



## National Bank of the Republic of North Macedonia Statistics Department

Skopje, 31 August 2020

### Press Release

### Significant developments in interest rates of banks and savings houses<sup>1</sup>: July<sup>2</sup> 2020

- The trend of monthly and annual reduction of the average interest rate on the outstanding amounts of loans continued also in July 2020. In July, it amounted to 4.75% and registered a monthly and annual fall of 0.05 and 0.40 percentage points, respectively. The average interest rate on the outstanding amounts of deposits equaled 1.05% and decreased by 0.04 percentage points on a monthly basis. On an annual basis, this interest rate decreased by 0.33 percentage points.
- The average interest rate on the newly granted<sup>3</sup> loans equaled 3.98% and registered a monthly growth of 0.04 percentage points in July. On an annual basis, this interest rate decreased by 0.70 percentage points. The average interest rate on newly received deposits registered a monthly growth of 0.05 percentage points and it amounted to 0.69%, while on an annual basis this interest rate decreased by 0.58 percentage points.

Table 1. Interest rates on loans and deposits (outstanding amounts and new business)<sup>4</sup>

	7.2019	9.2019	12.2019	1.2020	2.2020	3.2020	4.2020	5.2020	6.2020	7.2020
in % on annual level										
<b>Loans, outstanding amounts</b>	<b>5.15</b>	<b>5.09</b>	<b>4.94</b>	<b>4.93</b>	<b>4.91</b>	<b>4.89</b>	<b>4.86</b>	<b>4.83</b>	<b>4.80</b>	<b>4.75</b>
Corporations	4.42	4.32	4.17	4.13	4.11	4.08	4.01	3.97	3.93	3.89
Households	5.86	5.81	5.70	5.69	5.67	5.64	5.65	5.64	5.63	5.56
<b>New loans</b>	<b>4.68</b>	<b>4.46</b>	<b>4.15</b>	<b>4.46</b>	<b>4.33</b>	<b>4.12</b>	<b>3.77</b>	<b>3.92</b>	<b>3.94</b>	<b>3.98</b>
Corporations	4.20	4.11	3.80	4.19	3.82	3.79	3.66	3.71	3.68	3.64
Households	5.27	5.10	4.71	4.91	4.95	4.83	4.38	4.43	4.42	4.48
<b>Deposits, outstanding amounts</b>	<b>1.38</b>	<b>1.36</b>	<b>1.26</b>	<b>1.20</b>	<b>1.19</b>	<b>1.11</b>	<b>1.11</b>	<b>1.10</b>	<b>1.09</b>	<b>1.05</b>
Corporations	1.61	1.67	1.53	1.48	1.49	1.24	1.28	1.24	1.27	1.29
Households	1.35	1.32	1.23	1.17	1.15	1.10	1.09	1.08	1.07	1.03
<b>New deposits</b>	<b>1.27</b>	<b>1.27</b>	<b>1.14</b>	<b>0.95</b>	<b>0.98</b>	<b>0.54</b>	<b>0.61</b>	<b>0.62</b>	<b>0.64</b>	<b>0.69</b>
Corporations	1.22	1.32	1.11	0.71	0.56	0.20	0.37	0.34	0.43	0.57
Households	1.30	1.24	1.17	1.07	1.19	0.94	1.01	0.91	0.85	0.79

Source: NBRNM.

<sup>1</sup> 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](http://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija_MIR_07_2018_eng.pdf)

<sup>2</sup> In August 2020, the National Bank revoked the license for founding and operating of one bank. The interest rate data for July 2020 include the interest rate data for the previous month – June, for this bank.

<sup>3</sup> 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.

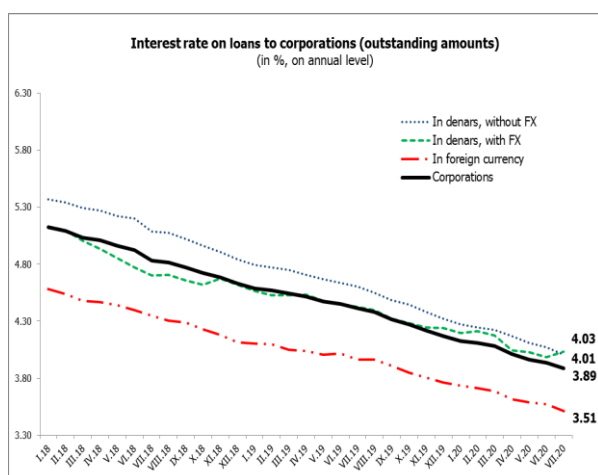
<sup>4</sup> The effects of the changes in the methodology published in the information on 20 July 2018 ([http://www.nbrm.mk/content/statistika/informacii/Informacija\\_za\\_promeni\\_vo\\_monetarnata\\_statistika\\_eng.pdf](http://www.nbrm.mk/content/statistika/informacii/Informacija_za_promeni_vo_monetarnata_statistika_eng.pdf)) 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.



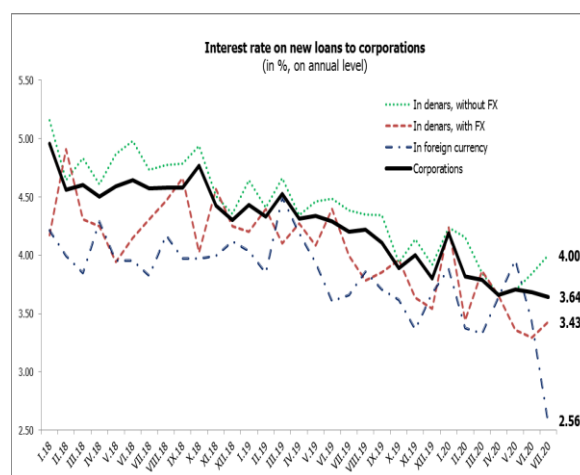
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### 1. Corporate interest rates<sup>5</sup>

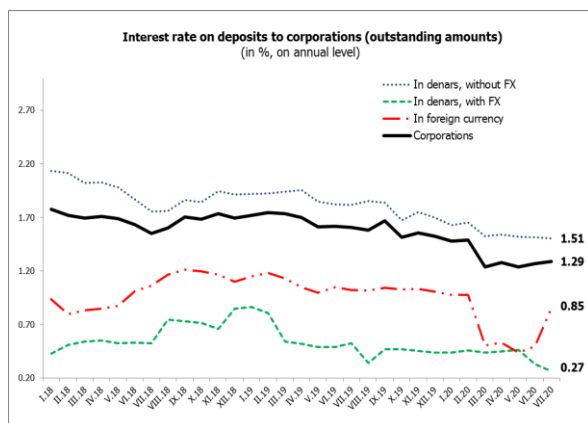
- In July, the average interest rate on the outstanding amounts of loans granted to the corporate sector registered a monthly fall of 0.04 percentage points and equaled 3.89%. The fall results from the cut of interest rates on denar loans without currency clause and interest rates on foreign currency loans (by 0.06 percentage points, respectively), amid increase in the interest rates on denar loans with currency clause (by 0.05 percentage points). The interest rate on the outstanding amounts of corporate loans decreased by 0.53 percentage points, compared to the same period last year.



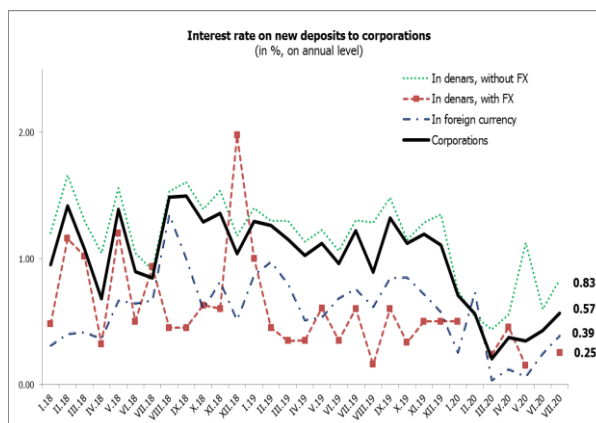
Source: NBRNM.



- This month, the interest rate on newly granted loans to the corporate sector decreased by 0.04 percentage points compared to the previous month and amounted to 3.64%. The monthly fall is fully explained by the reduction of the interest rates on foreign currency loans (by 0.87 percentage points), amid increase in the interest rates on denar loans without and with currency clause (by 0.15 and 0.14 percentage points, respectively). On an annual basis, this interest rate decreased by 0.56 percentage points.



Source: NBRNM.



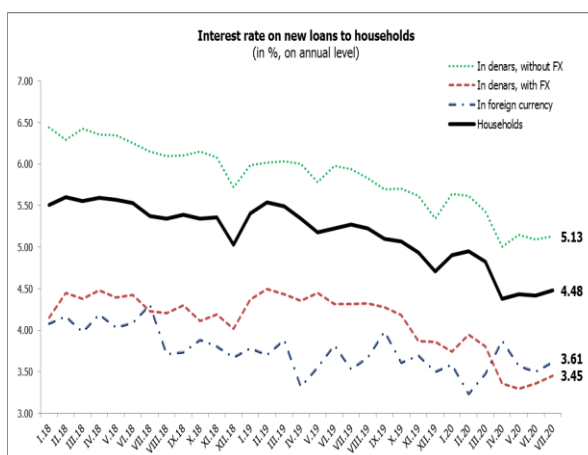
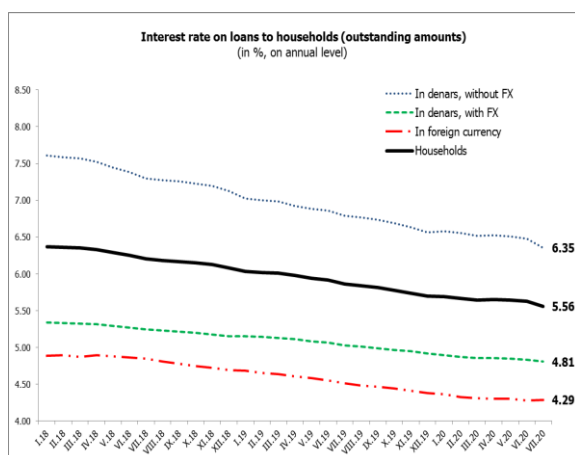
<sup>5</sup> For the purposes of this press release, the corporate sector includes non-financial corporations (public and other).



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- In July, the average interest rate on the outstanding amounts of corporate deposits equaled 1.29% and increased by 0.02 percentage points on a monthly basis. The upward change is entirely due to the growth of the interest rate on foreign currency deposits (by 0.35 percentage points), amid unchanged interest rate on denar deposits without currency clause, while the interest rate on denar deposits with currency clause decreased (by 0.06 percentage points). On an annual basis, the average interest rate on the outstanding amounts of corporate deposits decreased by 0.32 percentage points.
- In July, the interest rate on the newly received corporate deposits<sup>6</sup> increased by 0.14 percentage points compared with the previous month and equaled 0.57%. The monthly increase is a result of the growth of the interest rates on denar deposits without currency clause and the interest rates on foreign currency deposits (by 0.23 and 0.15 percentage points, respectively). At the same time, the interest rate on denar deposits with currency clause equaled 0.25% in July, unlike the previous month when banks and savings houses did not receive this type of deposits. On an annual basis, this interest rate decreased by 0.65 percentage points.

### 2. Interest rates for households<sup>7</sup>



Source: NBRNM.

- In July, the interest rate on the outstanding amounts of household loans equaled 5.56%, which is a monthly fall of 0.07 percentage points. Analyzed by currency structure, the monthly change is explained by the reduction of the interest rates on denar loans without and with currency clause (by 0.13 and 0.02 percentage points, respectively), while the interest rates on foreign currency loans increased marginally (by 0.01 percentage point). On an annual basis, the interest rate on the outstanding amounts of household loans decreased by 0.30 percentage points.

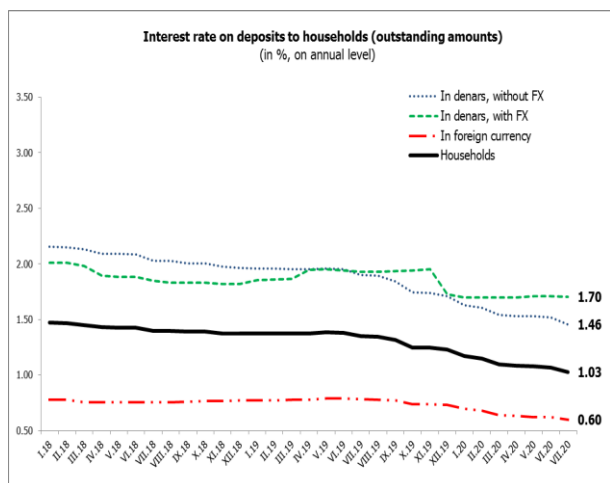
<sup>6</sup> The disruption in series of data on interest rates in denars with currency clause shown in the chart referring to interest rates on newly received deposits of the corporate sector reflects fact that in some months, banks and savings houses have not received such deposits from the corporate sector.

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

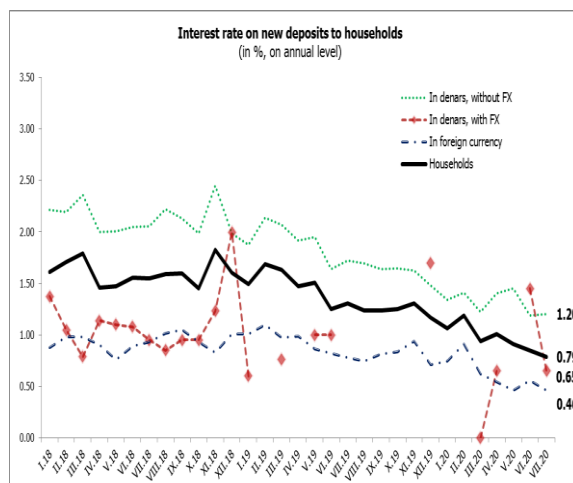


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- In July, the average interest rate on newly granted household loans increased by 0.06 percentage points on a monthly basis and amounted to 4.48%. The upward change is due to the growth in all components of this interest rate: the interest rate on foreign currency loans (of 0.11 percentage points) and the interest rates on denar loans with and without currency clause (of 0.09 and 0.04 percentage points, respectively). On an annual basis, the average interest rate on newly granted household loans decreased by 0.79 percentage points.



Source: NBRNM.



- In July this year, the average interest rate on the outstanding amounts of household deposits equaled 1.03%, which is a monthly fall of 0.04 percentage points. The monthly fall is a result of the reduction of all components of this interest rate, as follows: interest rates on denar deposits without currency clause (of 0.06 percentage points), interest rates on foreign currency deposits (of 0.02 percentage points) and interest rates on denar deposits with currency clause (of 0.01 percentage point). On an annual basis, the average interest rate on the outstanding amounts of household deposits decreased by 0.32 percentage points.
- In July, the average interest rate on newly received household deposits<sup>8</sup> decreased by 0.06 percentage points on a monthly basis and equaled 0.79%. The downward monthly change is due to the lower interest rates on denar deposits with currency clause and foreign currency deposits (by 0.80 and 0.10 percentage points, respectively), in circumstances when the interest rate on denar deposits without currency clause increased marginally (by 0.01 percentage point). Compared to July last year, this interest rate decreased by 0.51 percentage point.

<sup>8</sup> 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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Statistics Department**

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

Monthly data on interest rates: 30 September 2020 (reference period as of August 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](mailto:contact.statistika@nbrm.mk) or phone: 02 3215 181 extension 116 (or 112/110/108).