



## National Bank of the Republic of North Macedonia Statistics Department

Skopje, 30 November 2021

### Press Release

### Significant developments in other financial institutions<sup>1,2</sup> (OFIs): third quarter of 2021

- In the third quarter of 2021, **the outstanding amounts of other financial corporations' assets reached Denar 157,803 million**, which is a quarterly growth of Denar 5.215 million. **Within the assets structure**, dominant share of 65.1% accounts for the pension funds, followed by insurance companies, with a share of 18.4%.
- In the third quarter of 2021, **the quarterly and annual growth rate of total assets of other financial institutions (OFI) was 3.4% and 17.7%**, respectively, mostly due to the growth of pension fund assets, at positive developments observed in the assets of other sub-sectors of OFI.

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

	Q3.2020	Q2.2021	Q3.2021	quarterly changes		annual changes		Structure (Total OFIs)
				Q3. 2021/Q2. 2021		Q3. 2021/Q3. 2020		
	Stocks, in millions of NC			in millions of NC	in %	in millions of NC	in %	in %
1. Other Financial Institutions	134,107	152,588	157,803	5,215	3.4	23,696	17.7	100
1.2 Pension Funds	84,947	99,424	102,768	3,345	3.4	17,821	21.0	65.1
1.1 Insurance Companies	27,045	28,813	29,103	290	1.0	2,058	7.6	18.4
1.3 Investment Funds	9,451	10,118	10,632	514	5.1	1,181	12.5	6.7
1.4 Other OFIs	12,663	14,233	15,299	1066	7.5	2,636	20.8	9.7
1.4.1 Finance Companies	4,693	5,864	6,615	752	12.8	1923	41.0	4.2
1.4.2 Finance Leasing Companies	6,182	6,478	6,684	206	3.2	503	8.1	4.2
1.4.3 Pension and Investment Fund Management Companies	1,789	1,892	1,999	108	5.7	211	11.8	1.3

Source: NBRNM.

<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, the data for the first quarter of 2018 were revised 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 *Remaining OFIs* includes: investment funds management companies and pension funds management companies, financial companies and finance leasing companies.



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- **Most of the OFIs' assets refer to** debt securities<sup>4</sup> (share of 49.9%), equity securities (share of 24.5%) and currencies and deposits (share of 11.7%). **Most of the OFI's liabilities** belong to technical insurance reserves<sup>5</sup>, as well as from capital accounts<sup>6</sup> (of 55.9% and 35.5%, respectively).

Table 2. OFIs' assets/liabilities, by subsector and by financial instrument, Q3 2021

	Total OFI		Pension Funds		Insurance Companies		Investment Funds		Other 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>157,803</b>		<b>102,768</b>		<b>29,103</b>		<b>10,632</b>		<b>15,299</b>	
I. Currency and deposits	18,490	11.7	7,773	7.6	6,234	21.4	3,381	31.8	1,101	7.2
II. Securities other than shares	78,754	49.9	62,551	60.9	12,114	41.6	3,113	29.3	975	6.4
III. Loans	11,141	7.1	-	-	181	0.6	5	0.0	10,956	71.6
IV. Shares and other equity	38,590	24.5	32,332	31.5	2,044	7.0	4,114	38.7	100	0.7
V. Insurance technical reserves	2,135	1.4	-	-	2,135	7.3	-	-	-	-
VI. Financial derivatives	1	-	-	-	-	-	1	-	-	-
VII. Other claims	5,702	3.6	112	0.1	4,987	17.1	18	0.2	585	3.8
VIII. Nonfinancial assets	2,991	1.9	-	-	1,409	4.8	-	-	1,582	10.3
<b>TOTAL LIABILITIES</b>	<b>157,803</b>		<b>102,768</b>		<b>29,103</b>		<b>10,632</b>		<b>15,299</b>	
I. Loans	8,155	5.2	-	-	27	0.1	-	-	8,128	53.1
II. Insurance technical reserves	88,180	55.9	70,636	68.7	17,544	60.3	-	-	-	-
III. Financial derivatives	-	-	-	-	-	-	-	-	-	-
IV. Other liabilities	5,442	3.4	223	0.2	2,866	9.8	62	0.6	2,292	15.0
V. Capital accounts	56,026	35.5	31,909	31.0	8,667	29.8	10,570	99.4	4,880	31.9

Source: NBRNM.

- **Analyzed by instruments**, the main driver of quarterly and annual growth are debt securities, with an additional positive contribution of equity securities, amid declining currencies and deposits. On the liabilities side, growth on both bases is largely explained by higher technical insurance reserves and capital accounts.

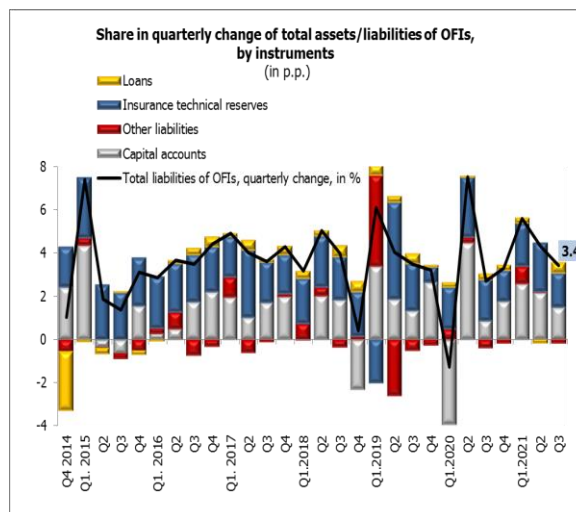
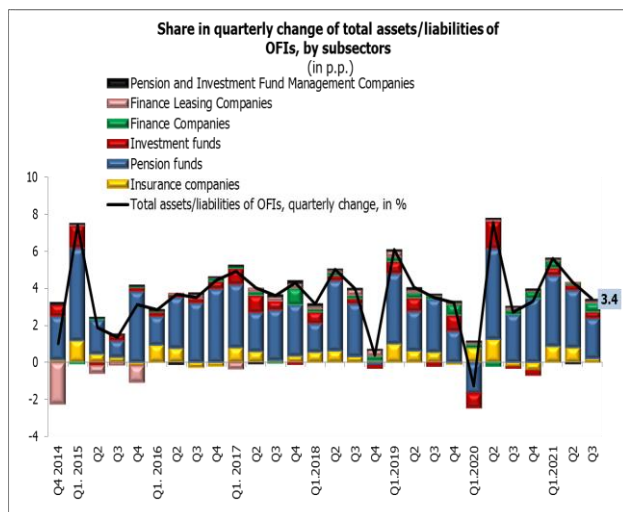
<sup>4</sup> Debt securities denote securities other than shares, according to the international classification of financial instruments, as published in the balance sheets and surveys of other financial institutions.

<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.



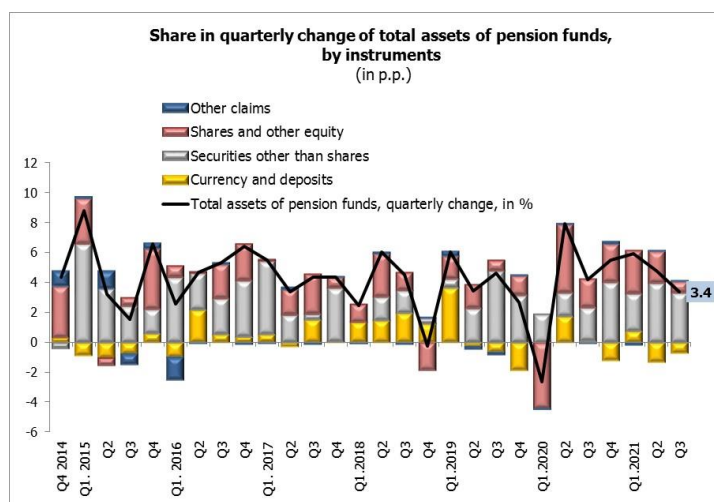
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Source: NBRNM.

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

- In the third quarter of 2021, **assets of pension funds (mandatory and voluntary)** increased by 3.4% on a quarterly basis and 21.0% on an annual basis. Analyzed by instruments, the quarterly and annual growth is largely stimulated by the higher investments in debt securities, as well as by the positive contribution of the investments in equity securities of non-residents, in conditions of a fall in currencies and deposits. On the liabilities side, the quarterly and annual growth mainly reflects the increased insurance technical reserves and capital accounts.

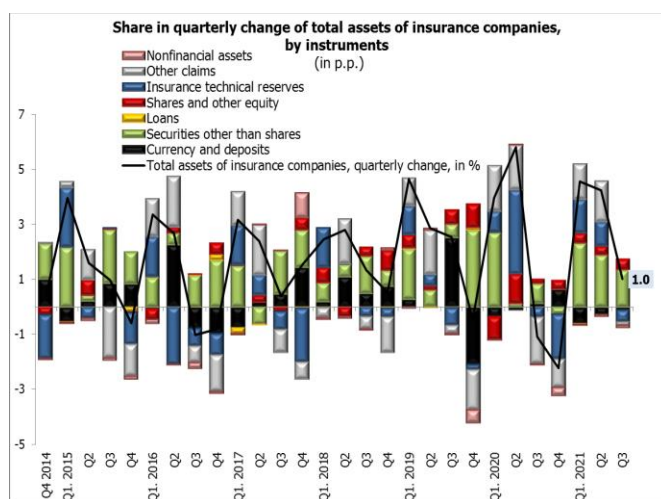


Source: NBRNM.



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- **The assets of the insurance companies<sup>7</sup>**, this quarter registered an increase of 1.0% on a quarterly basis. Compared to the same period last year, the assets of this sub-sector are higher by 7.6%. Analyzed by instruments, the main driver of quarterly growth are debt securities, with an additional positive contribution of equity securities as well, amid a slight decline in technical insurance reserves. The annual growth is mostly due to investments in debt securities, with other receivables and equity securities also having a positive impact. On the liabilities side, the quarterly growth reflects the increased capital accounts and the technical insurance reserves, in conditions of decline in other liabilities. The annual growth is mostly driven by technical insurance reserves.



Source: NBRNM.

- In the third quarter, **the outstanding amount of investment funds<sup>8,9</sup>**, registered a quarterly increase of 5.1%, as a result of higher investments in equity and debt securities. The annual growth of 12.5% is largely a result of the higher investments in equities, with a positive contribution of debt securities, in conditions of a registered decrease in currencies and deposits. On the liabilities side, the quarterly and annual growth is entirely a result of the higher capital accounts (primarily due to the equity investments and the realized profit from the current year).

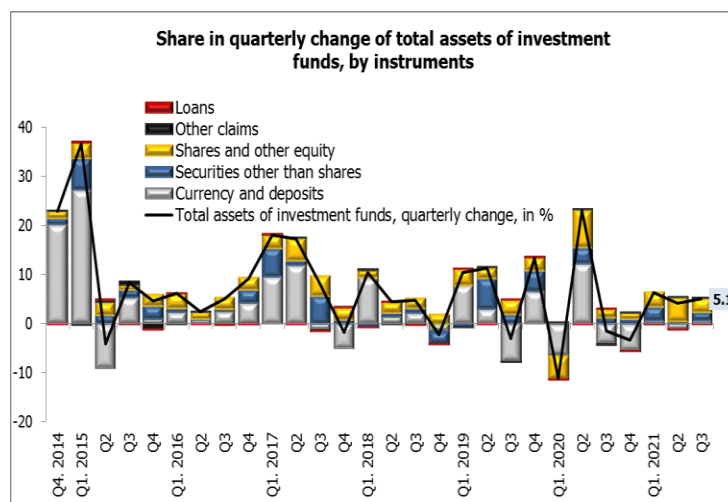
<sup>7</sup> All sixteen insurance companies included in the registry of the Insurance Supervision Agency (eleven for non-life insurance and five for life insurance) currently report to the NBRNM.

<sup>8</sup> The register of the Securities and Exchange Commission (SEC) currently includes twenty open and thirteen private investment funds, with the NBRM reporting thirty-one funds.

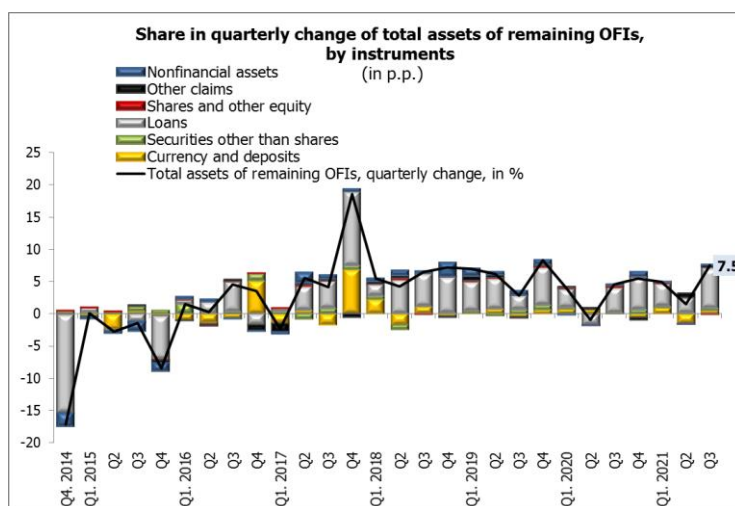
<sup>9</sup> As of the third quarter of 2021, the series of data included two new investment funds.



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- This quarter, the **outstanding amount of other OFIs<sup>10,11,12</sup> assets** registered a quarterly and annual growth of 7.5% and 20.8%, respectively. This quarter, the total credit activity of the financial and leasing companies reached Denar 10,938 million (Denar 5,939 million refers to the financial companies and Denar 4,999 million to the leasing companies). The quarterly and annual growth of 9.0% and 27.1% is primarily due to the increased lending by financial companies. On the liabilities side, the largest contribution to the growth on both bases have the loan-based liabilities, and to a lesser extent the capital accounts (due to the profit from the current year).



<sup>10</sup> Since the first quarter of 2014, it includes data on new reporting entities – financial companies and finance leasing companies. The data currently include twenty-eight financial companies and seven finance leasing companies.

<sup>11</sup> In the fourth quarter of 2017, the series of data included a new financial company (a savings house re-registered as a financial company), a change that affects the annual rates of change.

<sup>12</sup> As of the third quarter of 2021, the series of data included two new financial companies.



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### **Data revisions**

Data on the OFIs movements in this press release include data revisions for the period from the fourth quarter of 2020 to the third quarter of 2021, for the purposes of obtaining new, corrected information and data from the reporting entities, as well as better scope of 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-bilans-i-pregledi-na-finansiskite-institucii-kvartalni-podatoci-en.nspix>

Methodological explanations:

[http://nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija\\_monetarna\\_07\\_2018\\_eng.pdf](http://nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija_monetarna_07_2018_eng.pdf)

Information on methodological changes in the monetary statistics, the statistics of the other financial corporations and the interest rates statistics:  
[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)

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: 28 February 2022 (reference period as of the fourth quarter of 2021).

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).