



National Bank of the Republic of Macedonia Statistics Department

Skopje, 31 May 2018

Press Release

Significant developments in other financial institutions¹ (OFIs): first quarter of 2018

- **In the first quarter of 2018, the outstanding amount of OFIs' assets was Denar 94,878 million.** Pension funds had the largest share (62.9%) in the OFIs' assets, followed by the assets of insurance companies (22.8%).
- In the first quarter of 2018, **the outstanding amounts of OFIs' assets** registered a quarterly growth of 3.1%, while on an annual basis this growth was 15.7%. Thus, the main driver of the quarterly and annual growth were pension funds' assets (with a share of 49.1% and 61.2%, respectively).

Table 1. Total assets/liabilities of OFIs²

	Q1. 2017	Q4. 2017	Q1. 2018	quarterly changes		annual changes		Structure (Total OFIs)
				Q1. 2018/Q4. 2017		Q1. 2018/Q1. 2017		
	Stocks, in millions of NC			in millions of NC	in %	in millions of NC	in %	in %
1. Other Financial Institutions	81.968	91.985	94.878	2.893	3,1	12.909	15,7	100,0
1.1 Insurance Companies	20.214	21.099	21.620	521	2,5	1.406	7,0	22,8
1.2 Pension Funds	51.755	58.239	59.660	1.421	2,4	7.905	15,3	62,9
1.3 Investment Funds	4.319	5.305	5.868	564	10,6	1.549	35,9	6,2
1.4 Remaining OFIs	5.680	7.342	7.730	388	5,3	2.050	36,1	8,1

Source: NBRM.

- **Analyzed by instruments**, debt and equity securities³ prevail on the assets side with a share of 69.7%, while insurance technical reserves⁴ and capital accounts⁵ dominate on liabilities side with 93.0%.

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 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 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.

⁴ 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).

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



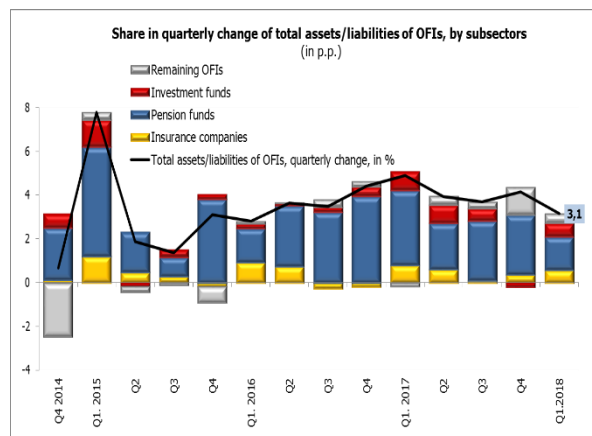
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Table 2. OFIs' assets/liabilities, by subsector and by financial instrument, Q1. 2018

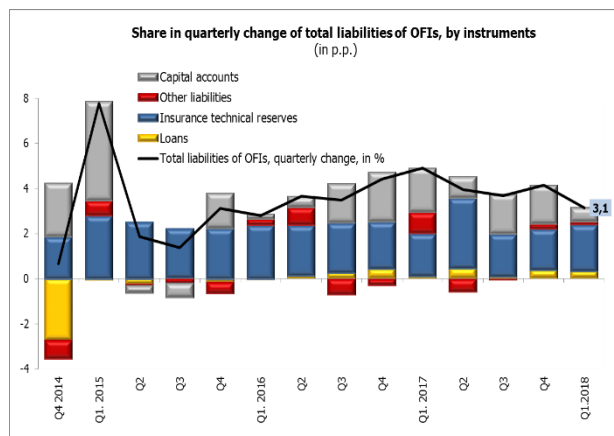
	Total OFI		Pension Funds		Insurance Companies		Investment Funds		Remaining OFIs	
	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)
TOTAL ASSETS	94.878		59.660		21.620		5.868		7.730	
I. Currency and deposits	15.474	16,3	5.585	9,4	5.704	26,4	3.193	54,4	992	12,8
II. Securities other than shares	45.411	47,9	35.516	59,5	7.838	36,3	1.347	23,0	709	9,2
III. Loans	5.056	5,3	0	-	169	0,8	25	0,4	4.861	62,9
IV. Shares and other equity	20.707	21,8	18.488	31,0	901	4,2	1.281	21,8	38	0,5
V. Insurance technical reserves	1.263	1,3	0	-	1.263	5,8	0	-	0	-
VI. Other claims	4.385	4,6	71	0,1	4.067	18,8	22	0,4	226	2,9
VII. Nonfinancial assets	2.582	2,7	0	-	1.679	7,8	0	-	903	11,7
TOTAL LIABILITIES	94.878		59.660		21.620		5.868		7.730	
I. Loans	3.865	4,1	0	-	110	0,5	4	-	3.751	48,5
II. Insurance technical reserves	56.974	60,1	45.122	75,6	11.852	54,8	0	-	0	-
III. Other liabilities	2.844	3,0	28	0,0	1.877	8,7	39	0,7	900	11,6
IV. Capital accounts	31.195	32,9	14.509	24,3	7.781	36,0	5.825	99,3	3.079	39,8

Source: NBRM.

- **Analyzed by instruments, on the assets side**, the quarterly growth is mainly due to currency and deposits and to a lesser extent due to equity securities in foreign financial markets. The growth on an annual basis is driven by debt securities in denars, equity securities in foreign financial markets and currency and deposits. **On the liabilities side**, insurance technical reserves have the largest share in the quarterly and annual growth.



Source: NBRM.

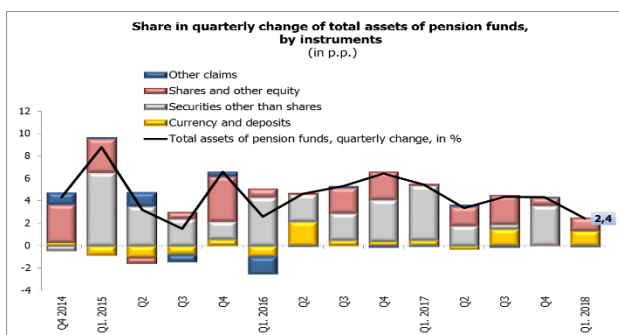




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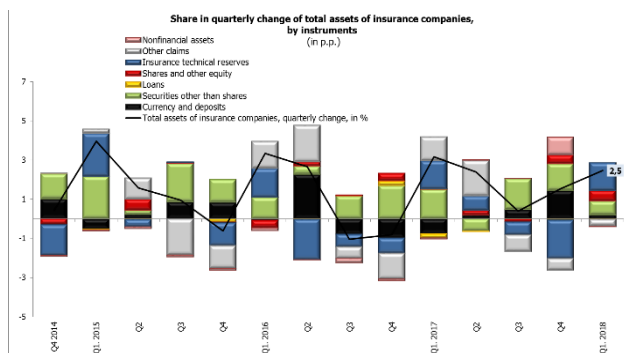
Significant movements in OFIs, by type of institution

- In the first quarter of 2018, the outstanding amount of the pension funds' assets (compulsory and voluntary) registered a quarterly growth of 2.4%, due to the growth of currency and deposits and investments in debt securities in the foreign financial markets. The annual growth rate was 15.3% and is primarily determined by the increased investments in equity securities in the foreign financial markets and in debt securities in denars. On the liabilities side, the growth on quarterly and annual basis is explained by the increased insurance technical reserves.



Source: NBRM.

- In the first quarter of 2018, the outstanding amounts of the assets of insurance companies⁶ registered a growth of 2.5%, mainly due to the increased insurance technical reserves (with a share of 57.4% in the overall increase), amid positive contribution of both the investments in government securities in foreign currency and stakes in investment funds, as part of the shares and other equity capital. The annual growth rate amounts to 7.0% and is mainly due to the increase of government securities in foreign currency and to a lesser extent due to currency and deposits. On the liabilities side, the main drivers of the quarterly and annual growth are the insurance technical reserves and capital accounts.



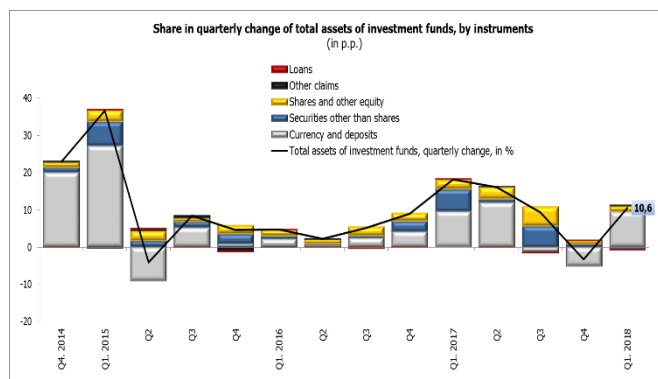
Source: NBRM.

⁶ 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.



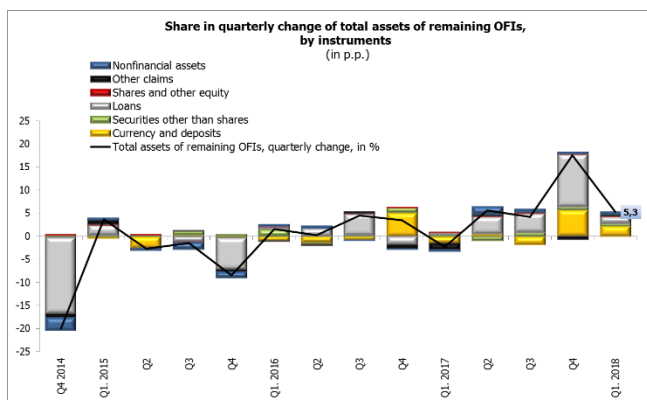
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- In the first quarter of 2018, the outstanding amount of investment funds⁷ registered a significant quarterly growth of 10.6%. Analyzed by instruments, the growth is determined by currency and deposits (share of 90.0%). The annual growth was 35.9% and was mainly as a result of currency and deposits and equity securities. On the liabilities side, the upward changes on a quarterly and annual basis are concentrated in the capital accounts.



Source: NBRM.

- The outstanding amount of assets of remaining OFIs⁸ registered a quarterly growth of 5.3% which is a significant deceleration of the growth compared to the previous quarter. Thus, currency and deposits and loans had the largest contribution to the growth, while the annual growth of 36.1% is dominantly explained with the increased lending activity (contribution of 63.0%) as well as the base effect⁹. Regarding liabilities, the growth on a quarterly and annual basis is mostly due to the increased liabilities based on loans.



Source: NBRM.

⁷ The 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.

⁸ Since the first quarter of 2014, it includes data on the new reporting entities – financial companies and financial leasing companies. The data currently cover nineteen financial companies and six financial leasing companies.

⁹ In the previous quarter (Q4 2017), the series of data included a new financial company (savings house which was re-registered as a financial company), thus making their credit activity the main driver of the increase in the total credit activity of the remaining OFIs.



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Data revisions

Data on the OFIs movements in this press release include regular data revisions for the period July-December 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 August 2018 (reference period as of the second 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).