



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

Skopje, 31 May 2022

### Press Release

### Significant developments in other financial institutions<sup>1,2</sup> (OFIs): first quarter of 2022

- **In the first quarter of 2022, the outstanding amounts of assets of other financial institutions (OFIs), reached a level of Denar 168,858 million**, which is a quarterly growth of Denar 3,267 million. Most of the OFIs' assets are held by pension funds and insurance companies, with a share of 65.3% and 18.0%, respectively.
- **This quarter, the outstanding amounts of assets of other financial institutions (OFIs) increased by 2.0% on quarterly and by 15.4% on annual basis.** The largest contribution to the growth on both bases was made by the higher assets of the pension funds, amid positive movements registered in the assets of the other sub-sectors.

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

	Q1.2021	Q4.2021	Q1.2022	quarterly changes		annual changes		Structure (Total OFIs)
				Q1. 2022/Q4. 2021		Q1. 2022/Q1. 2021		
	Stocks, in millions of NC			in millions of NC	in %	in millions of NC	in %	in %
1. Other Financial Institutions	146,282	165,591	168,858	3,267	2.0	22,576	15.4	100
1.2 Pension Funds	94,888	108,675	110,320	1,645	1.5	15,432	16.3	65.3
1.1 Insurance Companies	27,644	29,378	30,384	1006	3.4	2,740	9.9	18.0
1.3 Investment Funds	9,712	11,673	11,763	90	0.8	2,050	21.1	7.0
1.4 Other OFIs	14,037	15,866	16,390	524	3.3	2,354	16.8	9.7
1.4.1 Finance Companies	5,741	7,055	7,266	211	3.0	1525	26.6	4.3
1.4.2 Finance Leasing Companies	6,401	6,790	6,974	184	2.7	573	9.0	4.1
1.4.3 Pension and Investment Fund Management Companies	1,895	2,020	2,150	130	6.4	255	13.5	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.



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

- **The most important instruments on the side of OFIs' assets** are the investments in debt and equity securities<sup>4</sup> (share of 49.1% and 25.8%, respectively), as well as the investments in currencies and deposits (share of 11.5%). **Analyzed on the side of OFIs' liabilities**, most of them refer to liabilities on the basis of technical insurance reserves<sup>5</sup> and capital accounts<sup>6</sup> (share of 55.7% and 35.4%, respectively).

Table 2. OFIs' assets/liabilities, by subsector and by financial instrument, Q1 2022

	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>168,858</b>		<b>110,320</b>		<b>30,384</b>		<b>11,763</b>		<b>16,390</b>	
I. Currency and deposits	19,387	11.5	7,825	7.1	6,668	21.9	3,650	31.0	1,244	7.6
II. Securities other than shares	82,952	49.1	66,477	60.3	12,509	41.2	2,926	24.9	1,040	6.3
III. Loans	11,797	7.0	-	-	186	0.6	1	0.0	11,609	70.8
IV. Shares and other equity	43,492	25.8	35,994	32.6	2,172	7.1	5,180	44.0	146	0.9
V. Insurance technical reserves	2,411	1.4	-	-	2,411	7.9	-	-	-	-
VI. Financial derivatives	0	-	-	-	-	-	0	-	-	-
VII. Other claims	5,687	3.4	25	0.0	5,066	16.7	5	0.0	590	3.6
VIII. Nonfinancial assets	3,131	1.9	-	-	1,372	4.5	-	-	1,759	10.7
<b>TOTAL LIABILITIES</b>	<b>168,858</b>		<b>110,320</b>		<b>30,384</b>		<b>11,763</b>		<b>16,390</b>	
I. Loans	8,725	5.2	-	-	22	0.1	-	-	8,703	53.1
II. Insurance technical reserves	94,097	55.7	75,659	68.6	18,438	60.7	-	-	-	-
III. Financial derivatives	-	-	-	-	-	-	-	-	-	-
IV. Other liabilities	6,177	3.7	122	0.1	3,210	10.6	135	1.2	2,710	16.5
V. Capital accounts	59,858	35.4	34,539	31.3	8,714	28.7	11,627	98.8	4,977	30.4

Source: NBRNM.

- **In terms of instruments, on the assets side**, the quarterly growth is mainly due to the increased investments in debt securities (mostly government debt securities in denars). The investments in debt securities are also the main driver of the annual growth, amid an additional positive contribution of equity securities. On the liabilities side, the quarterly growth mostly results from the increased technical insurance reserves, amid growth of other liabilities, in conditions of a decline in capital accounts. The annual growth is largely due to the higher technical insurance reserves, and to capital accounts.

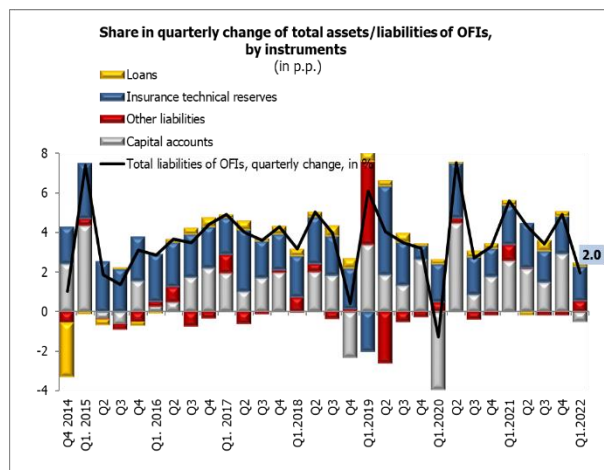
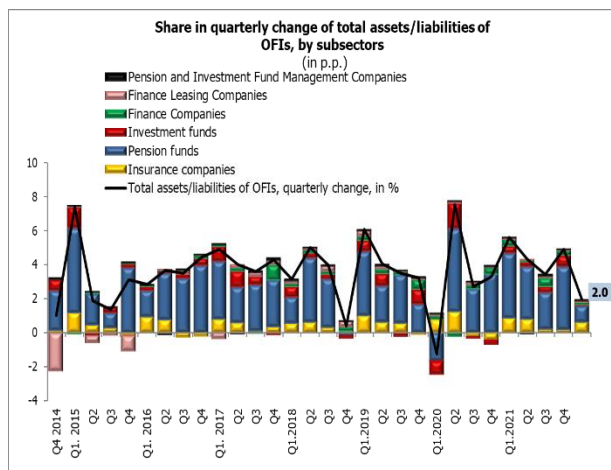
<sup>4</sup> Debt securities denote securities other than shares, according to the international classification of financial instruments, as published in the balance sheets and surveys of other financial institutions.

<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.



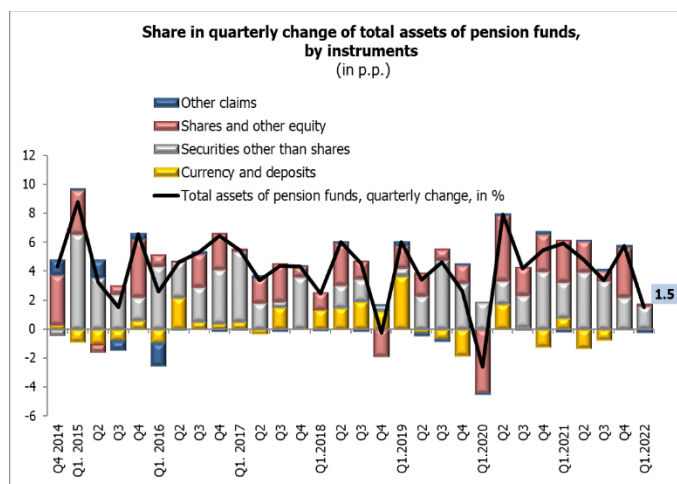
## National Bank of the Republic of North Macedonia Statistics Department



Source: NBRNM.

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

- In the first quarter of 2022, the **outstanding amount of assets of pension funds (mandatory and voluntary)** registered a quarterly and annual increase of 1.5% and 16.3%, respectively. Debt securities made a more pronounced contribution to the growth on both bases, amid an additional positive contribution to the annual growth of equity securities. Downward movements on quarterly basis were registered in other claims, and on annual basis in currency and deposits of pension funds. On the liabilities side, the quarterly growth is a result of the increased technical reserves, amid fall in capital accounts. The annual growth mainly results from technical insurance reserves, amid an additional positive contribution of the higher capital accounts.

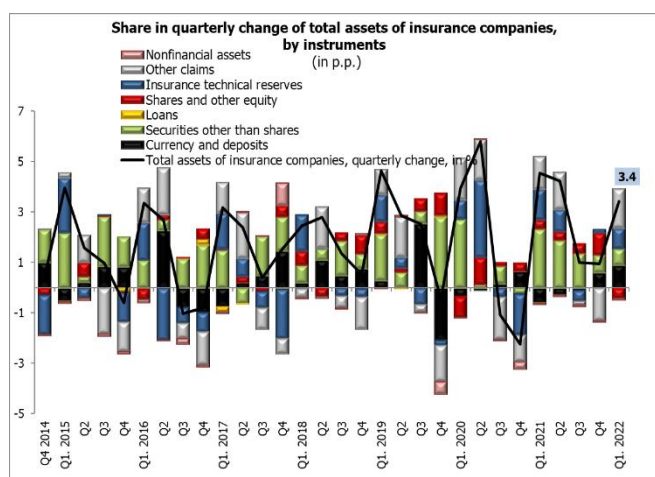


Source: NBRNM.



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

- In the first quarter of the year, the **assets of insurance companies**<sup>7</sup> increased by 3.4% on a quarterly basis. The upward change is mostly a result of other claims, while other instruments also acted in a positive direction, with the exception of equity securities, which declined. The annual growth of 9.9% is mainly due to the higher investments in government debt securities, with a positive contribution of other claims and investments in equity securities. After three quarters of reduction, this quarter, currency and deposits of insurance companies registered positive performances on an annual basis. On the liabilities side, the quarterly growth is a reflection of the almost equal increase in other liabilities and in technical insurance reserves, amid a decline in capital accounts. The annual growth is mostly explained by technical insurance reserves, and to a lesser extent by capital accounts.



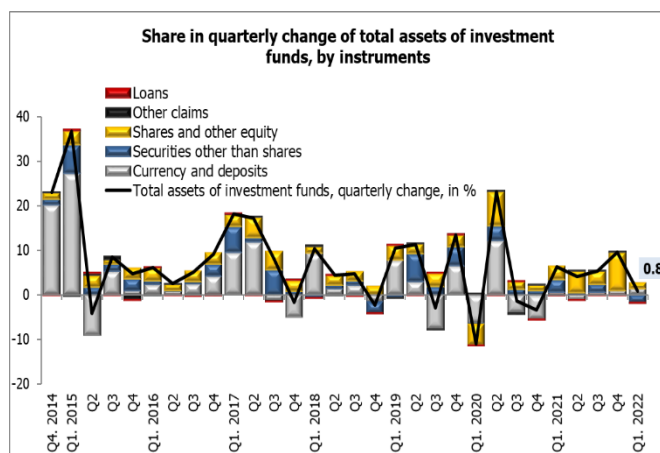
- In the first quarter, the **outstanding amount of assets of investment funds**<sup>8</sup> registered a small quarterly growth of 0.8%, under the influence of currency and deposits, as well as the investments in equity securities, amid drop of the investments in foreign debt securities. On an annual basis, the assets of investment funds increased by 21.1%, primarily due to the increased investments in equity securities (of non-residents), amid a smaller, but positive contribution of currency and deposits. On the liabilities side, the quarterly growth is mostly due to the growth in other liabilities, while the annual growth almost entirely results from the increased capital accounts.

<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 Registry of the Securities and Exchange Commission (SEC) currently includes twenty open-end and nine private investment funds, and the data currently include twenty-eight funds.

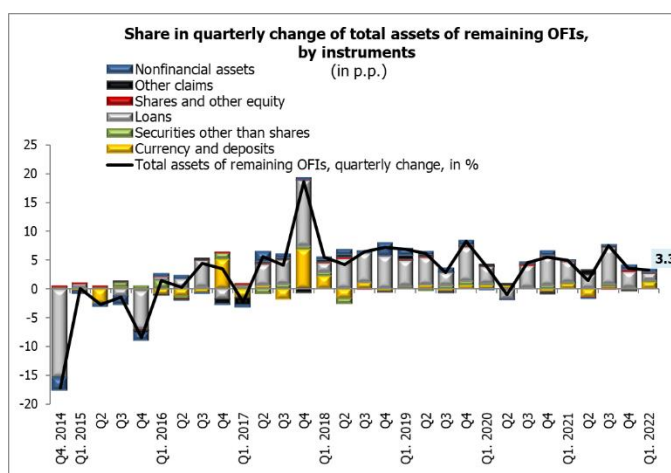


## National Bank of the Republic of North Macedonia Statistics Department



Source: NBRNM.

- In the first quarter of 2022, the **outstanding amount of assets of other OFIs**<sup>9,10,11</sup> registered a quarterly and annual increase of 3.3% and 16.8%, respectively. At the end of the first quarter of 2022, the total lending activity of financial and leasing companies was Denar 11,596 million, of which Denar 6,502 million refer to financial companies, and Denar 5,095 million to leasing companies. The quarterly and annual growth rate of loans to these two sectors was 1.8% and 19.3%, respectively, mostly due to the increased lending to financial companies. On the liabilities side, the largest contribution to the quarterly growth was made by other liabilities and liabilities on the basis of loans. The annual increase reflects all components: liabilities on the basis of loans, capital accounts and other liabilities, more pronounced in loans.



Source: NBRNM.

<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 thirty-one 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 re-registered as a financial company), a change that affects the annual rates of change.



## **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 first to the fourth 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](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: 31 August 2022 (reference period as of the second 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](mailto:contact.statistika@nbrm.mk) or phone: 02 3215 181 extension 116 (or 112/110/108).