



National Bank of the Republic of Macedonia Statistics Department

Skopje, 28 February 2018

Press Release

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

- **At the end of 2017, the outstanding amount of OFIs' assets was Denar 92,101 million.** The assets of pension funds and insurance companies (63.2% and 22.9%, respectively) dominate the outstanding amount of OFIs' assets.
- In the fourth quarter of 2017, **the outstanding amount of OFIs' assets** increased quarterly by 4.3%, driven primarily by the increase in the assets of pension funds and other OFIs. On annual basis, OFIs' assets increased by 17.9%, which is by 2.7 percentage points higher growth rate compared to 2016. Thus, pension funds' assets are the main driver of the annual growth.

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

	Q4. 2016	Q3. 2017	Q4. 2017	quarterly changes		annual changes		Structure (Total OFIs)
				Q3. 2017/Q2. 2017		Q3. 2017/Q3. 2016		
	Stocks, in millions of NC				in millions of NC	in %	in millions of NC	in %
1. Other Financial Institutions	78.139,5	88.332	92.101	3768,5	4,3	13961,2	17,9	100,0
1.1 Insurance Companies	19.593,0	20.780	21.114	333,7	1,6	1521,1	7,8	23,5
1.2 Pension Funds	49.078,8	55.818	58.239	2421,2	4,3	9160,3	18,7	63,2
1.3 Investment Funds	3.652,7	5.487	5.305	-182,5	-3,3	1652,2	45,2	6,2
1.4 Remaining OFIs	5.815,0	6.247	7.443	1196,1	19,1	1627,7	28,0	7,1

Source: NBRM.

- **Analyzed by instrument**, debt and equity securities⁴ have the largest share on the assets side with 70.7%, while insurance technical reserves⁵ and capital accounts⁶ dominate the liabilities side with 92.9%.

¹Other 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 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).

³ Since the fourth quarter of 2017, data on a new insurance company and a new financial company licensed by the Ministry of Finance of the Republic of Macedonia on 26 September 2017 are included.

⁴Debt 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.



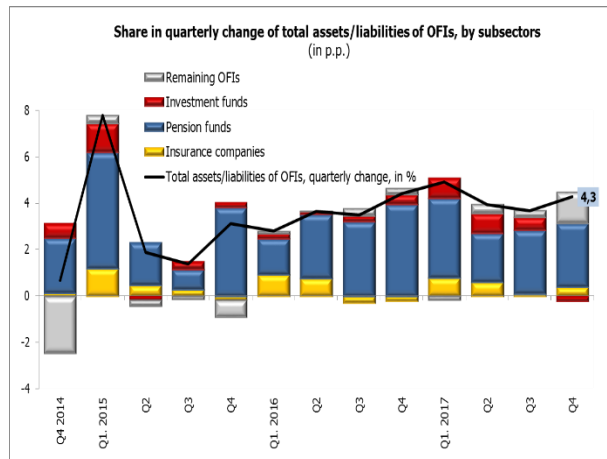
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Table 2. OFIs' assets/liabilities, by subsector and by financial instrument, Q4. 2017

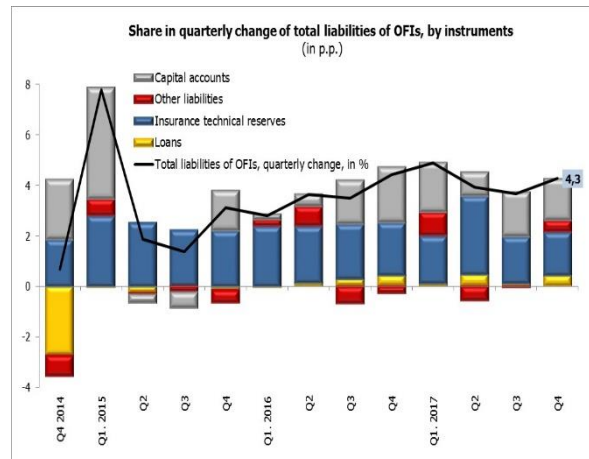
	Total OFI		Pension Funds		Insurance Companies		Investment Funds		Remaining OFIs	
	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)
TOTAL ASSETS	92.101		58.239		21.114		5.305		7.443	
I. Currency and deposits	13.904	15,1	4.806	8,3	5.590	26,5	2.686	50,6	822	11,0
II. Securitites other than shares	45.295	49,2	35.541	61,0	7.704	36,5	1.381	26,0	668	9,0
III. Loans	4.948	5,4	0	-	173	0,8	25	0,5	4.749	63,8
IV. Shares and other equity	19.828	21,5	17.809	30,6	779	3,7	1.206	22,7	35	0,5
V. Insurance technical reserves	969	1,1	0	-	969	4,6	0	-	0	-
VI. Other claims	4.697	5,1	83	0,1	4.304	20,4	6	0,1	303	4,1
VII. Nonfinancial assets	2.459	2,7	0	-	1.595	7,6	0	-	865	11,6
TOTAL LIABILITIES	92.101		58.239		21.114		5.305		7.443	
I. Loans	3.608	3,9	0	-	158	0,7	0	-	3.450	46,4
II. Insurance technical reserves	54.998	59,7	43.550	74,8	11.448	54,2	0	-	0	-
III. Other liabilities	2.927	3,2	31	0,1	1.932	9,1	17	0,3	947	12,7
IV. Capital accounts	30.569	33,2	14.659	25,2	7.577	35,9	5.288	99,7	3.046	40,9

Source: NBRM.

- **Analyzed by instrument**, on the assets side, the quarterly and annual growth mainly arises from the increased investments in debt securities on the foreign financial markets. On the liabilities side, insurance technical reserves, and capital accounts are the main generators of the quarterly and annual growth.



Source: NBRM.

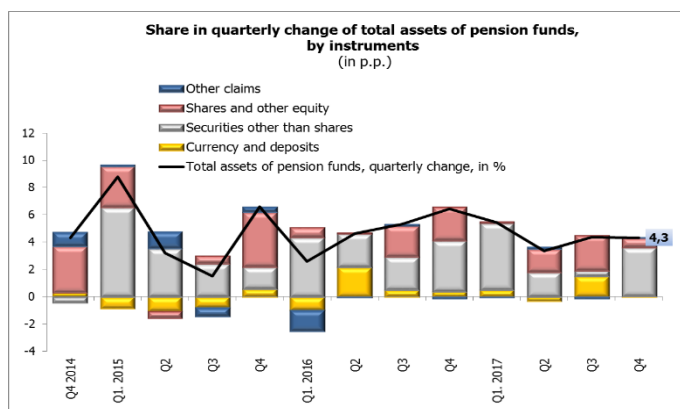




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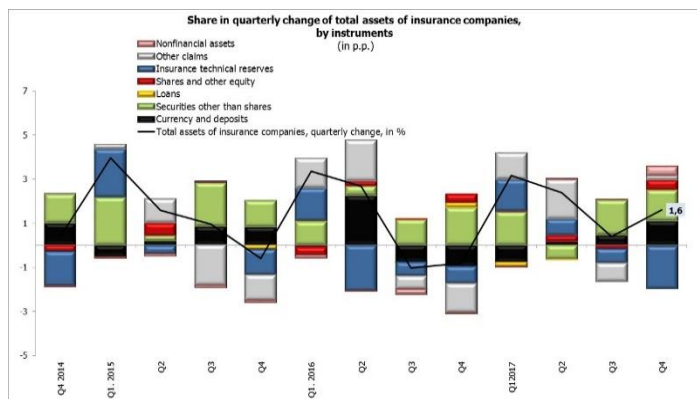
Significant movements in OFIs, by type of institution

- In the fourth quarter of 2017, the outstanding amount of the pension funds' assets (compulsory and voluntary) registered a quarterly growth of 4.3%, primarily reflecting the growth in investments in debt securities. The annual growth rate of the outstanding amount of the pension funds' assets for 2017 was 18.7%, which is a slowdown compared to 2016 (of 1.6 percentage points). On the liabilities side, the growth is derived from the insurance technical reserves.



Source: NBRM.

- In the fourth quarter of 2017, the outstanding amount of the insurance companies' assets registered a quarterly and annual growth of 1.6% and 7.8%, respectively. In this financial sector segment, the annual growth in 2017 was 3.6 percentage points higher compared to 2016. Analyzed by instrument, the debt securities and the currencies and deposits made the largest contribution to the quarterly and annual growth on the assets side. On the liabilities side, the quarterly growth is determined by the capital accounts, while the annual growth is determined by the insurance technical reserves.



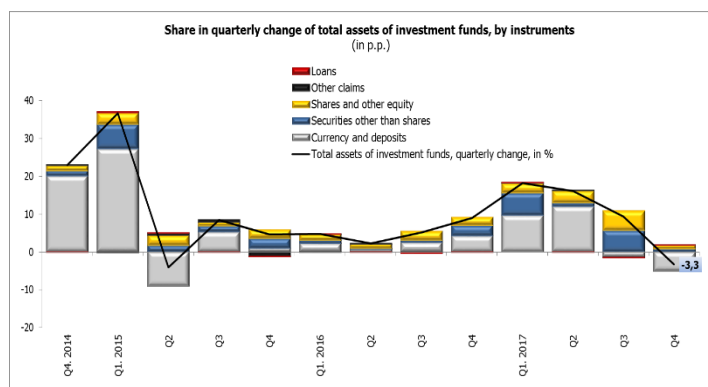
Source: NBRM.

7 All sixteen insurance companies included in the registry of the Insurance Supervision Agency (eleven for non-life insurance and five for life insurance) currently report to the NBRM.



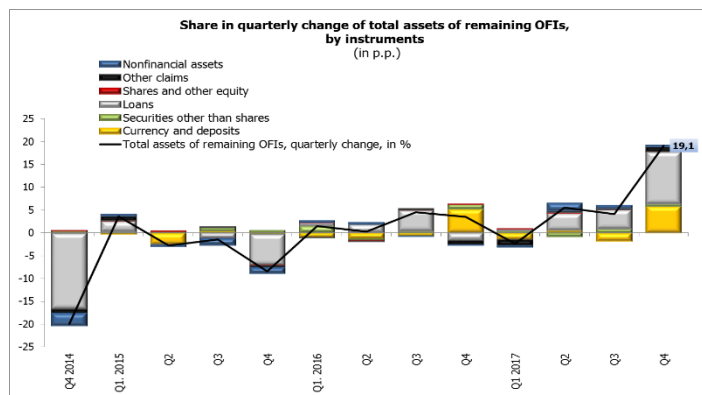
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- The growth rate of outstanding amount of investment funds' assets⁸ was decreasing for three quarters in a row, and this quarter entered a negative zone. The quarterly fall of 3.3% mainly reflects the decrease in currencies and deposits. In contrast, the annual growth in 2017 intensified (45.2%) and came closer to the growth rates registered in the period before 2016. On the liabilities side, the quarterly and annual growth primarily arises from the increased capital accounts.



Source: NBRM.

- The outstanding amount of the other OFIs⁹ assets in the fourth quarter of 2017 registered a quarterly growth of 19.1% and an annual growth of 28.0%, which is a significant acceleration of the growth dynamics. The increase in assets primarily reflects the increased lending activity and the growth in currencies and deposits. The quarterly growth of liabilities primarily reflects the capital accounts, whereas the annual growth is mainly due to the increased loan liabilities.



Source: NBRM.

⁸The Registry of the Securities and Exchange Commission (SEC) of the Republic Macedonia currently includes fifteen open-end and five private investment funds, and currently, eighteen funds report to the NBRM.

⁹ Since the first quarter of 2014, it includes data on new reporting entities - financial companies and finance leasing companies. The data currently include nineteen 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 July-September 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

Quarterly data on assets and liabilities of financial institutions: 31 May 2018 (reference period as of the first quarter of 2018).

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).