



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 31 July 2020

Press Release

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

- In June 2020, the average interest rate on the outstanding amounts of loans kept on decreasing, and registered a monthly and annual fall of 0.03 and 0.39 percentage points, respectively, amounting to 4.80%. The average interest rate on the outstanding amounts of deposits registered a minimal monthly fall of 0.01 percentage point and amounted to 1.09%, while on an annual basis, it decreased by 0.32 percentage points.
- In June, the average interest rate on the newly granted² loans equaled 3.94%, after a monthly growth of 0.02 percentage points. On an annual basis, this interest rate decreased by 0.76 percentage points. The average interest rate on newly received deposits registered a monthly growth of 0.02 percentage points and amounted to 0.64%, while on an annual level, it decreased by 0.51 percentage point.

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

	6.2019	9.2019	12.2019	1.2020	2.2020	3.2020	4.2020	5.2020	6.2020
in % on annual level									
Loans, outstanding amounts	5.19	5.09	4.94	4.93	4.91	4.89	4.86	4.83	4.80
Corporations	4.45	4.32	4.17	4.13	4.11	4.08	4.01	3.97	3.93
Households	5.92	5.81	5.70	5.69	5.67	5.64	5.65	5.64	5.63
New loans	4.70	4.46	4.15	4.46	4.33	4.12	3.77	3.92	3.94
Corporations	4.29	4.11	3.80	4.19	3.82	3.79	3.66	3.71	3.68
Households	5.22	5.10	4.71	4.91	4.95	4.83	4.38	4.43	4.42
Deposits, outstanding amounts	1.41	1.36	1.26	1.20	1.19	1.11	1.11	1.10	1.09
Corporations	1.61	1.67	1.53	1.48	1.49	1.24	1.28	1.24	1.27
Households	1.38	1.32	1.23	1.17	1.15	1.10	1.09	1.08	1.07
New deposits	1.15	1.27	1.14	0.95	0.98	0.54	0.61	0.62	0.64
Corporations	0.96	1.32	1.11	0.71	0.56	0.20	0.37	0.34	0.43
Households	1.25	1.24	1.17	1.07	1.19	0.94	1.01	0.91	0.85

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.

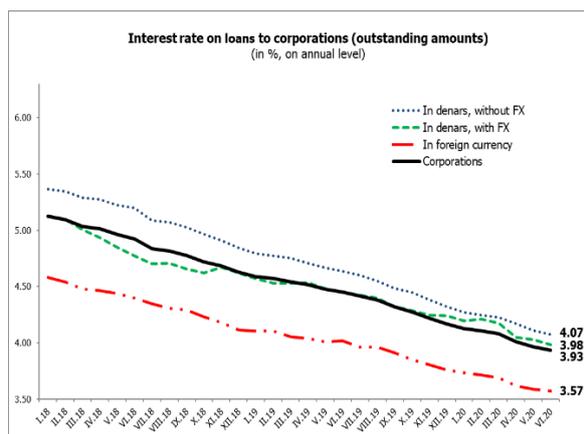
³ The effects of the changes in the methodology published in the information on 20 July 2018 (http://www.nbrm.mk/content/statistika/informacii/Informacija_za_promeni_vo_monetarnata_statistika_eng.pdf) are not perceived in the individual categories of interest rates on deposits/loans (in denars without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



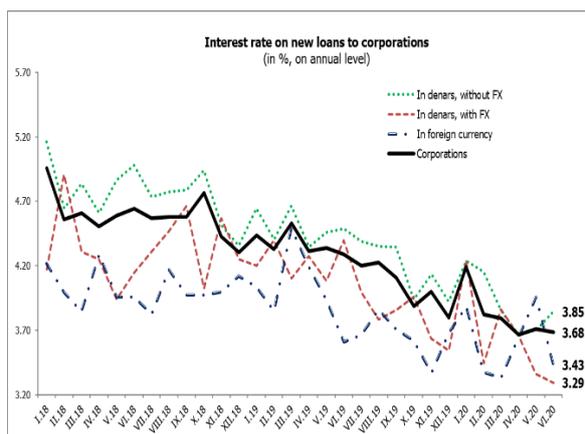
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1. Corporate interest rates⁴

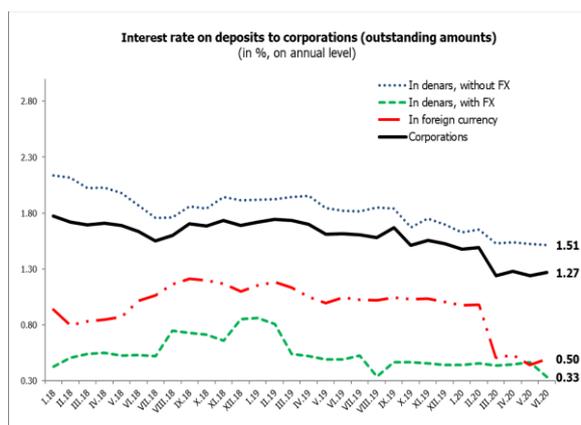
- In June, the average interest rate on the outstanding amounts of loans granted to the corporate sector amounted to 3.93% and decreased by 0.04 percentage points on a monthly level. The change is due to the fall in all components: interest rates on denar loans with and without currency clause (by 0.05 and 0.04 percentage points) and interest rates on foreign currency loans (by 0.02 percentage points). On an annual basis, this interest rate decreased by 0.52 percentage points.



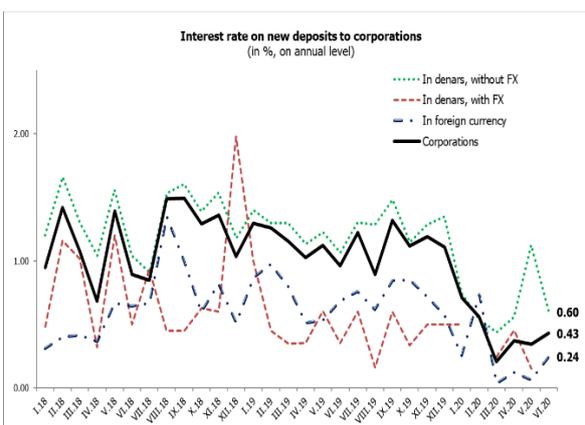
Source: NBRNM.



- In June, the interest rate on newly granted loans to the corporate sector registered a monthly fall of 0.03 percentage points and equaled 3.68%. The fall is a result of the lower interest rates on foreign currency loans (by 0.53 percentage points) and denar loans with currency clause (by 0.07 percentage points), while the interest rates on denar loans without currency clause increased (by 0.15 percentage points). On an annual basis, the interest rate on newly granted loans to the corporate sector decreased by 0.61 percentage point.



Source: NBRNM.



- This month, the average interest rate on the outstanding amounts of corporate deposits increased by 0.03 percentage points compared to the previous month and equaled 1.27%. The upward change is fully explained by the increase in the interest rates on foreign currency deposits (by 0.06 percentage points), while the interest rates on denar deposits

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

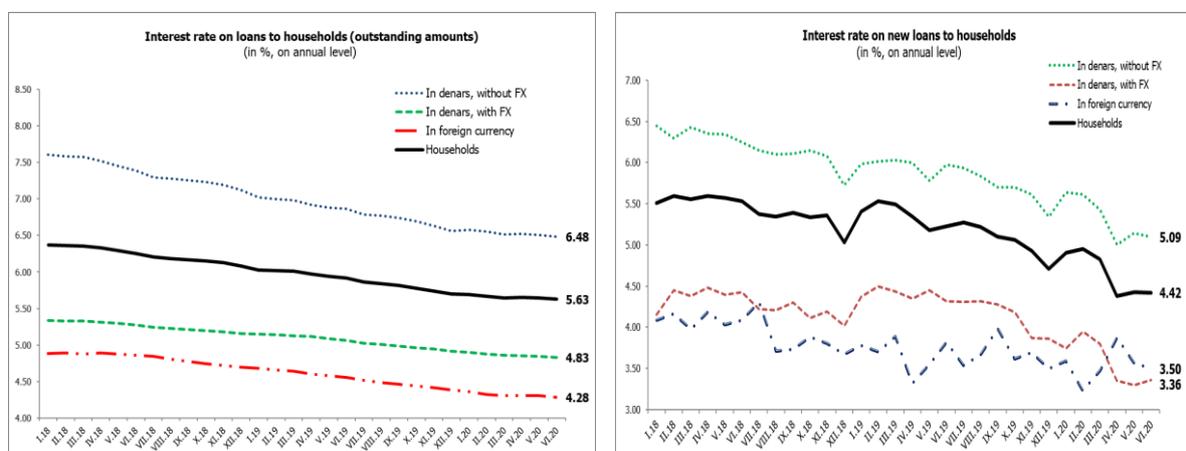


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with and without currency clause decreased (by 0.14 and 0.01 percentage points, respectively). Compared to the same period last year, this interest rate decreased by 0.34 percentage points.

- In June, the interest rate on newly received corporate deposits⁵ registered a monthly growth of 0.09 percentage points and amounted to 0.43%. Moreover, the growth is solely due to the higher interest rates on foreign currency deposits (by 0.18 percentage points), amid fall in denar deposits without currency clause (by 0.52 percentage points). This month, banks and savings houses did not receive denar deposits with currency clause. Analyzed on an annual level, the interest rate on newly received corporate deposits decreased by 0.53 percentage points.

2. Interest rates for households⁶



Source: NBRNM.

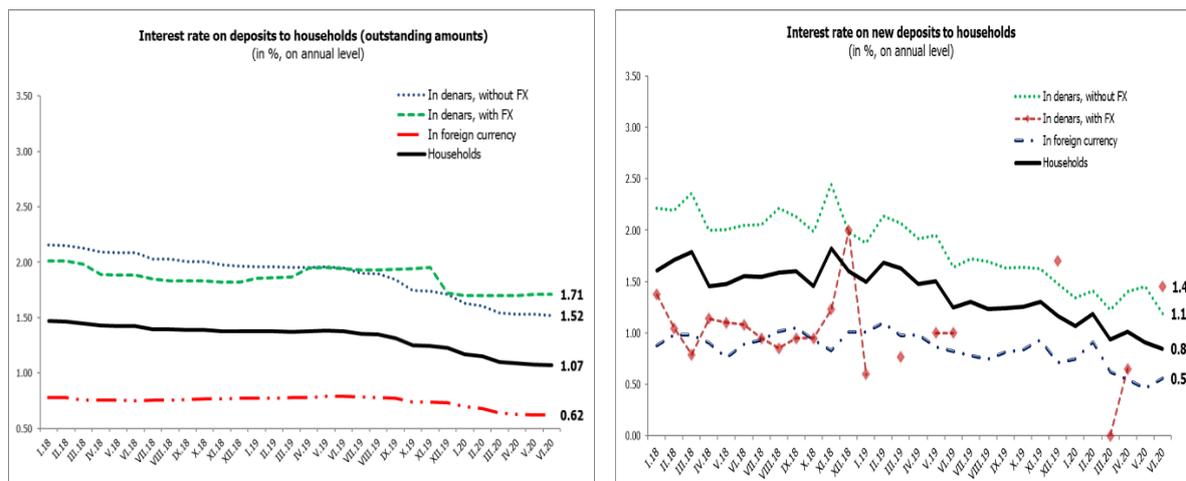
- In June 2020, the average interest rate on the outstanding amounts of household loans equaled 5.63%, after a minimal monthly decline of 0.01 percentage point. The decline is a result of the reduction in all components of the interest rate, as follows: the interest rate on foreign currency loans (0.03 percentage points) and the interest rates on denar loans without and with currency clause (of 0.03 and 0.02 percentage points, respectively). On an annual level, this interest rate decreased by 0.29 percentage points.
- This month, the interest rate on newly granted loans to households registered a minimal monthly decrease of 0.01 percentage point and equaled 4.42%. The change is explained by the fall in the interest rates on foreign currency loans (of 0.07 percentage points) and denar loans without currency clause (of 0.05 percentage points), in circumstances of growth in the interest rate on denar loans with currency clause (of 0.06 percentage points). On an annual basis, the interest rate on newly granted loans to households decreased by 0.80 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.



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Source: NBRNM.

- In June, the average interest rate on the outstanding amounts of household deposits decreased by 0.01 percentage point on a monthly level and amounted to 1.07%. The fall is due to the downward change in the interest rates on denar deposits without currency clause (of 0.01 percentage point), while the interest rates on denar deposits with currency clause and foreign currency deposits are unchanged. On an annual basis, the interest rate on the outstanding amounts of household deposits decreased by 0.31 percentage point.
- In June, the interest rate on newly received household deposits⁷ decreased by 0.06 percentage points compared to the previous month and reduced to 0.85%. The downward change is a result of the reduced interest rate on denar deposits without currency clause (by 0.26 percentage points), while the interest rate on foreign currency deposits increased (by 0.10 percentage points). The interest rate on denar deposits with currency clause equaled 1.45%, 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 0.40 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/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 August 2020 (reference period as of July 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).