



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 28 February 2022

Press Release

Significant developments in other financial institutions^{1,2} (OFIs): fourth quarter of 2021

- **In the fourth quarter of 2021, the outstanding amounts of assets of other financial institutions reached a level of Denar 165,579 million** and increased by Denar 7,762 million on a quarterly basis. The structure of the assets suggests that the pension funds have a dominant share of 65.6%, followed by the insurance companies, with a share of 17.7%.
- ✓ **This quarter, the outstanding amounts of assets of other financial institutions (OFIs) registered a quarterly and annual increase of 4.9% and 19.5%, respectively**, mostly due to the higher assets of the pension funds, amid positive movements registered in the assets of the other sub-sectors of OFIs.

Table 1. Total assets/liabilities of OFIs³

	Q4. 2020	Q3.2021	Q4.2021	quarterly changes		annual changes		Structure (Total OFIs) in %
				Q4. 2021/Q3. 2021		Q4. 2021/Q4. 2020		
	Stocks, in millions of NC			in millions of NC	in %	in millions of NC	in %	
1. Other Financial Institutions	138,531	157,816	165,579	7,762	4.9	27,047	19.5	100
1.2 Pension Funds	89,585	102,768	108,675	5,907	5.7	19,090	21.3	65.6
1.1 Insurance Companies	26,441	29,102	29,377	274	0.9	2,936	11.1	17.7
1.3 Investment Funds	9,135	10,632	11,608	975	9.2	2,472	27.1	7.0
1.4 Other OFIs	13,370	15,313	15,919	606	4.0	2,549	19.1	9.6
1.4.1 Finance Companies	5,205	6,630	7,090	461	6.9	1,885	36.2	4.3
1.4.2 Finance Leasing Companies	6,275	6,684	6,809	124	1.9	534	8.5	4.1
1.4.3 Pension and Investment Fund Management Companies	1,891	1,999	2,020	21	1.1	130	6.9	1.2

Source: NBRNM.

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 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

³ 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.



National Bank of the Republic of North Macedonia Statistics Department

- Most of the **OFIs' assets** are investments in debt securities⁴ (share of 49.1%), equity securities (share of 26.1%) and currencies and deposits (share of 11.3%). **The OFIs' liabilities** primarily refer to technical insurance reserves⁵, as well as to capital accounts⁶ (share of 55.1% and 36.7%, respectively).

Table 2. OFIs' assets/liabilities, by subsector and by financial instrument, Q 4 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 %)
TOTAL ASSETS	165,579		108,675		29,377		11,608		15,919	
I. Currency and deposits	18,714	11.3	7,776	7.2	6,405	21.8	3,476	29.9	1,056	6.6
II. Securities other than shares	81,229	49.1	64,791	59.6	12,316	41.9	3,122	26.9	998	6.3
III. Loans	11,613	7.0	-	-	189	0.6	1	0.0	11,422	71.8
IV. Shares and other equity	43,265	26.1	35,845	33.0	2,293	7.8	4,988	43.0	138	0.9
V. Insurance technical reserves	2,156	1.3	-	-	2,156	7.3	-	-	-	-
VI. Financial derivatives	1	-	-	-	-	-	1	-	-	-
VII. Other claims	5,514	3.3	263	0.2	4,624	15.7	19	0.2	607	3.8
VIII. Nonfinancial assets	3,088	1.9	-	-	1,392	4.7	-	-	1,696	10.7
TOTAL LIABILITIES	165,579		108,675		29,377		11,608		15,919	
I. Loans	8,498	5.1	-	-	16	0.1	-	-	8,482	53.3
II. Insurance technical reserves	91,175	55.1	73,309	67.5	17,865	60.8	-	-	-	-
III. Financial derivatives	-	-	-	-	-	-	-	-	-	-
IV. Other liabilities	5,088	3.1	144	0.1	2,615	8.9	57	0.5	2,271	14.3
V. Capital accounts	60,818	36.7	35,222	32.4	8,880	30.2	11,550	99.5	5,166	32.4

Source: NBRNM.

- **Analyzed by instruments, on the assets side**, the quarterly growth largely reflects the higher equity securities (of non-residents), amid an additional contribution of government debt securities. The annual growth reflects the same instruments, but with a larger contribution of government debt securities, relative to equity securities. On the liabilities side, the quarterly and annual change is a result of the higher capital accounts and technical insurance reserves, with a more pronounced contribution of capital accounts.

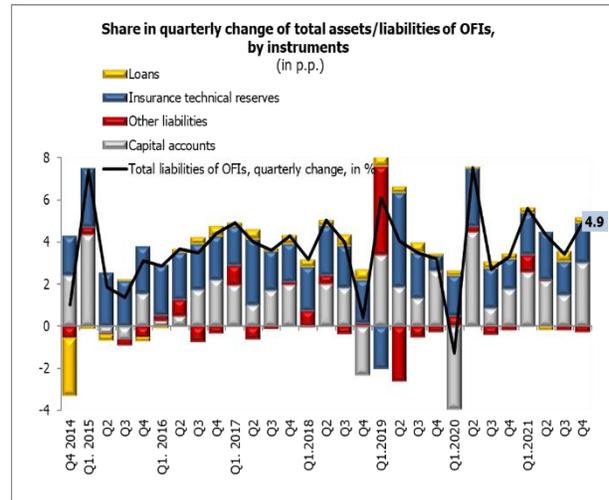
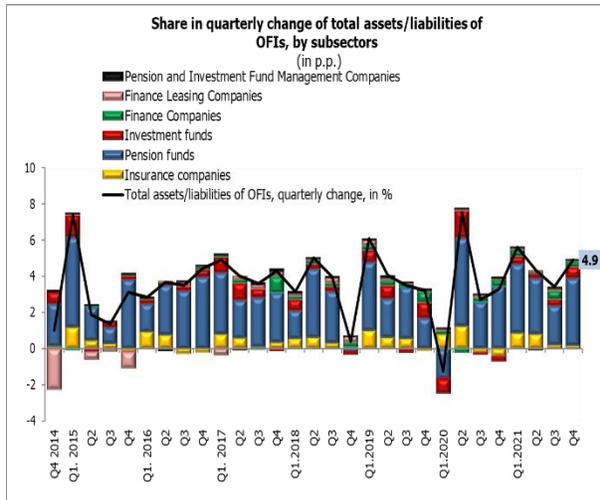
⁴ Debt securities denote securities other than shares, according to the international classification of financial instruments, as published in the balance sheets and surveys of other financial institutions.

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.



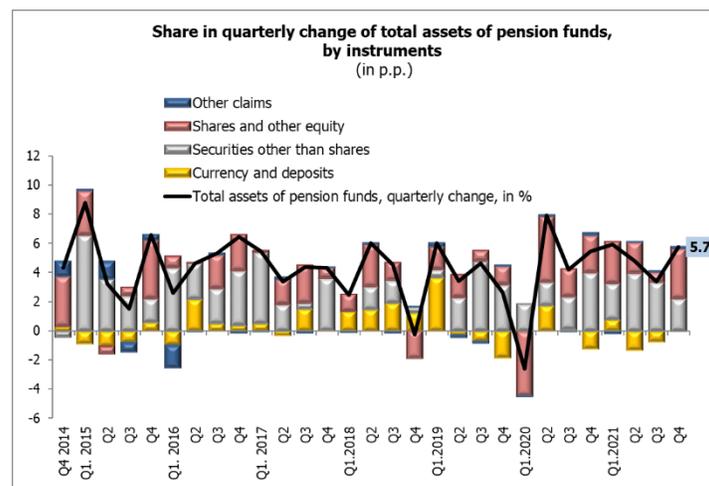
National Bank of the Republic of North Macedonia Statistics Department



Source: NBRNM.

Significant movements in OFIs, by type of institution

- At the end of 2021, **the outstanding amount of assets of pension funds (mandatory and voluntary)** registered a quarterly and annual growth of 5.7% and 21.3%, respectively, which is mostly explained by the increased investments in equity and in government debt securities. Equity securities make a more pronounced contribution to the quarterly growth, while the annual growth is largely due to government debt securities. Currency and deposits are the only instrument that registered an annual decline. On the liabilities side, the quarterly and annual growth mainly results from the increased capital accounts and technical reserves.

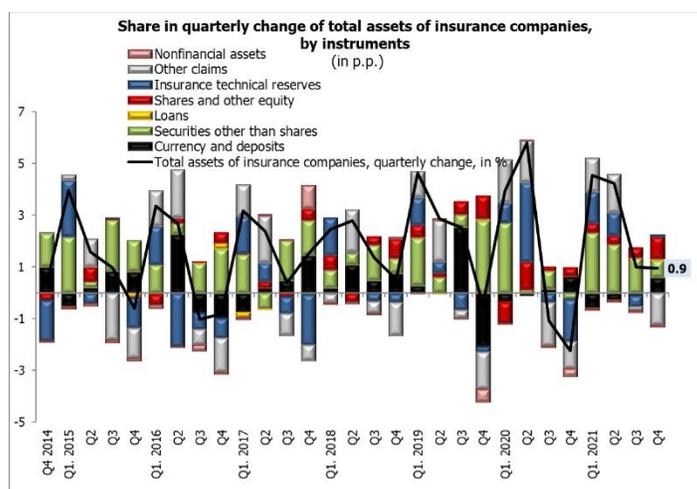


Source: NBRNM.



National Bank of the Republic of North Macedonia Statistics Department

- In the fourth quarter, the **insurance companies' assets**⁷ slightly increased by 0.9%, compared to the previous quarter. Analyzed by instruments, the quarterly growth results from the increased investments in equity and government debt securities, as well as from currency and deposits, amid a decline in other claims. On an annual basis, the 11.1% growth is primarily due to the investments in government debt securities, with a positive contribution of the investments in equity securities, technical insurance reserves and other claims, in conditions of a moderate decrease in currency and deposits. On the liabilities side, the quarterly and annual growth is largely due to the higher technical insurance reserves, as well as capital accounts.



Source: NBRNM.

- In the fourth quarter, the **outstanding amount of assets of investment funds**^{8,9} increased by 9.2% on a quarterly basis. The main driver of the growth are the investments in equity securities, amid a smaller positive contribution of currency and deposits. On an annual basis, the assets of investment funds registered a growth rate of 27.1%, primarily due to the increased investments in equity securities (of non-residents), amid an additional positive contribution of the investments in government debt securities. On the liabilities side, the quarterly and annual growth is completely a result of the higher capital accounts (primarily due to the equity investments and the realized gain from the current year).

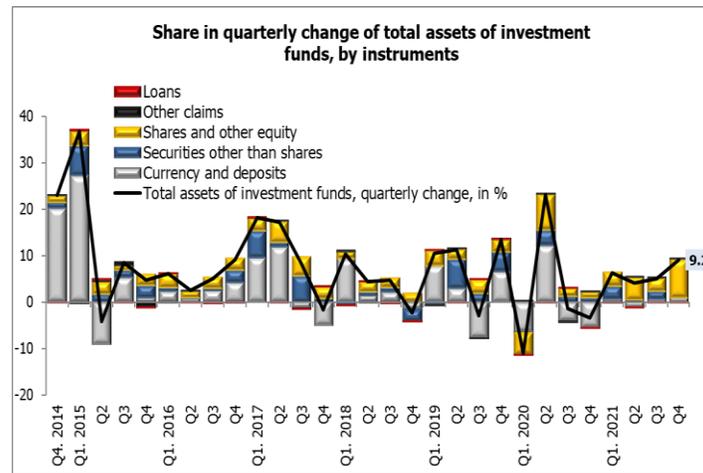
⁷ All sixteen insurance companies included in the registry of the Insurance Supervision Agency (eleven for non-life insurance and five for life insurance) currently report to the NBRNM.

⁸ The Registry of the Securities and Exchange Commission (SEC) currently includes twenty open-end and thirteen private investment funds, and thirty-one funds report to the NBRNM.

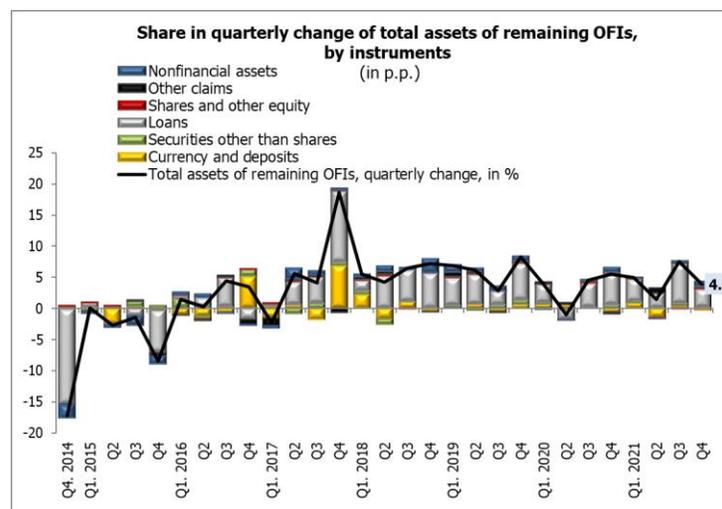
⁹ As of the third quarter of 2021, the series of data included two new investment funds.



National Bank of the Republic of North Macedonia Statistics Department



- This quarter, the quarterly and the annual growth rate of the **outstanding amount of assets of other OFIs**^{10,11,12} is 4.0% and 19.1%, respectively. As of 31.12.2021, the total lending activity of financial and leasing companies was Denar 11,404 million (Denar 6,351 million refer to financial companies, and Denar 5,054 million to leasing companies). The quarterly and annual growth of 4.2% and 23.4%, respectively, is largely explained by the increased lending to financial companies, dominantly to households. On the liabilities side, loan liabilities have the greatest impact on the growth on both bases, in conditions of an additional positive contribution of capital accounts, primarily due to the gain from the current year.



¹⁰ 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.

¹¹ 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.

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



National Bank of the Republic of North Macedonia Statistics Department

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 coverage of 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-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

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

Next publications: Advance Release Calendar:

http://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf

Quarterly data on assets and liabilities of financial institutions: 31 May 2022 (reference period as of the first quarter of 2022).

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).