, with and without currency clause (of 0.40 and 0.10 percentage points, respectively), amid growth of the interest rate on newly granted foreign currency loans (of 0.05 percentage points). On an annual basis, this interest rate decreased by 0.37 percentage points.



Source: NBRNM.



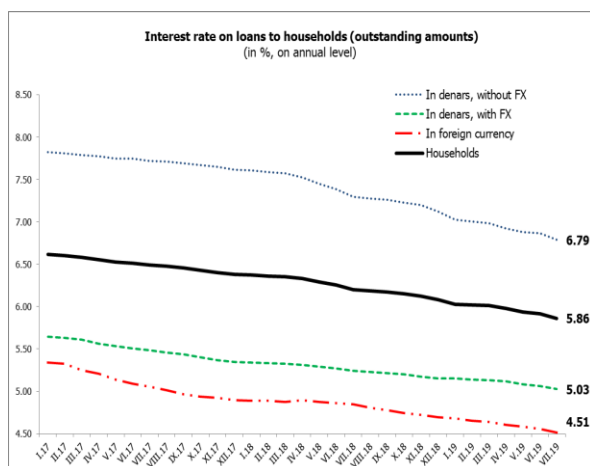
⁴ For the purposes of this press release, the corporate sector includes non-financial corporations (public and other).



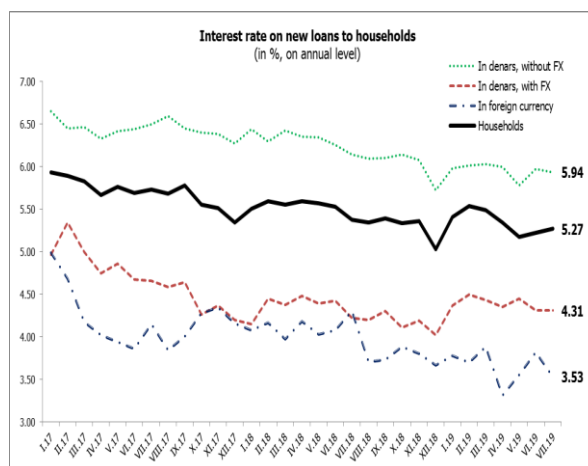
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- The interest rate on the outstanding amounts of corporate deposits remained unchanged for the third consecutive month and equaled 1.61%. Compared to July last year, the interest rate on the outstanding amounts of corporate deposits increased by 0.06 percentage points.
- The July average interest rate on newly received corporate deposits⁵ increased by 0.26 percentage points on a monthly basis and equaled 1.22%. The increase is the result of the growth in all components within this category: interest rates on denar deposits with and without currency clause, as well as interest rate on foreign currency deposits (of 0.25, 0.24 and 0.08 percentage points, respectively). On an annual basis, this interest rate is higher by 0.37 percentage points.

2. Interest rates for households⁶



Source: NBRNM.



- During July, the interest rate on the outstanding amounts of household loans continued to decline (monthly decline of 0.06 percentage points) and equaled 5.86%. This downward movement is due to the decrease in all components of this category: interest rates on denar loans without and with currency clause (of 0.07 percentage points and 0.04 percentage points, respectively) and foreign currency loans (of 0.04 percentage points). On an annual basis, this interest rate decreased by 0.34 percentage points.

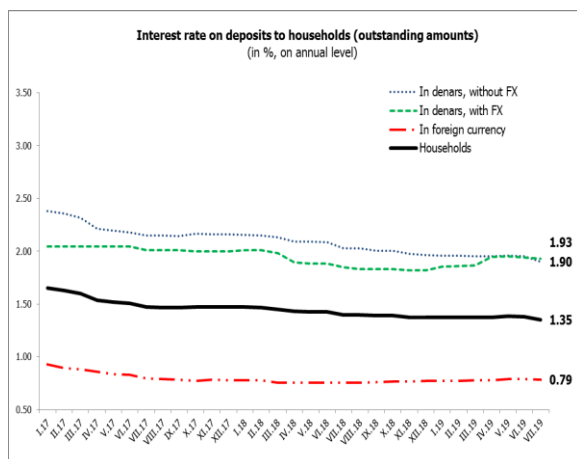
⁵ The disruption in series of data on interest rates in denars with currency clause shown in the chart referring to interest rates on newly received deposits of the corporate sector reflects fact that in some months, banks and savings houses have not received such deposits from the corporate sector.

⁶ For the purposes of this press release, households include: individuals, self-employed individuals and nonprofit institutions serving households.

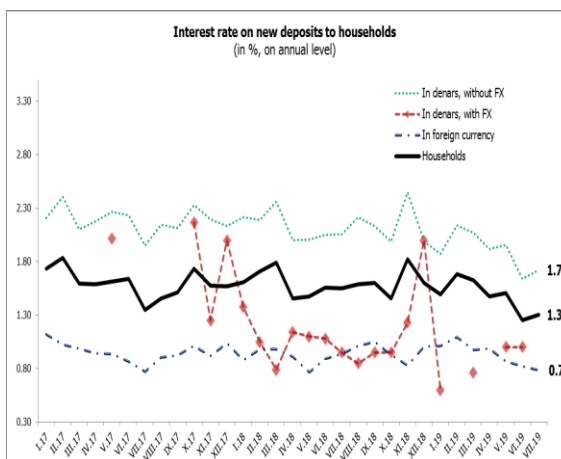


National Bank of the Republic of North Macedonia Statistics Department

- In July, the average interest rate on newly granted household loans equaled 5.27%, amid a monthly growth of 0.05 percentage points, thus registering a decrease of 0.11 percentage points on an annual basis.



Source: NBRNM.



- Following the 8-months unchanged level, this month, the interest rate on outstanding amounts of household deposits registered a downward change of 0.03 percentage points and was reduced to 1.35%. The downward shift arises from the decline in denar deposits without and with currency clause (of 0.05 and 0.01 percentage points), while foreign currency deposits remained unchanged. On an annual basis, this interest rate decreased by 0.05 percentage points.
- In July, the average interest rate on newly received household deposits⁷ increased by 0.05 percentage points and equaled 1.30%, mainly influenced by the growth of denar deposits without currency clause (of 0.08 percentage points), while foreign currency deposits registered a decline (of 0.04 percentage points). This month, banks and savings houses did not receive denar deposits with currency clause. Compared to the same month last year, this interest rate decreased by 0.25 percentage points.

⁷ 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/ns-newsarticle-ponderirani kamatni stapki na bankite i stedilnicite nova metodologija od januari 2015 godina.nspix](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: 30 September 2019 (reference period as of August 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).