



## National Bank of the Republic of Macedonia Statistics Department

Skopje, 30 November 2017

### Press Release

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

- **The outstanding amount of OFI's assets in the third quarter of the year was Denar 88,345 million, which is by Denar 3,148 million more compared to the previous quarter.** In terms of structure, pension funds have the highest significant share in OFIs' assets (63.2%), followed by insurance companies (23.5%).
- At the end of September 2017, **the outstanding amount of OFIs' assets** registered a quarterly and annual growth of 3.7% and 18.1%, respectively, mainly determined by the increase in the pension funds' assets. Other OFI's subsectors made lower positive contribution to the growth of the outstanding amount of assets.

Table 1. Total assets/liabilities of OFIs<sup>2, 3</sup>

	Q3. 2016	Q2. 2017	Q3. 2017	quarterly changes		annual changes		Structure (Total OFIs) <i>in %</i>
				Q3. 2017/Q2. 2017		Q3. 2017/Q3. 2016		
	<i>Stocks, in millions of NC</i>			<i>in millions of NC</i>	<i>in %</i>	<i>in millions of NC</i>	<i>in %</i>	
<b>1. Other Financial Institutions</b>	<b>74.836</b>	<b>85.197</b>	<b>88.345</b>	<b>3.148</b>	<b>3,7</b>	<b>13.509</b>	<b>18,1</b>	<b>100</b>
1.1 Insurance Companies	19.753	20.699	20.793	94	0,5	1.041	5,3	23,5
1.2 Pension Funds	46.116	53.485	55.818	2.332	4,4	9.702	21,0	63,2
1.3 Investment Funds	3.350	5.016	5.487	472	9,4	2.137	63,8	6,2
1.4 Remaining OFIs	5.618	5.997	6.247	249	4,2	629	11,2	7,1

Source: NBRM.

- **Analyzed by instrument,** debt securities and equity securities<sup>4</sup> have the largest share (70.4%) in OFI's assets, and insurance technical reserves<sup>5</sup> and capital accounts<sup>6</sup> dominate (93.4%) the liabilities side.

<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 of *Remaining OFIs* includes investment funds management companies and pension funds management companies, financial companies and finance leasing companies (item 1.4 of the table).

<sup>3</sup> As of the third quarter of 2017, data also include two new financial companies that obtained an operating license by the Ministry of Finance of the Republic of Macedonia, in the period July-August 2017.

<sup>4</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>5</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>6</sup> Capital accounts include funds contributed by owners, retained earnings, current year financial result, general and special reserves and valuation adjustments.



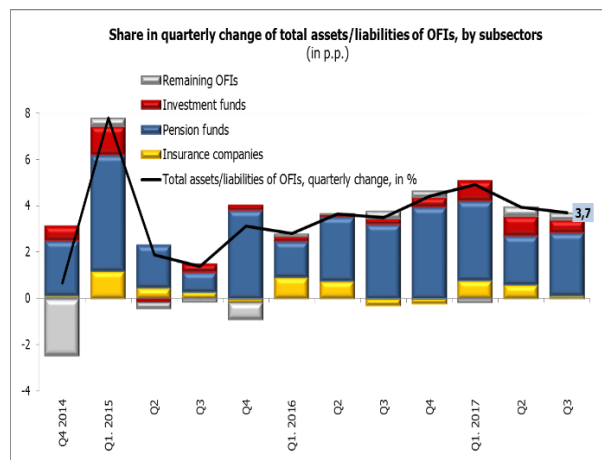
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Table 2. OFIs' assets/liabilities, by subsector and by financial instrument, Q3. 2017

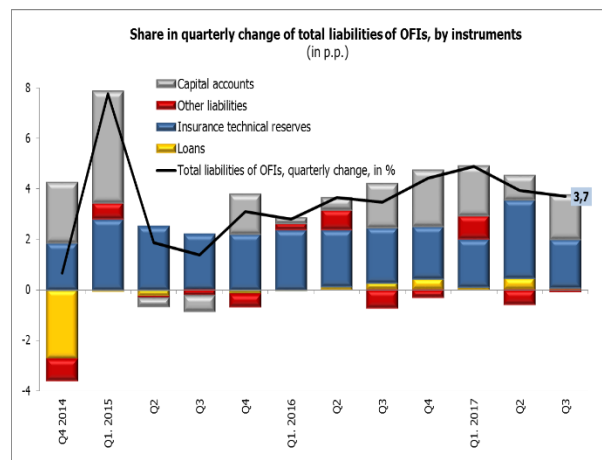
	Total OFI		Pension Funds		Insurance Companies		Investment Funds		Remaining OFIs	
	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)
<b>TOTAL ASSETS</b>	<b>85.220</b>		<b>53.485</b>		<b>20.722</b>		<b>5.015</b>		<b>5.998</b>	
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
<b>TOTAL LIABILITIES</b>	<b>85.220</b>		<b>53.485</b>		<b>20.722</b>		<b>5.015</b>		<b>5.998</b>	
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 instrument**, on the assets side, the quarterly and annual growth mainly arises from the increased investments in equity securities on the foreign financial markets and in debt securities on the domestic financial market. On the liabilities side, the quarterly and annual growth mostly reflects the increased insurance technical reserves and capital accounts.



Source: NBRM.

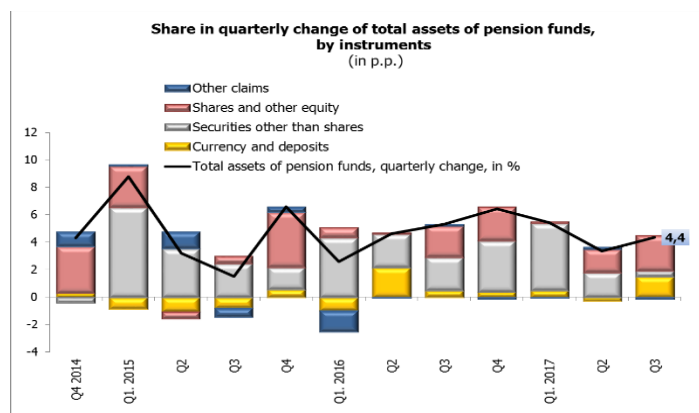




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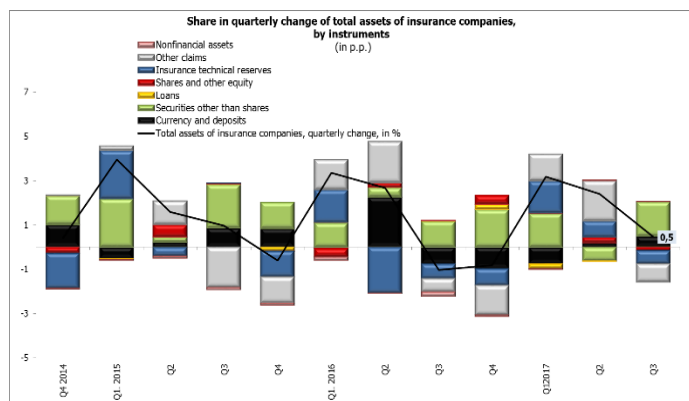
### Significant movements in OFIs, by type of institution

- In the third quarter of 2017, the outstanding amount of assets of pension funds (mandatory and voluntary) increased by 4.4%. Analyzed by instrument, investments in equity securities on the foreign financial market, and currency and deposits made the largest contribution to the quarterly growth. The annual growth of 21.0% is mostly due to the increased debt and equity investments. The growth in pension funds' liabilities is mostly determined by insurance technical reserves.



Source: NBRM.

- In the third quarter of 2017, the outstanding amount of assets of insurance companies<sup>7</sup> registered a quarterly and annual growth of 0.5% and 5.3%, respectively. In terms of investments, the largest contribution to the quarterly and annual growth was made by investments in domestic debt securities. On the liabilities side, the quarterly growth primarily stems from the increase in capital accounts and insurance technical reserves, and the annual growth is driven by insurance technical reserves, particularly the increase in life insurance.



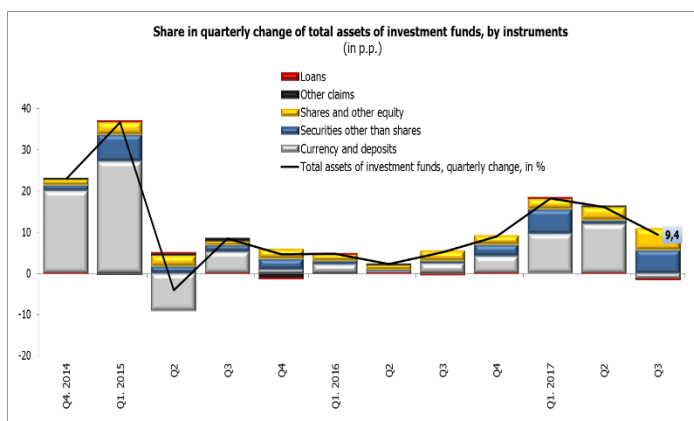
Source: NBRM.

<sup>7</sup> All fifteen insurance companies included in the registry of the Insurance Supervision Agency (eleven for non-life insurance and four for life insurance) currently report to the NBRM.



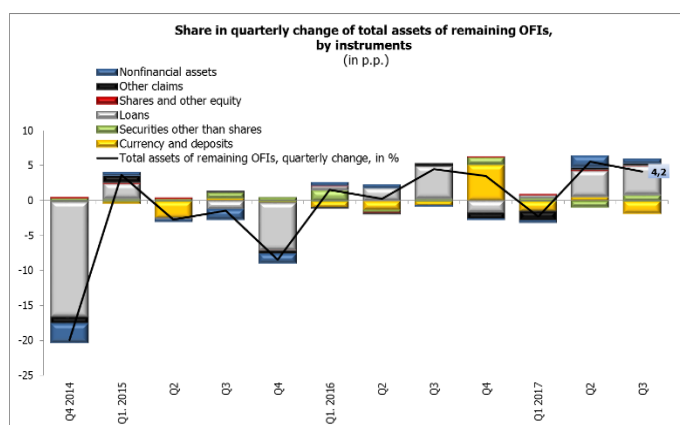
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- At the end of the third quarter of 2017, the outstanding amount of assets of investment funds<sup>8</sup> registered a quarterly growth of 9.4%, primarily due to the increased investments in debt and equity securities, despite the decline in deposits. The annual growth rate of 63.8% is the highest annual growth rate since the end of 2015. Investments in deposits registered the fastest annual growth, followed by securities investments. On the liabilities side, the quarterly and annual growth arises from the increased capital accounts.



Source: NBRM.

- In the third quarter of 2017, the outstanding amount of assets of remaining OFIs<sup>9</sup> registered a quarterly and annual growth of 4.2% and 11.2%, respectively. The quarterly growth mainly results from the increased lending activity of the finance leasing companies, and the annual growth is due to the lending activity of the financial companies. The quarterly growth of liabilities primarily reflects the capital accounts and increased loan liabilities, whereas the annual growth is solely due to the increased loan liabilities.



Source: NBRM.

<sup>8</sup> All eighteen investment funds included in the registry of the Securities Exchange Commission of the Republic of Macedonia (fifteen open-end and three closed-end investment funds) currently report to the NBRM.

<sup>9</sup> Since the first quarter of 2014, it has included data on new reporting entities – financial companies and finance leasing companies. The data currently include eighteen financial companies and six finance leasing companies.



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### Data revisions

Data on the OFIs movements in this press release include regular data revisions for the period April-June 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 publications: Advance Release Calendar  
[http://www.nbrm.mk/kalendar\\_na\\_objavuvanje\\_na\\_podatoci-en.nspix](http://www.nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix)

Quarterly data on assets and liabilities of financial institutions: 28 February 2018 (reference period as of the fourth 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).