



National Bank of the Republic of Macedonia Statistics Department

Skopje, 30 November 2016

PRESS RELEASE

Significant developments in other financial institutions¹ (OFIs): third quarter of 2016

- As of 30 September 2016, **the outstanding amounts of OFIs' assets** was Denar 74,830 million. In terms of structure, the assets of pension funds and insurance companies account for 88.0% of the outstanding amount of OFIs' assets.
- In the third quarter of 2016, the outstanding amount of OFIs' assets increased quarterly and annually by 3.5% and 13.7%, respectively, driven primarily by the increase in the pension funds' assets.

Table 1. Total assets/liabilities of OFIs²

	Q3. 2015	Q4. 2015	Q1. 2016	Q2. 2016	Q3. 2016	quarterly changes		annual changes		Structure (Total OFIs)
						Q3 2016/Q2 2016		Q3 2016/Q3 2015		
						in millions of NC	in %	in millions of NC	in %	in %
	Stocks, in millions of NC									
1. Other Financial Institutions	65.816	67.865	69.766	72.313	74.830	2.517	3,5	9.014	13,7	100.0
1.1 Insurance Companies	18.924	18.810	19.439	19.959	19.754	-205	-1,0	830	4,4	26.4
1.2 Pension Funds	38.285	40.802	41.851	43.794	46.116	2.322	5,3	7.830	20,5	61.6
1.3 Investment Funds	2.839	2.972	3.114	3.185	3.350	165	5,2	511	18,0	4.5
1.4 Remaining OFIs	5.768	5.281	5.361	5.376	5.611	235	4.4	-157	-2.7	7.5

Source: NBRM.

- **The most important instruments** on the **assets side of OFIs** are debt securities³ and shares, and other equity, accounting for 68.5%, while the most important instrument on the **liabilities side of OFIs** are insurance technical reserves⁴, accounting for 61.9%. Equity accounts for 31.5% of the outstanding amount of OFIs' liabilities.

¹Other financial institutions include investment funds, pension funds, insurance companies, investment funds management companies and pension funds management companies, financial companies and finance leasing companies.

²For the purposes of this press release, the category *Remaining OFIs* includes investment funds management companies, pension funds management companies, financial companies and finance leasing companies (item 1.4 of the table).

³Debt 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.

⁴Insurance 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)



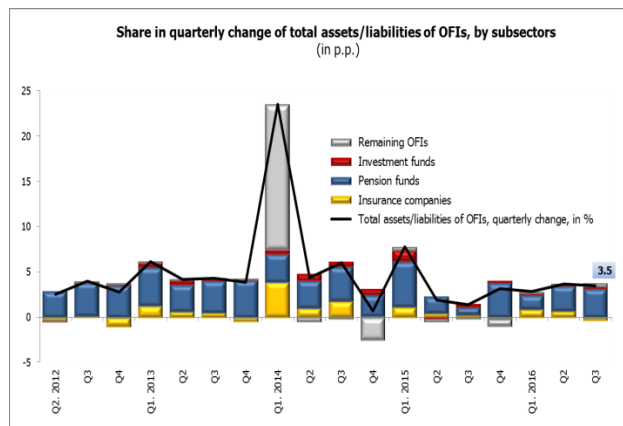
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Table 2. OFIs' assets/liabilities, by subsector and by financial instrument, Q3 2016

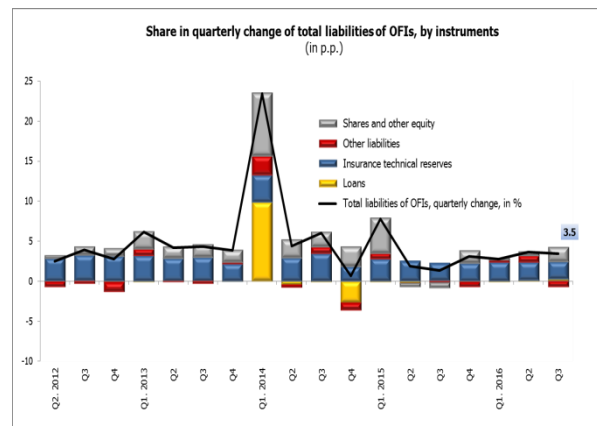
	Total OFI		Pension Funds		Insurance Companies		Investment Funds		Remaining OFIs	
	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)
TOTAL ASSETS	74.830		46.116		19.754		3.350		5.611	
I. Currency and deposits	11.670	15.6	3.749	8.1	5.561	28.2	2.019	60.3	341	6.1
II. Securitized other than shares	36.111	48.3	28.278	61.3	6.581	33.3	703	21.0	548	9.8
III. Loans	3.855	5.2	-	-	182	0.9	30	0.9	3.643	64.9
IV. Shares and other equity	15.137	20.2	13.943	30.2	584	3.0	593	17.7	17	0.3
V. Insurance technical reserves	1.225	1.6	-	-	1.225	6.2	0	-	0	-
VI. Other claims	4.586	6.1	146	0.3	4.106	20.8	4	0.1	329	5.9
VII. Nonfinancial assets	2.246	3.0	-	-	1.514	7.7	0	-	731	13.0
TOTAL LIABILITIES	74.830		46.116		19.754		3.350		5.611	
I. Loans	2.346	3.1	-	-	54	0.3	0	-	2.291	40.8
II. Insurance technical reserves	46.321	61.9	35.712	77.4	10.608	53.7	0	-	0	-
III. Other liabilities	2.566	3.4	63	0.1	1.821	9.2	9	0.3	674	12.0
IV. Shares and other equity	23.597	31.5	10.341	22.4	7.271	36.8	3.341	99.7	2.645	47.1

Source: NBRM.

- Analyzed **by instrument**, on the assets side, the quarterly and annual changes reflect the increased investments in debt securities and equities, and other equity. On the OFIs' liabilities side, the main generator of the quarterly and annual growth are the insurance technical reserves, and equity.



Source: NBRM.

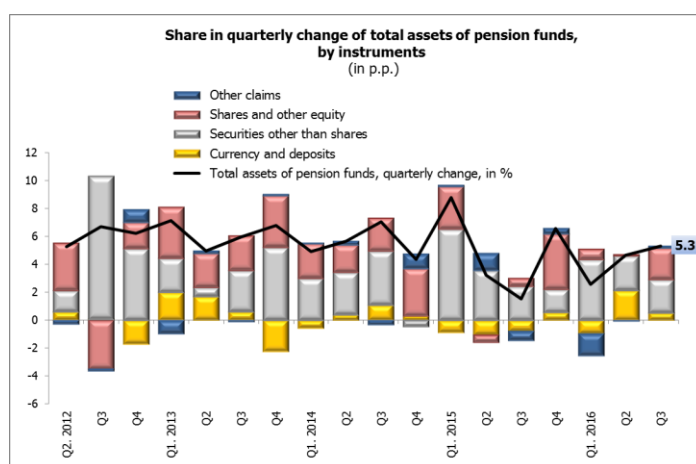




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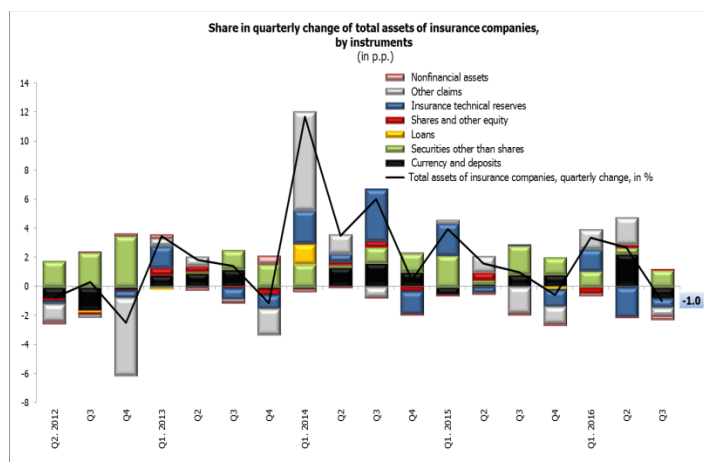
Significant movements in OFIs, by type of institution

- In the third quarter of 2016, **the outstanding amount of assets of pension funds (mandatory and voluntary)** registered a quarterly and annual growth of 5.3% and 20.5%, respectively. Analyzing by instrument, investments in debt securities made the largest contribution to the quarterly and annual growth, as a result of the increase in investments in domestic currency.



Source: NBRM.

- **The outstanding amount of assets of insurance companies** decreased by 1.0% in the third quarter of 2016, compared to the previous quarter. The decline was mostly due to the reduction in currency and deposits, as well as the insurance technical reserves. However, the assets of insurance companies increased by 4.4% annually, mainly due to the increased investments in debt securities (mostly in local currency).

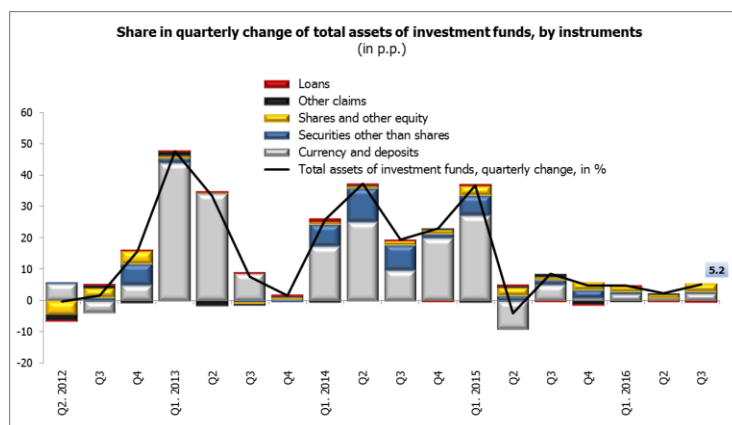


Source: NBRM.



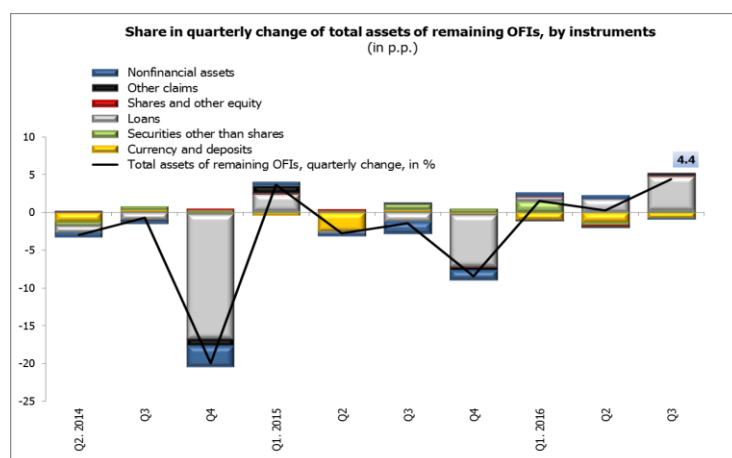
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- **The outstanding amount of assets of investment funds⁵** in the third quarter of 2016 registered a quarterly and annual growth of 5.2% and 18.0%, respectively, which is an acceleration of the quarterly and annual pace of growth. Analyzing the instruments, the contribution of investments in currencies and deposits and shares, and other equity was the largest.



Source: NBRM.

- **The outstanding amount of assets of remaining OFIs** registered a quarterly increase of 4.4% in the third quarter of 2016, driven by the increased lending (mainly in financial companies and finance leasing companies). On an annual basis, the outstanding amount of assets of remaining OFIs dropped by 2.7% due to the reduction in currency and deposits, partially offset by increased investments in debt securities.



Source: NBRM.

⁵ The Registry of the Securities and Exchange Commission (SEC) of the Republic of Macedonia currently includes 13 open investment funds and 10 private investment funds, and all of them report to the NBRM.



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Data revisions

Data on the OFIs movements in this press release include regular data revisions for the period April-June 2016, for the purposes of obtaining new, corrected information and data from the reporting agents. 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-bilansi-i-pregledi-na-finansiski-institucii---kvartalni-podatoci-en.nspix>

Methodological explanations:
<http://nbrm.mk/ns-newsarticle-bilansi-i-pregledi-na-finansiski-institucii---kvartalni-podatoci-en.nspix>

Next publication: Advance Release Calendar
http://nbrm.mk/kalendar_na_objavuvanje_na_podatoci-en.nspix

Quarterly data on assets and liabilities of financial institutions: 28 February 2017 (reference period as of the fourth quarter of 2016).

For any questions, we kindly ask journalists to contact the Governor's Office.

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).