



## National Bank of the Republic of Macedonia Statistics Department

Skopje, 31 May 2017

### Press Release

#### Significant developments in other financial institutions<sup>1</sup> (OFIs) first quarter of 2017

- **At the end of March 2017, the outstanding amounts of OFIs' assets was Denar 81.760 million.** In terms of individual sectors, pension funds have the largest share of (63.3%) in the OFIs' assets, followed by insurance companies (24.7%).
- In the first quarter of 2017, **the outstanding amount of OFIs' assets** registered a quarterly and annual growth of 4.8% and 17.2%, respectively, driven mostly by the increase in the pension funds' assets.

Table 1 Total assets/liabilities of OFIs<sup>2</sup>

	Q1. 2016	Q4. 2016	Q1. 2017	quarterly changes		annual changes		Structure (Total OFIs)
				Q1 2017/Q4 2016		Q1 2017/Q1 2016		
				in millions of NC		in millions of NC		
	Stocks, in millions of NC				in %		in %	in %
1. Other Financial Institutions	69.766	77.984	81.760	3.776	4,8	11.995	17,2	100.0
1.1 Insurance Companies	19.439	19.593	20.179	586	3,0	739	3,8	24.7
1.2 Pension Funds	41.851	49.079	51.755	2.676	5,5	9.903	23,7	63.3
1.3 Investment Funds	3.114	3.653	4.299	646	17,7	1.185	38,0	5.3
1.4 Remaining OFIs	5.361	5.659	5.528	-131	-2,3	168	3,1	6.8

Source: NBRM.

- The most important instruments on the assets side of OFIs are debt securities and shares and other equity<sup>3</sup>, accounting for 70.7%, while on the liabilities side of OFIs are insurance technical reserves<sup>4</sup> with a share of 60.4% and capital accounts<sup>5</sup> with a share of 32.7%.

<sup>1</sup> Other financial institutions include investment funds, pension funds, insurance companies, investment funds management companies and pension funds management companies, financial companies and finance leasing companies.

<sup>2</sup> For the purposes of this press release, the category *Remaining OFIs* includes: investment fund management companies and pension funds management companies, financial companies and financial leasing companies (item 1.4 of the table).

<sup>3</sup> "Debt securities" denote securities other than shares, according to the international classification of financial instruments, as published in the balance sheets and surveys of other financial institutions.

<sup>4</sup> Insurance technical reserves include: net equity of households in life insurance reserves, net equity of households in pension funds and prepayment of premiums and reserves against outstanding claims (non-life insurance)

<sup>5</sup> Capital accounts include: funds contributed by owners, retained earnings, current year financial result, general and special reserves and valuation adjustments.



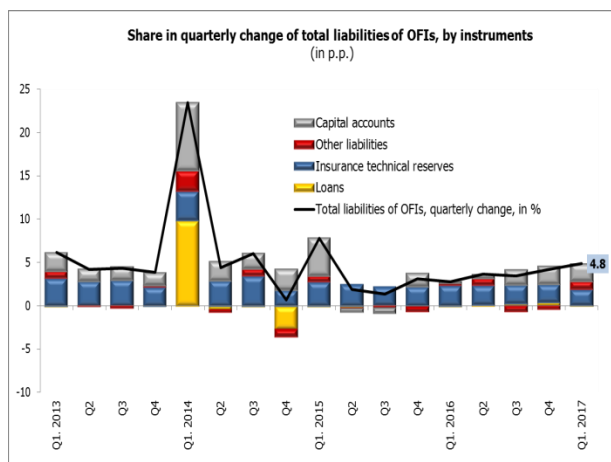
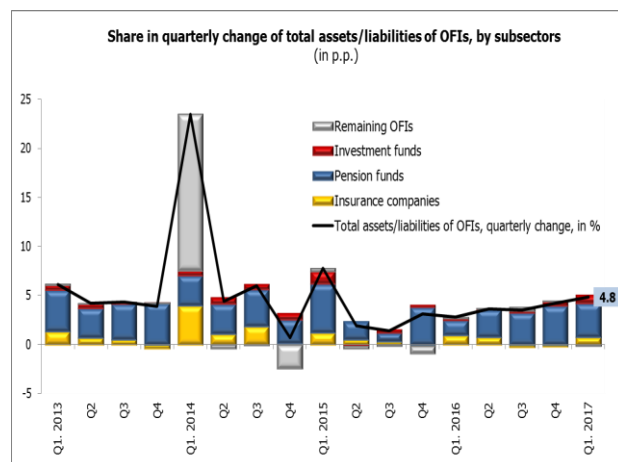
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Table 2 OFIs' assets/liabilities, by subsector and by financial instrument, Q1 2017

	Total OFI		Pension Funds		Insurance Companies		Investment Funds		Remaining OFIs	
	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)
<b>TOTAL ASSETS</b>	<b>81.760</b>		<b>51.755</b>		<b>20.179</b>		<b>4.299</b>		<b>5.528</b>	
I. Currency and deposits	12.414	15.2	4.157	8.0	5.221	25.9	2.512	58.4	524	9.5
II. Securities other than shares	41.230	50.4	32.397	62.6	7.208	35.7	992	23.1	633	11.5
III. Loans	3.664	4.5	-	-	187	0.9	29	0.7	3.449	62.4
IV. Shares and other equity	16.581	20.3	15.133	29.2	666	3.3	760	17.7	22	0.4
V. Insurance technical reserves	1.322	1.6	-	-	1.322	6.6	-	-	-	-
VI. Other claims	4.350	5.3	68	0.1	4.084	20.2	6	0.1	192	3.5
VII. Nonfinancial assets	2.200	2.7	-	-	1.491	7.4	-	-	708	12.8
<b>TOTAL LIABILITIES</b>	<b>81.760</b>		<b>51.755</b>		<b>20.179</b>		<b>4.299</b>		<b>5.528</b>	
I. Loans	2.694	3.3	-	-	115	0.6	5	-	2.575	46.6
II. Insurance technical reserves	49.317	60.3	38.745	74.9	10.572	52.4	-	-	-	-
III. Other liabilities	3.030	3.7	41	0.1	2.190	10.9	103	2.4	696	12.6
IV. Capital accounts	26.718	32.7	12.969	25.1	7.301	36.2	4.191	97.5	2.257	40.8

Source: NBRM.

- Analyzed by **instruments**, the realized quarterly and annual growth on the assets side is explained with the increased investments in debt securities in the domestic financial market. On the liabilities side, the main generator of the quarterly and annual growth are the insurance technical reserves, and capital accounts.



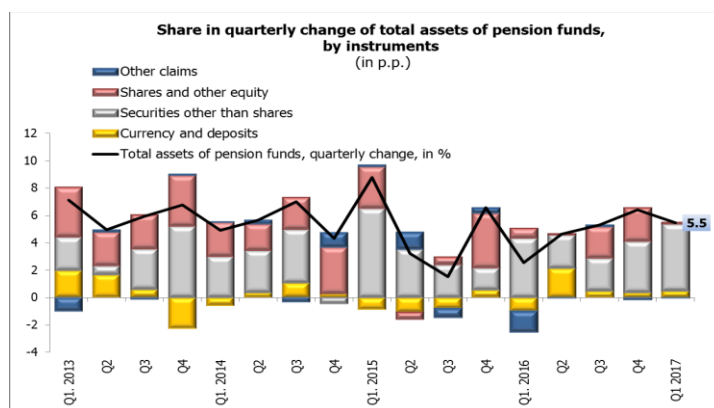
Source: NBRM.



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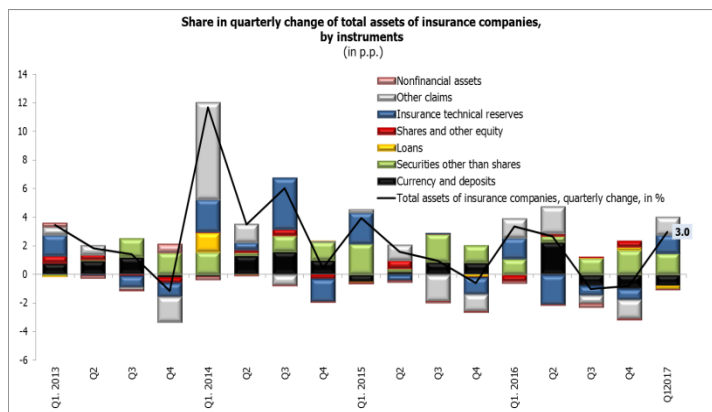
### Significant movements in OFIs, by type of institution

- In the first quarter of 2017, the outstanding amount of pension funds assets (mandatory and voluntary) registered a quarterly and annual growth of 5.5% and 23.7%, respectively. Investments in debt securities in the domestic financial market have the largest contribution in the quarterly and annual growth. On the liabilities side, the quarterly and annual growth is explained by the increased insurance technical reserves and capital accounts.



Source: NBRM.

- In the first quarter of 2017, the total outstanding amount of assets of insurance companies registered a quarterly and annual growth of 3.0% and 3.8%, respectively. The quarterly growth is explained by the increased investments in debt securities in the domestic financial market and in the insurance technical reserves. The annual growth is due to investments in debt securities in the domestic financial market. In terms of liabilities, the quarterly growth is mainly encouraged by other liabilities, while annually is due to the increase of other liabilities and insurance technical reserves.

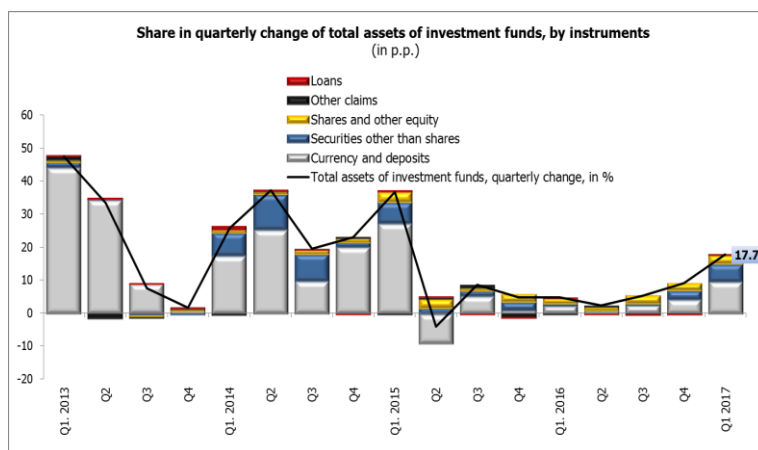


Source: NBRM.



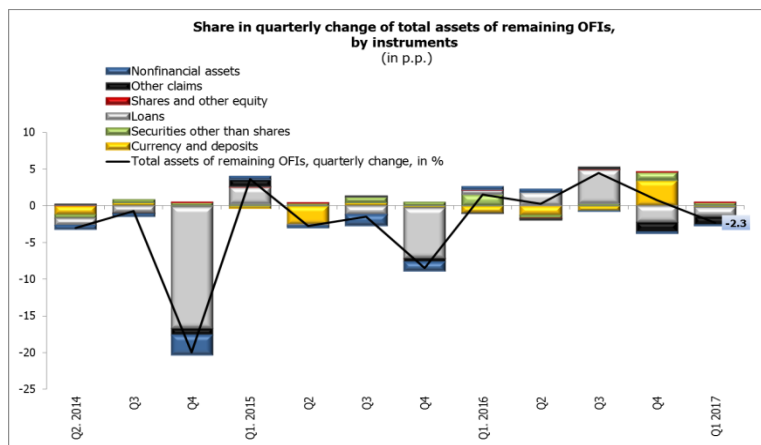
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- In the first quarter of 2017, investment funds assets<sup>6</sup> registered a significant acceleration of the quarterly and annual growth pace of 17.7% and 38.0%, respectively. Analyzed by instruments, investments in currency and deposits have the largest contribution to the growth, as well as in debt securities and shares and other equity (in the foreign financial markets). On the liabilities side, capital accounts are the main growth generator on a quarterly and annual basis.



Source: NBRM.

- In the first quarter of 2017, the outstanding amount of assets of remaining OFIs registered a quarterly decline of 2.3% due to by the reduction of their credit activity, while on an annual basis a growth of 3.1% was registered. In liabilities, the quarterly decline is explained by the decrease in equity accounts, while the growth on an annual basis is due to the increase of liabilities based on loans.



Source: NBRM.

<sup>6</sup> The Registry of the Securities and Exchange Commission (SEC) of the Republic Macedonia currently includes fifteen open and three private investment funds, whereby seventeen funds report to the NBRM.



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### **Data revisions**

Data on the OFIs movements in this press release include regular data revisions for the period October - December 2016, for the purposes of obtaining new, corrected information and data from the reporting agents. These revisions did not cause significant changes in the previously disseminated data, and mainly arise from the improved scope and quality of reports.

### **Supporting information**

Time series of data: Quarterly data on assets and liabilities of financial institutions:  
<http://nbrm.mk/ns-newsarticle-bilansi-i-pregledi-na-finansiski-institucii---kvartalni-podatoci-en.nspix>

Methodological explanations:  
<http://nbrm.mk/ns-newsarticle-bilansi-i-pregledi-na-finansiski-institucii---kvartalni-podatoci-en.nspix>

Next publication: Advance Release Calendar  
[http://nbrm.mk/kalendar\\_na\\_objavuvanje\\_na\\_podatoci-en.nspix](http://nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix)

Quarterly data on assets and liabilities of financial institutions: 31 August 2017 (reference period as of the second quarter of 2017).

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).