



National Bank of the Republic of Macedonia Statistics Department

Skopje, 31 August 2017

Press Release

Significant developments in other financial institutions¹ (OFIs): second quarter of 2017

- **At the end of June 2017, the outstanding amounts of OFIs' assets was Denar 85,220 million.** In terms of individual subsectors, pension funds have the most significant share in OFIs' assets (62.8%), followed by insurance companies (24.3%).
- In the second quarter of 2017, **the outstanding amount of OFIs' assets** registered quarterly and annual growth of 4.0% and 17.8%, respectively, mainly determined by the increase in the pension funds' assets.

Table 1 Total assets/liabilities of OFIs^{2, 3}

	Q2. 2016	Q1. 2017	Q2. 2017	quarterly changes		annual changes		Structure (Total OFIs)
				Q2 2017/Q1 2017		Q2 2017/Q2 2016		
	Stocks, in millions of NC			in millions of NC	in %	in millions of NC	in %	in %
	1. Other Financial Institutions	72.313	81.968	85.220	3.251	4,0	12.906	17,8
1.1 Insurance Companies	19.959	20.214	20.722	507	2,5	762	3,8	24.3
1.2 Pension Funds	43.794	51.755	53.485	1.731	3,3	9.692	22,1	62.8
1.3 Investment Funds	3.185	4.319	5.015	696	16,1	1.830	57,5	5.9
1.4 Remaining OFIs	5.376	5.680	5.998	317	5,6	622	11,6	7.0

Source: NBRM.

- In terms of individual instruments, debt and equity securities⁴, accounting for 70.0%, have dominant share in OFIs' assets, while on the liabilities side the most important instruments are insurance technical reserves⁵ and capital accounts⁶ with a total share of 93.3%.

¹ 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.

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

³ As of the second quarter of 2017, the scope of the data includes all existing financial companies that have received an operating license from the Ministry of Finance of the Republic of Macedonia, by April 2017.

⁴ 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.

⁵ 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).

⁶ Capital accounts include: funds contributed by owners, retained earnings, current year financial result, general and special reserves and valuation adjustments.



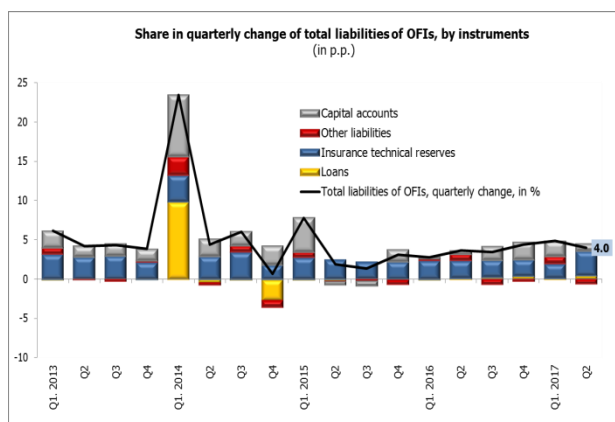
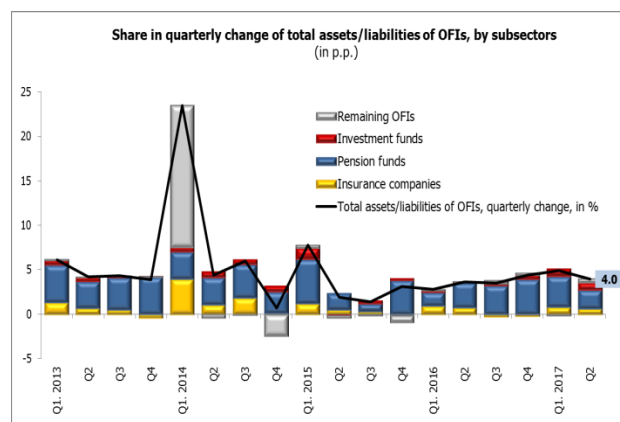
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Table 2 OFIs' assets/liabilities, by subsector and by financial instrument, q2 2017

	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 %)
TOTAL ASSETS	85,220		53,485		20,722		5,015		5,998	
I. Currency and deposits	12,865	15.1	4,000	7.5	5,259	25.4	3,034	60.5	573	9.5
II. Securities other than shares	42,051	49.3	33,326	62.3	7,087	34.2	1,052	21.0	585	9.8
III. Loans	3,998	4.7	0	-	186	0.9	28	0.6	3,783	63.1
IV. Shares and other equity	17,651	20.7	16,009	29.9	717	3.5	894	17.8	30	0.5
V. Insurance technical reserves	1,508	1.8	0	-	1,508	7.3	0	-	0	-
VI. Other claims	4,842	5.7	150	0.3	4,465	21.5	6	0.1	222	3.7
VII. Nonfinancial assets	2,304	2.7	0	-	1,499	7.2	0	-	804	13.4
TOTAL LIABILITIES	85,220		53,485		20,722		5,015		5,998	
I. Loans	3,149	3.7	0	-	114	0.6	6	0.1	3,029	50.5
II. Insurance technical reserves	51,903	60.9	40,254	75.3	11,649	56.2	0	-	0	-
III. Other liabilities	2,574	3.0	102	0.2	1,817	8.8	29	0.6	627	10.5
IV. Capital accounts	27,593	32.4	13,130	24.5	7,141	34.5	4,980	99.3	2,342	39.0

Source: NBRM.

- Analyzed **by instruments**, on the assets side, the quarterly and annual changes are explained mainly by the increased investments in debt securities on the domestic financial market and in equity securities on the foreign financial markets. On the liabilities side, the dominant generator of the quarterly and annual growth are the insurance technical reserves, and capital accounts.



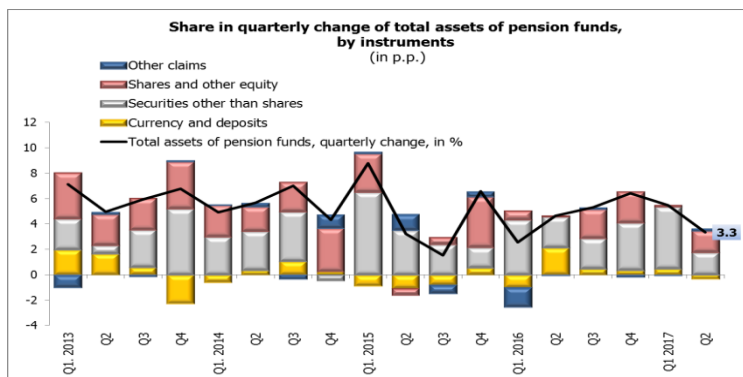
Source: NBRM.



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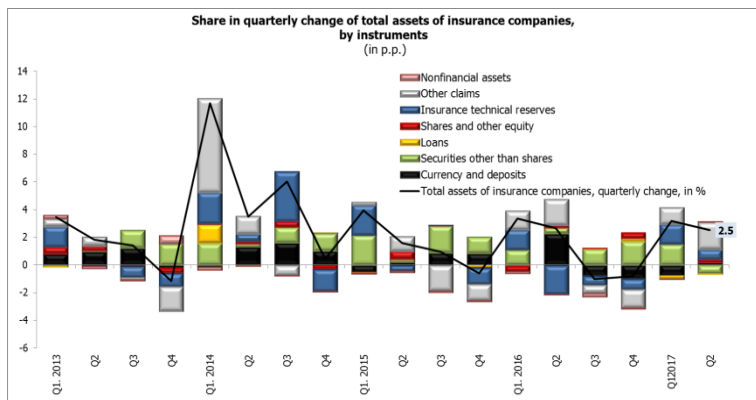
Significant movements in OFIs, by type of institution

- In the second quarter of 2017, the outstanding amount of assets of pension funds (mandatory and voluntary) increased by 3.3% and 22.1%, on quarterly and annual basis, respectively. Analyzed by instruments, the investments in debt securities on the domestic financial market and in equity securities on the foreign financial markets made the largest contribution to the quarterly and annual growth. On the liabilities side, the growth on quarterly and annual basis is mostly explained by the increased insurance technical reserves.



Source: NBRM.

- In the second quarter of 2017, the outstanding amount of assets of insurance companies registered quarterly and annual growth of 2.5% and 3.8%, respectively. The quarterly growth is mainly determined by the increase in other claims and insurance technical reserves, while the annual growth by the investments in debt securities on the domestic financial market, amid a decline in currency and deposits. On the liabilities side, the quarterly and annual growth stems from the increase in the insurance technical reserves, despite the decline in other liabilities.

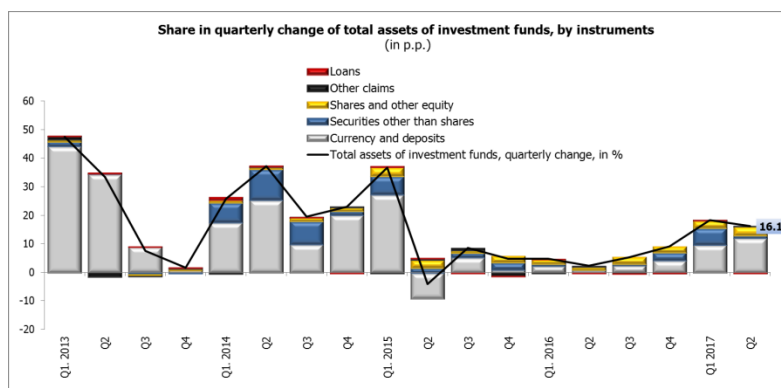


Source: NBRM.



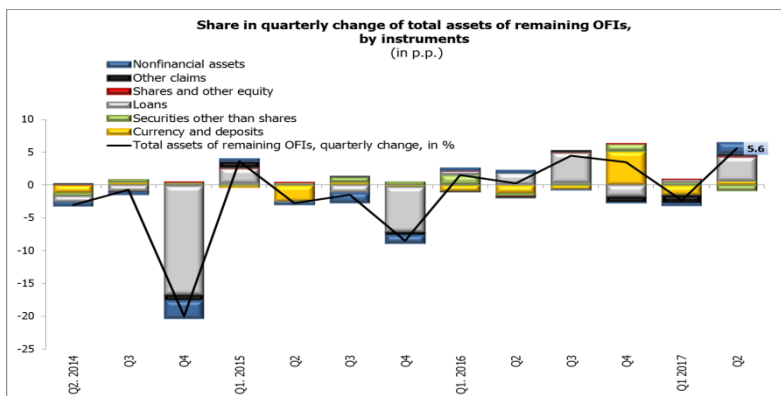
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- At the end of June 2017, the outstanding amount of assets of investment funds⁷ registered quarterly and annual growth of 16.1% and 57.5%, respectively. Analyzed by instruments, the largest contribution to the growth was made by the investments in currencies and deposits, as well as in equity securities on the foreign financial markets. On the liabilities side, the growth on quarterly and annual basis arises from the increased capital accounts.



Source: NBRM.

- In the second quarter of 2017, the outstanding amount of assets of remaining OFIs⁸ registered quarterly and annual growth of 5.6% and 11.6%, respectively, primarily due to their increased lending activity. Regarding liabilities, the growth on quarterly and annual basis is mostly explained by the increased liabilities based on loans.



Source: NBRM.

⁷ All eighteen investment funds included in the Registry of the Securities and Exchange Commission (SEC) of the Republic of Macedonia, fifteen open and three private investment funds, currently report to the NBRM.

⁸ Starting from the first quarter of 2014, the data on the new reporting entities – financial companies and finance leasing companies are included.



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Data revisions

Data on the OFIs movements in this press release include regular data revisions for the period October 2016 – March 2017, for the purposes of obtaining new, corrected information and data from the reporting entities. 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://www.nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix)

Quarterly data on assets and liabilities of financial institutions: 31 November 2017 (reference period as of the third 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 or phone: 02 3215 181 extension 116 (or 112/110/108).