



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

Skopje, 30 November 2022

### Press Release

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

- **In the third quarter of 2022, the outstanding amounts of assets of other financial institutions (OFIs), reached a level of Denar 173,854 million**, which is a quarterly growth of Denar 4,256 million. Within the **structure of OFIs' assets**, pension funds remained dominant with a share of 64.9%, followed by insurance companies of 18.2%.
- **During this quarter, the assets of other financial institutions (OFIs) registered an increase of 2.5% on a quarterly basis, and 10.1%, annually, mainly influenced by increase in the pension funds' assets.** An additional positive contribution to the quarterly growth is made by the assets of the financial companies and to the annual growth by the assets of the insurance companies and financial and leasing companies. Positive, more moderate movements on both bases were registered in other subsectors, as well.

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

	Q3.2021	Q2.2022	Q3.2022	quarterly changes		annual changes		Structure (Total OFIs)
				Q3. 2022/Q2. 2022		Q3. 2022/Q3. 2021		
				in millions of NC	in %	in millions of NC	in %	
1. Other Financial Institutions	157,843	169,598	173,854	4,256	2.5	16,011	10.1	100
1.2 Pension Funds	102,768	110,103	112,809	2,706	2.5	10,040	9.8	64.9
1.1 Insurance Companies	29,102	31,452	31,705	253	0.8	2,602	8.9	18.2
1.3 Investment Funds	10,659	10,710	10,751	41	0.4	91	0.9	6.2
1.4 Other OFIs	15,313	17,333	18,590	1257	7.3	3,277	21.4	10.7
1.4.1 Finance Companies	6,629	7,777	8,582	805	10.4	1954	29.5	4.9
1.4.2 Finance Leasing Companies	6,684	7,471	7,730	259	3.5	1046	15.6	4.4
1.4.3 Pension and Investment Fund Management Companies	1,999	2,085	2,277	193	9.2	278	13.9	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:

[https://www.nbrm.mk/content/statistika/informacii/Informacija\\_za\\_promeni\\_vo\\_monetarnata\\_statistika\\_eng.pdf](https://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** are investments in debt securities<sup>4</sup> (share of 51.2%), as well as equities investments and investments in currencies and deposits (share of 23.8% and 10.0%, respectively). **On the liabilities side**, most of them are technical insurance reserves<sup>5</sup> and capital accounts<sup>6</sup> (share of 57.9% and 32.8%, respectively).

Table 2. OFIs' assets/liabilities, by subsector and by financial instrument, Q3 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>173,854</b>		<b>112,809</b>		<b>31,705</b>		<b>10,751</b>		<b>18,590</b>	
I. Currency and deposits	17,393	10.0	6,759	6.0	6,862	21.6	2,746	25.5	1,027	5.5
II. Securities other than shares	88,981	51.2	71,971	63.8	13,000	41.0	2,882	26.8	1,128	6.1
III. Loans	13,666	7.9	-	-	185	0.6	1	0.0	13,479	72.5
IV. Shares and other equity	41,452	23.8	33,973	30.1	2,248	7.1	5,066	47.1	163	0.9
V. Insurance technical reserves	2,710	1.6	-	-	2,710	8.5	-	-	-	-
VI. Financial derivatives	-	-	-	-	-	-	-	-	-	-
VII. Other claims	6,448	3.7	105	0.1	5,412	17.1	54	0.5	876	4.7
VIII. Nonfinancial assets	3,204	1.8	-	-	1,288	4.1	-	-	1,916	10.3
<b>TOTAL LIABILITIES</b>	<b>173,854</b>		<b>112,809</b>		<b>31,705</b>		<b>10,751</b>		<b>18,590</b>	
I. Loans	9,685	5.6	-	-	22	0.1	-	-	9,663	52.0
II. Insurance technical reserves	100,658	57.9	80,853	71.7	19,805	62.5	-	-	-	-
III. Financial derivatives	-	-	-	-	-	-	-	-	-	-
IV. Other liabilities	6,446	3.7	157	0.1	3,238	10.2	132	1.2	2,919	15.7
V. Capital accounts	57,066	32.8	31,799	28.2	8,640	27.3	10,618	98.8	6,008	32.3

Source: NBRNM.

- **Analyzed by instruments**, on the assets side, the quarterly growth primarily results from higher investments in debt securities, which are the main driver of annual growth. Claims on credits, as well as proprietary investments, contributed additionally to growth on both bases. On the liabilities side, the quarterly and annual growth is mainly due to the increase in technical insurance reserves, and higher capital accounts have an additional positive contribution to the quarterly change.

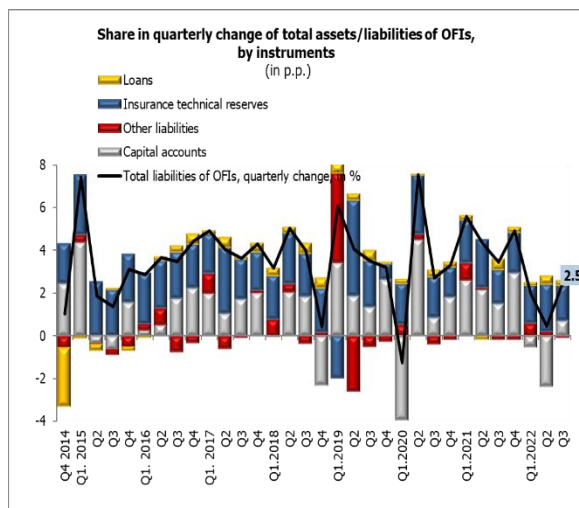
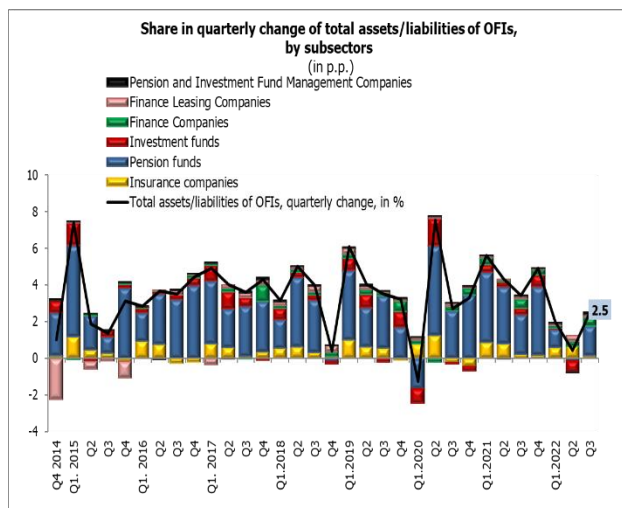
<sup>4</sup> Debt securities denote securities other than shares, according to the international classification of financial instruments, as published in the balance sheets and surveys of other financial institutions.

<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.



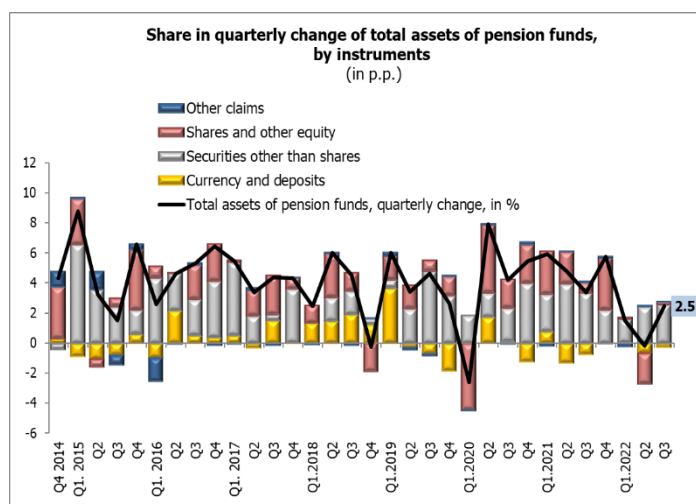
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Source: NBRNM.

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

- **The total assets of pension funds (mandatory and voluntary),** in the third quarter of the year, recorded quarterly and annual growth of 2.5% and 9.8%, respectively, primarily as a reflection of increased investments in debt securities, and to a lesser extent, also of the investments in proprietary securities, in conditions of decline in currencies and deposits. On the liabilities side, the quarterly growth is mainly a reflection of the increased technical insurance reserves, which fully explain the annual growth. Capital accounts have additional, yet smaller positive contribution to the quarterly change.

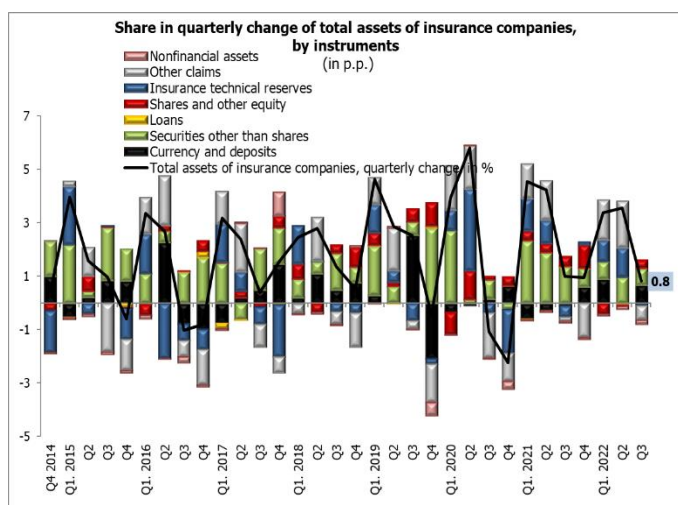


Source: NBRNM.



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- In the third quarter of the year, **the total assets of the insurance companies**<sup>7</sup> registered a small quarterly growth of 0.8%, which is mainly explained by the increase in currencies and deposits and investments in government debt securities, while investments in equities also had a positive, but smaller impact. The annual growth rate is 8.9% and is the result of growth in all instruments, mostly debt government securities, currencies and deposits and technical insurance reserves. On the liabilities side, the growth at the quarterly level is mainly due to the increase in technical insurance reserves, with a positive impact on the capital accounts as well, and in conditions of a decrease in other liabilities. The annual growth is mostly a result of the technical insurance reserves in and to a lesser extent of other liabilities.



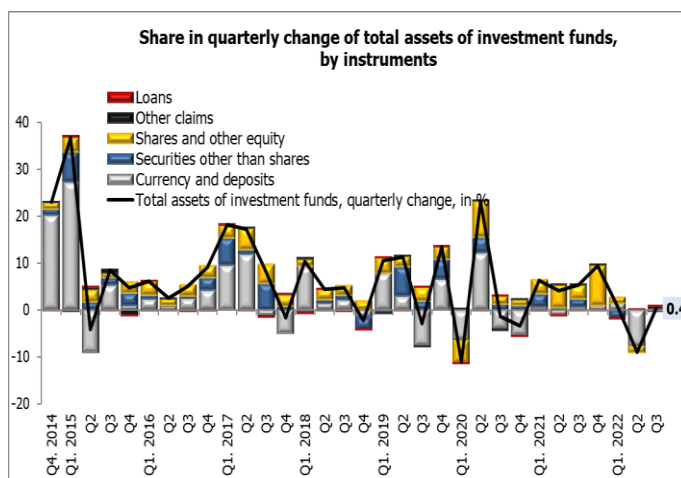
- **The total assets of the investment funds**<sup>8</sup>, in the third quarter, registered minimal rise, thus registering both quarterly and annual growth rate of 0.4% and 0.9%, respectively. Analyzed by instruments, a small quarterly growth was observed in all instruments, with the exception of debt securities, which registered a quarterly decline. The annual growth is a reflection of the increased equities and, to a lesser extent, of other claims, given a fall in other components. On the liabilities side, the quarterly change is entirely derived from other liabilities, and they explain most of the annual growth, which is to a lesser extent influenced by 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.

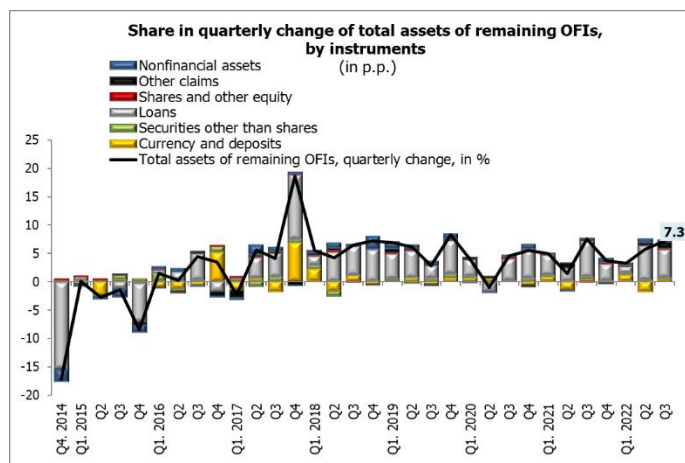


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Source: NBRNM.

- This quarter, the **quarterly and the annual growth rate of the outstanding amount of assets of other OFIs**<sup>9,10,11</sup> is 7.3% and 21.4%, respectively. The lending activity of the financial and leasing companies amounted to Denar 13,465 million, Denar 7,629 million of which refer to financial companies, and Denar 5,836 million to leasing companies. The loans of these two sectors registered quarterly and annual growth of 6.9% and 23.0%, in conditions of larger lending by financial companies. On the liabilities side, the higher capital accounts have the greatest impact on the quarterly change, and to a lesser extent liabilities based on loans and other liabilities. Almost half of the annual change comes from loan liabilities, in conditions of positive impact on both capital accounts and other liabilities.



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.



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### Data revisions

Data on the OFIs movements in this press release include data revisions for the period from the first quarter of 2020 to the second quarter of 2022, 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  
<https://www.nbrm.mk/ns-newsarticle-bilans-i-pregledi-na-finansiskite-institucii-kvartalni-podatoci-en.nspix>

Methodological explanations:  
[https://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija\\_monetarna\\_07\\_2018\\_eng.pdf](https://www.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:  
[https://www.nbrm.mk/content/statistika/informacii/Informacija\\_za\\_promeni\\_vo\\_monetarnata\\_statistika\\_eng.pdf](https://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 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).