



## National Bank of the Republic of Macedonia Statistics Department

Skopje, 31 August 2018

### Press Release

#### Significant developments in other financial institutions<sup>1,2</sup> (OFIs): second quarter of 2018

- **In the second quarter of 2018, the outstanding amount of OFIs' assets was Denar 99,658 million.** Analyzing the structure, the assets of pension funds have the largest share of 63.5%, followed by the assets of insurance companies with a share of 22.3%.
- In the second quarter of 2018, **the outstanding amount of OFIs' assets** increased by 5.0% on a quarterly basis and 17.0% on an annual basis, which is an acceleration in the growth compared to the previous quarter (of 1.9 and 1.2 percentage points, respectively). The assets of pension funds made the largest contribution to the quarterly and annual growth.

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

	Q2. 2017	Q1. 2018	Q2. 2018	quarterly changes		annual changes		Structure (Total OFIs)
				Q2. 2018/Q1. 2018		Q2. 2018/Q2. 2018		
				<i>in millions of NC</i>		<i>in millions of NC</i>		
				<i>in %</i>		<i>in %</i>		<i>in %</i>
<b>1. Other Financial Institutions</b>	<b>85.197</b>	<b>94.896</b>	<b>99.658</b>	<b>4.762</b>	<b>5,02</b>	<b>14.461</b>	<b>16,97</b>	<b>100,00</b>
1.1 Insurance Companies	20.699	21.616	22.223	608	2,81	1.524	7,36	22,30
1.2 Pension Funds	53.485	59.660	63.249	3.589	6,02	9.763	18,25	63,47
1.3 Investment Funds	5.016	5.868	6.103	234	4,00	1.087	21,68	6,12
1.4 Remaining OFIs	5.997	7.752	8.083	331	4,27	2.086	34,78	8,11

Source: NBRM.

<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> In August 2018, we revised the data for Q1 2018 in order to apply a new methodology in accordance with the new Monetary and Financial Statistics Manual and Compilation Guide of the IMF from 2016. Two changes are key. The first refers to the change in the treatment of the financial instruments denominated in denars with currency clause, which, in accordance with the new methodology, are reallocated from the denars to the foreign currency category. The second change is in the presentation of the impairment of the financial instruments, which, instead of in the equity, is presented within the category of other liabilities. For more information see the following link: [http://www.nbrm.mk/content/statistika/informacii/Informacija\\_za\\_promeni\\_vo\\_monetarnata\\_statistika\\_eng.pdf](http://www.nbrm.mk/content/statistika/informacii/Informacija_za_promeni_vo_monetarnata_statistika_eng.pdf)

<sup>3</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).



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- **Analyzed by instruments,** debt and equity securities<sup>4</sup> have the largest share on the assets side with 69.2%, while insurance technical reserves<sup>5</sup> and capital accounts<sup>6</sup> dominate the liabilities side with 92.1%.

Table 2. OFIs' assets/liabilities, by subsector and by financial instrument, Q2 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 %)
<b>TOTAL ASSETS</b>	<b>99.658</b>		<b>63.249</b>		<b>22.223</b>		<b>6.103</b>		<b>8.083</b>	
I. Currency and deposits	16.527	16,6	6.446	10,2	5.941	26,7	3.278	53,7	862	10,7
II. Securities other than shares	46.425	46,6	36.452	57,6	7.933	35,7	1.390	22,8	651	8,1
III. Loans	5.488	5,5	0	-	171	0,8	29	0,5	5.288	65,4
IV. Shares and other equity	22.490	22,6	20.213	32,0	828	3,7	1.397	22,9	52	0,6
V. Insurance technical reserves	1.272	1,3	0	-	1.272	5,7	0	-	0	-
VI. Other claims	4.829	4,8	138	0,2	4.417	19,9	9	0,1	264	3,3
VII. Nonfinancial assets	2.627	2,6	0	-	1.661	7,5	0	-	966	11,9
<b>TOTAL LIABILITIES</b>	<b>99.658</b>		<b>63.249</b>		<b>22.223</b>		<b>6.103</b>		<b>8.083</b>	
I. Loans	4.094	4,1	0	-	90	0,4	5	-	3.998	49,5
II. Insurance technical reserves	59.235	59,4	46.833	74,0	12.403	55,8	0	-	0	-
III. Other liabilities	3.717	3,7	288	0,5	2.119	9,5	49	0,8	1.261	15,6
IV. Capital accounts	32.612	32,7	16.128	25,5	7.612	34,3	6.048	99,1	2.824	34,9

Source: NBRM.

- **Analyzed by instruments,** on the assets side, the quarterly and annual growth is mainly due to debt and equity securities and currency and deposits. Insurance technical reserves made the highest positive contribution to the quarterly and annual growth of OFI's liabilities, and equity also made a more significant positive contribution to the growth.

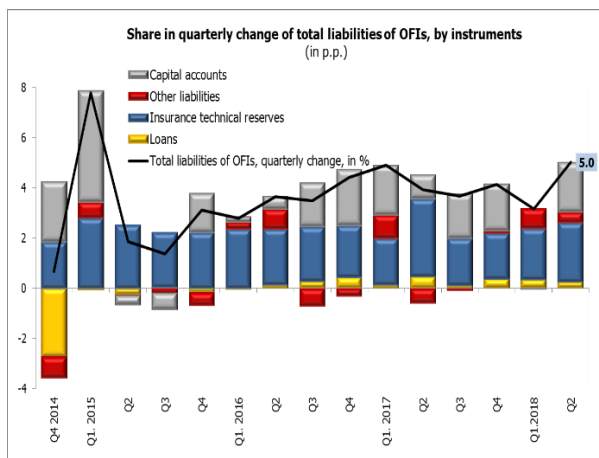
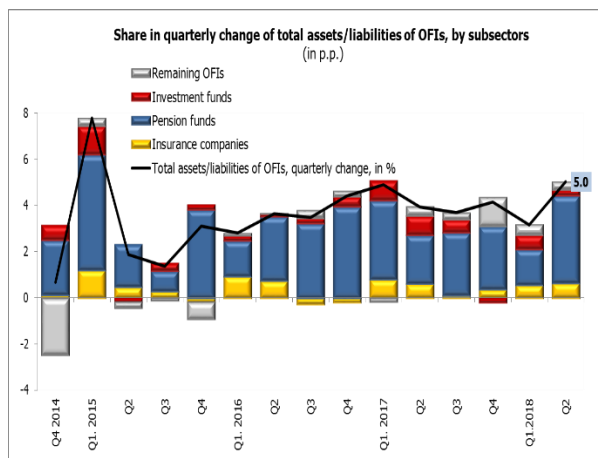
<sup>4</sup> Debt securities denote securities other than shares, according to the international classification of financial instruments, as published in the balance sheets and surveys of other financial institutions.

<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.



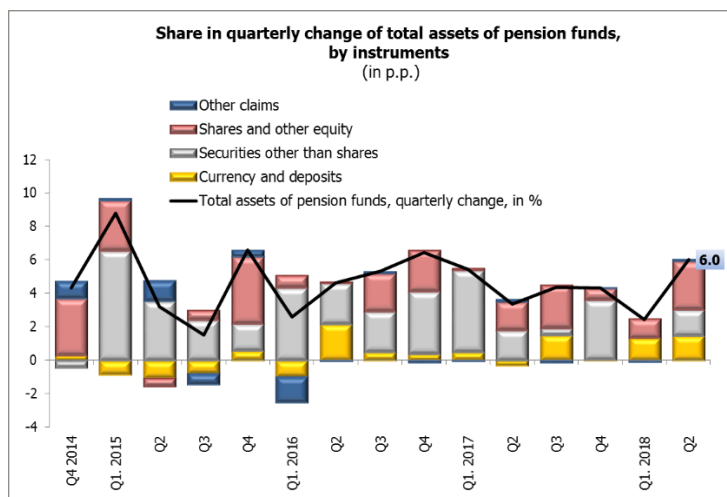
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Source: NBRM.

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

- In the second quarter of 2018, **the outstanding amount of assets of pension funds** (mandatory and voluntary) increased by 6.0% on a quarterly basis. Equity securities made the largest contribution to the quarterly growth, amid smaller and almost identical contribution of debt securities and currency and deposits. On an annual basis, the assets of pension funds increased by 18.3%, mainly as a result of the increase in the investments in equity and debt securities, amid solid positive contribution of the investments in currency and deposits. The quarterly and annual growth of liabilities reflects the increased insurance technical reserves and capital accounts.

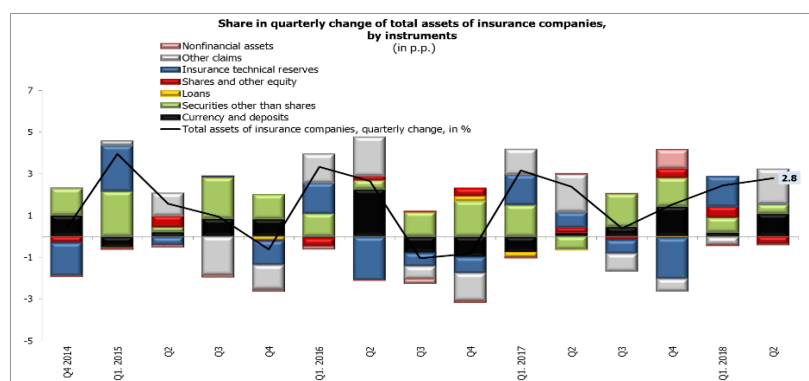


Source: NBRM.



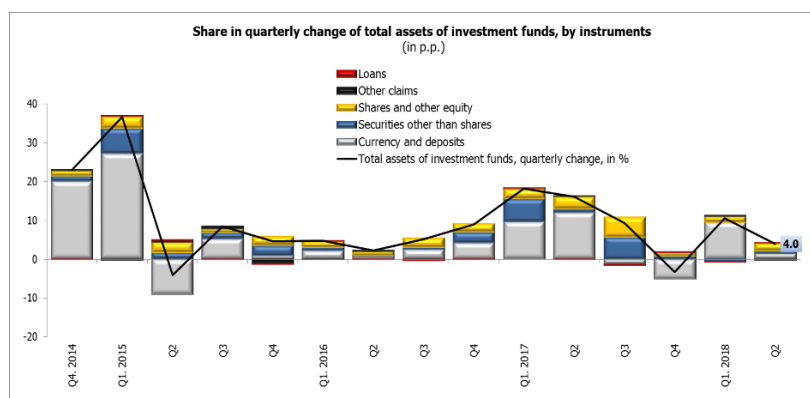
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- In the second quarter of 2018, the outstanding amount of assets of insurance companies<sup>7</sup> registered a quarterly and annual growth of 2.8% and 7.4%. Other claims and currency and deposits made the highest individual contribution to the quarterly growth, while investments in government securities and currency and deposits made the highest individual contribution to the annual growth. On the liabilities side, insurance technical reserves are the main generator of the quarterly growth, while the annual growth is the result of both insurance technical reserves and capital accounts.



Source: NBRM.

- In the second quarter of 2018, the outstanding amount of assets of investment funds<sup>8</sup> registered a quarterly and annual growth of 4.0% and 21.7%. The quarterly growth is mainly due to the increase in the investments in equity securities and currency and deposits, while the annual growth is the result of the investments in equity and debt securities, and to a lesser extent in currency and deposits. On the liabilities side, the quarterly and annual growth are generally concentrated in capital accounts.



Source: NBRM.

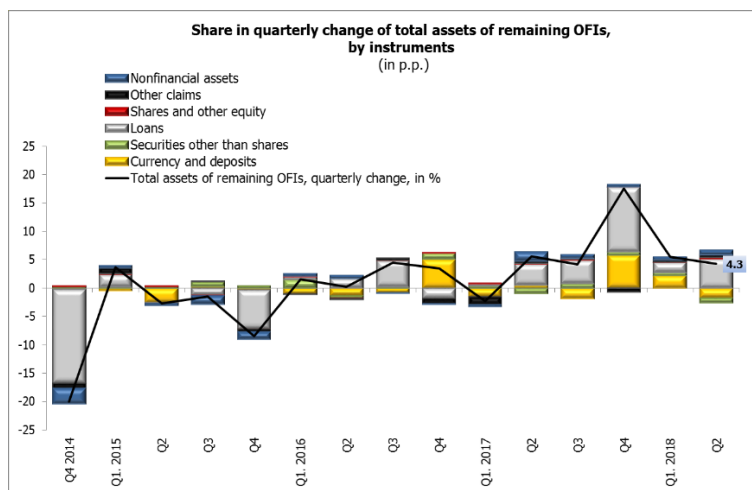
<sup>7</sup> All sixteen insurance companies included in the registry of the Insurance Supervision Agency (eleven for non-life insurance and five for life insurance) currently report to the NBRM.

<sup>8</sup> The Registry of the Securities and Exchange Commission (SEC) of the Republic Macedonia currently includes fifteen open-end and six private investment funds, and twenty funds report to the NBRM.



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- The outstanding amount of the other OFIs' assets<sup>9</sup> in the second quarter of 2018 registered a quarterly growth of 4.3% and an annual growth of 34.8%<sup>10</sup>, reflecting the increased lending activity. The quarterly growth of liabilities is mostly due to the increased loan liabilities, whereas the annual growth is the result of the borrowing through loans, as well as through other liabilities.



Source: NBRM.

<sup>9</sup> 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 seven finance leasing companies.

<sup>10</sup> In the fourth quarter of 2017, the series of data included a new financial company (a savings house that re-registered itself in a financial company), a change that affects the annual growth rates.



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### **Data revisions**

In order to apply a new methodology in accordance with the new Monetary and Financial Statistics Manual and Compilation Guide of the IMF from 2016 for the OFIs sector, we revised the data for Q1 2018 (there is no possibility of revising the previous time series of data). The interruption in the series is marked accordingly with a footnote. For more details see the Information on methodological changes in the monetary statistics, the statistics of the other financial corporations and the interest rates statistics on the following link:

[http://www.nbrm.mk/content/statistika/informacii/Informacija\\_za\\_promeni\\_vo\\_monetarnata\\_statistika\\_eng.pdf](http://www.nbrm.mk/content/statistika/informacii/Informacija_za_promeni_vo_monetarnata_statistika_eng.pdf)

Data on the OFIs movements in this press release also include regular data revisions for the period October 2017 – March 2018, 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://www.nbrm.mk/ns-newsarticle-bilansi-i-pregledi-na-finansiskite-institucii---kvartalni-podatoci-en.nspix>

Methodological explanations:

[http://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija\\_monetarna\\_statistika\\_18\\_01\\_2018\\_eng.pdf](http://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija_monetarna_statistika_18_01_2018_eng.pdf)

Next publications: Advance Release Calendar

[http://www.nbrm.mk/content/statistika/kalendar/Advance\\_Release\\_Calendar.pdf](http://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf)

Quarterly data on assets and liabilities of financial institutions: 30 November 2018 (reference period as of the third 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](mailto:contact.statistika@nbrm.mk) or phone: 02 3215 181 extension 116 (or 112/110/108).