

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

## **Methodological explanations for Financial Accounts in the Republic of North Macedonia**

Skopje, October 2023

## **ABBREVIATIONS:**

NBRNM - National Bank of the Republic of North Macedonia

SSO - State Statistical Office

MoF - Ministry of Finance

ESA 2010 – European System of Accounts 2010

SNA 2008 – System of National Accounts 2008

IU – Institutional units

NCIS – National Classification of Institutional sectors

NFC - Non-financial corporations

FC - Financial corporations

OFI - Other financial institutions

NPISH - Non-profit institutions serving households

GG – General Government

SDR - Special Drawing Rights

IMF – International Monetary Fund

FAME - Financial Accounts in the Macedonian economy

CSD – Central Securities Depository

AFS – Annual Financial Statements

TAC – Time adjusted cash

## INTRODUCTION

As an autonomous part of the integrated System of National Accounts, the **Financial Accounts Statistics**, in a systematical, detailed and unified manner, disclose the stocks and flows of financial assets and liabilities of each institutional sector in the domestic economy, and between them and the rest of the world, in a certain period of time (year/quarter). Financial Accounts provide detailed information on the financial relations in the national economy, the structure and role of the financial system and the main channels in the national economy for acquiring and investing financial assets. Therefore, Financial Accounts are an important source of information for monetary policy analysis and the transmission mechanism, as well as for the financial stability.

Financial Accounts statistics of the Macedonian economy is statistics, within which quarterly data are being compiled on an unconsolidated basis. Hence, the methodological explanations set out herein, refer to stock data on the Financial Accounts of the Macedonian economy (hereinafter: FAME) i.e. of the financial assets and liabilities, by financial instrument and sub-instrument for each institutional sector and sub-sector of the domestic economy, as well as of the domestic economy with the rest of the world, at the end of the quarter. FAME shows the financial behavior of each sector as a creditor or debtor.

## I. LEGAL FRAMEWORK, METHODOLOGICAL BASIS AND CLASSIFICATIONS

### I.1. Legal framework and methodological basis

In April 2013, a nationwide consensus was reached, designating the National Bank as an institution responsible for compiling Financial Accounts<sup>1</sup>, thus making it responsible for the Financial Accounts statistics. In January 2014, this consensus was transposed into the legislation, by amending the Programme of Statistical Surveys 2013-2017<sup>2</sup>.

Methodological basis for compiling Financial Accounts is the European System of Accounts 2010 (ESA 2010<sup>3</sup>) and the System of National Accounts 2008 (SNA 2008), which defines the basic provisions related to classification of institutional units by sectors and financial instruments, consistency between stocks and flows data (transactions, revaluation and other changes in volume), as well as accounting rules, principles for valuation, recording, consolidation etc.

### I. 2. Basic principles and classifications

---

<sup>1</sup> The primary responsibility of the NBRNM for compiling annual and quarterly financial accounts is set out in Annex 2 to the Memorandum of Understanding and Cooperation in the field of macroeconomic and financial statistics between the NBRM, the SSO and the MoF. The manner and exchange of data among these three institutions is governed by the Technical Data Exchange Agreement regulating the Financial accounts statistics.

<sup>2</sup> The Programme amending the Programme of Statistical Surveys 2013-2017 (Official Gazette of the Republic of Macedonia No. 24 of 31 January 2014), designates the NBRNM as an institution responsible for conducting the statistical survey *Quarterly and Annual Financial Accounts*.

<sup>3</sup> Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European System of National and Regional Accounts (OJL 174, 26.6.2013), EUROSTAT, Luxembourg.

ESA 2010 Manual is a basic methodological document for compiling the FAME. Compliance with the statistical standards, definitions, accounting rules and classifications should ensure consistency of the overall System of National Accounts, as well as international comparability.

The general rule applied for the compilation of sectoral Financial Accounts is to present the data on a gross basis, i.e. separate presentation of assets and liabilities. The following ESA 2010 methodological principles and classifications are relevant for the compilation of FAME:

**Accounting rules** - At the level of units or sectors, the recording in Financial Accounts is based on the double entry principle. Each transaction is recorded twice: as a source (change in liabilities) and as a use (change in assets). Applying this rule means that total assets of one sector should be equal to the total liabilities of all sectors towards that sector, thus ensuring consistency of the accounts.

**Valuation** - Applying the market value as a basic valuation principle for measuring the stocks data means that the financial assets and liabilities are valued at current market prices at the end of the quarter. In the absence of market prices for certain financial instruments, the book value from the balance sheets is applied. An overview of the valuation methods used for each financial instrument in FAME is given in Table 1 below:

**Table 1. Valuation methods by financial instrument**

Financial instrument	Valuation method
Monetary gold and SDR	Market value
Currency and deposits	Book value
Debt securities	Market or nominal (with accrued interest) value
Loans	Nominal value (gross basis)
Shares, quoted	Market value
Shares, unquoted	Own funds at book value
Other equity	Own funds at book value
Investment fund shares/units	Market value
Insurance, pensions, and standardized guarantee schemes	Book value
Financial derivatives	Market value
Other claims/liabilities	Book value

**Time of recording** - FAME refer to the stocks of financial assets and liabilities at the end of the appropriate quarter. Thus, the accrual principle is used, meaning that claims and liabilities are recognized at the time they are generated, transformed or extinguished, regardless the time when payment is made. Interest is recorded together with the financial instrument to which it refers.

**Aggregation** - this principle refers to summarizing data among all institutional units within a sector or sub-sector, or within a particular financial instrument.

**Consolidation** - Financial Accounts are primarily compiled on an unconsolidated basis. Consolidation means elimination of mutual claims and liabilities among institutional units belonging to the same sector/sub-sector.

### **I.2.1. Classification of institutional sectors in FAME**

The definition and description of institutional units (IUs) is in line with the European System of Accounts (ESA 2010) and their grouping into sectors and sub-sectors corresponds to the National Classification of Institutional Sectors<sup>4</sup> (Annex 1). The unified classification ensures accuracy, comparability and broader analytical use of Financial Accounts at national and international levels.

Institutional units are economic entities that are capable of owning goods and assets, of incurring liabilities and engaging in economic activities and transactions with other units in their own right.

Primarily, IUs are classified on a territorial basis, into resident and non-resident units. Resident IUs are economic agents with a center of predominant economic interest within the economic territory of a country<sup>5</sup>. Nonresident IUs are international economic agents - units involved in transactions with resident institutional units, or are otherwise economically related to resident units.

For the purposes of the Financial Accounts, the resident institutional units are grouped into five institutional sectors, according to the nature of economic activity, economic objectives, functions and its economic behavior. In the domestic economy, each institutional unit can be classified only in one sector. The main sectors are as follows: **Non-financial corporations**, producing non-financial market goods and services (intended for sale); **Financial corporations**, whose main function is to provide financial services; **Government**, (or General Government) whose main functions are to produce non-market goods and services and to perform transactions of national income redistribution; **Households**, with their dual (two-sided) function - as consumers and as producers (exclusively for their own consumption); and finally, **Non-Profit**

---

<sup>4</sup> Decision of the Government of the Republic of Macedonia on National Classification of Institutional Sectors - (Official Gazette of the Republic of Macedonia No. 75/2016).

<sup>5</sup> Institutional units are classified into the foreign sector in accordance with the definitions of residence in the Law on Foreign Exchange Operations (Official Gazette of the Republic of Macedonia No. 34/01, 49/01, 103/01, 51/03, 81/08, 24/11, 135/2011, 188/2013 and 97/15, 153/15 и 23/16).

**Institutions Serving Households**, (NPISHs) that produce non-market products and services intended for the households. Their main funding sources are voluntary contributions in cash and in kind.

In the System of National Accounts, the sectors are further divided into sub-sectors. The table below shows the various types of legal entities i.e. IUs in North Macedonia, classified in various institutional sectors and sub-sectors.

Table 2: Classification of institutional sectors

<b><i>NACE code Sector</i></b>	<b><i>NACE code Sub-sector</i></b>	<b><i>Scope of the main unit types</i></b>
S.11 Non-financial corporations (NFC)		Private non-financial corporations (domestic and with foreign capital), public companies (not included in GG sector), joint-stock companies (private and public), LLC, LTD and other non-financial corporations that are independent legal entities - established by law, in order to produce goods and provide services for market sales, at market prices.
S.12 Financial corporations (FC)	S.121 National Bank of the Republic of North Macedonia	A national central bank that conducts money issuance activities, maintains the price stability and internal/international value of the national currency, holds the country's foreign reserves, etc.
	S.122 Deposit-taking corporations except the central bank	Includes all financial corporations whose main activity in financial intermediation is accepting deposits and/or deposit substitutes, lending, and/or investing in securities. This sub-sector includes commercial banks and savings houses.
	*S.123 Money market funds – MMFs	
	S.124 Non-MMF investment funds	All collective investment schemes that are mainly engaged in financial intermediation (except those classified as money market funds -MMFs). They issue shares/units different then deposits and invest primarily in long-term financial and non-financial assets. This sub-sector includes open-end and private investment funds.
	S.125+S.126+S.127 Other, other financial corporations	Other financial intermediaries, except insurance corporations and pension funds (S.125); Financial auxiliaries (S.126 ); and Captive financial institutions and money lenders (S.127)  S.125 Other financial intermediaries except insurance corporations and pension funds. Includes financial leasing companies, financial corporations registered under the Law on financial corporations (primarily dealing with lending to non-financial corporations and households), specialized financial intermediaries (e.g. brokers working on their behalf specialized in securities markets, factoring companies, etc.)  S.126 Financial auxiliaries This sub-sector encompasses insurance brokerage companies; insurance agencies; investment advisors; brokers and dealers working on behalf of others; pension fund management companies, investment fund management companies; exchange offices; companies and regulatory bodies providing the overall financial market infrastructure, such as: stock exchange, securities regulators, supervisory agencies, etc.  *S.127 Captive financial institutions and money lenders
	S.128 Insurance corporations	Includes all financial corporations whose main activity is financial intermediation in insurance, mainly in the form of direct insurance or reinsurance.

		Insurance corporations provide life and non-life insurance, as well as reinsurance on losses with other insurance corporations.
	S.129 Pension funds	Includes mandatory and voluntary private pension funds set up to provide pension benefits to a specific group of employees. These include only those pension funds that have their own assets and liabilities and perform financial transactions on their behalf.
S.13 General Government	S.1311 Central government	This sub-sector consists of institutional units financed by the Budget of the Republic of North Macedonia (budget beneficiaries), such as Government, Assembly; ministries; Constitutional Court; courts; ombudsmen; state-funded national offices; museums; state archive; national libraries; prisons and penitentiaries; state student and nursing homes; public high schools; state established agencies, public enterprises, institutions and agencies that are mainly (over 50%) state-funded, Deposit Insurance fund etc.
	S.1313 Local government	These include municipalities and municipal councils; municipal primary and secondary schools, municipal kindergartens; municipal communal enterprises; inter-municipal social work centers; local communities; culture houses; municipal nursing homes, etc. This sub-sector also includes those non-profit institutions and non-financial corporations that are established, controlled and financed mainly (over 50%) by local governments.
	S.1314 Social security funds	This sub-sector consists of Pension and Disability Insurance Fund, Health Insurance Fund, Employment Agency. It also includes public health facilities (hospitals, health centers, rehabilitation and spa centers, etc.), funded by the GG.
S.14 and S.15 Households and NPISH		Households include individuals and groups of persons as consumers and/or entrepreneurs who produce market goods and/or provide financial and non-financial services, as well as those who produce goods and non-financial services solely for their own purposes. Included are individuals and self-employed professionals and sole proprietors (craftsmen, lawyers, notaries, freelance artists, etc.). Non-profit institutions serving households (NPISH) include trade unions, professional and expert associations, foundations, consumer associations, political parties, churches and religious associations, social, cultural, recreational and sports clubs, charities, etc., mainly financed by donations.

## S.2 Rest of the World

*\* FAME are not compiled for sub-sectors marked with \*. For these sub-sectors, either there are no IUs that belong to the sub-sector (e.g. sub-sector S.123 - there are no money market funds in the Republic of North Macedonia), or there is a small number of IUs with restricted activities (e.g. sub-sector S.127 - Captive financial institutions and money lenders which mainly include holding companies). Identified IUs of sub-sector S.127 currently are included in sector S.125 - Other financial intermediaries.*

### I.2.2. Classification of financial instruments in FAME

Financial instruments used in the FAME are aligned with ESA 2010 standard classification and definition of financial instruments (Annex 2). Financial instruments are claims arising from a contractual relationship when an IU commits itself to providing funds to another IU. Any financial asset of an IU/sector is a liability of another IU/sector, and vice versa.

Accordingly, the same financial instruments are recorded on both sides of the accounts.

The classification of financial instruments is generally based on their liquidity and contractual features, distinguishing eight categories (types) of financial instruments:

Table 3: Financial instruments in FAME

ESA 10 instrument code	ESA 10 sub-instrument code	Scope of main financial instruments
AF1. Monetary gold and SDR	AF.11 Monetary gold	Gold held by the central bank as part of the official reserves
	AF.12 Special Drawing Rights (SDR)	International reserves created by the International Monetary Fund (IMF) in the form of unconditional rights to receive foreign currency and other reserves from other IMF members.
AF2. Currency and deposits	AF.21 Currency	Include banknotes and coins of fixed face value, issued by the central bank as a legal tender in the domestic economy, held by residents and non-residents.
	AF.22. Transferable deposits	Deposits in domestic and foreign currency tradeable directly, without limitation, and directly used for payment with current accounts, bank orders, checks, etc.
	AF.29 Other deposits	Include sight deposits, time deposits, savings deposits, savings bills and other deposits.
AF3. Debt securities	AF.31 Short-term securities	Include CB bills and other short-term bills with original maturity up to one year issued by government or other institutional unit.
	AF.32 Long-term securities	Include government bonds (continuous, structural, Eurobonds), corporate bonds etc., with original maturity over one year.
AF4. Loans	AF.41 Short-term loans (with original maturity up to one year)	The category of loans includes house purchasing loans, consumer loans, mortgage loans, loans for financing trade, revolving loans, loans serving as a guarantee for some liabilities, securities repurchase arrangements, financial lease, factoring and other types of loans.
	AF.42 Long-term loans (with original maturity over one year)	
AF5. Equity and investment fund shares/units	AF.51 Equity	AF.511 Quoted shares, AF.512 Unquoted shares, AF.519 Other equity Quoted and unquoted shares include ordinary and preferred shares etc. Other equity include all forms of equity holdings that are not shares (LTD and/or LLC), investments in equities in international and national organizations (except the IMF), etc.
	AF.52 Investment fund shares /units	Investment funds are collective investments schemes through which investors raise funds for investing in financial and/or non-financial assets (funds/units in open-end and private investment funds).
AF.6. Insurance, pensions, and standardized guarantee schemes		AF.61 Non-life insurance technical reserves - Financial claims of non-life insurance policyholder on non-life insurance corporations in relation to premiums and incurred claims.
		AF.62 Life insurance and annuity entitlements - They consist of financial claims of the life insurance policyholder and the renter, on the life insurance undertakings.
		AF.63 Pension entitlements - They include employees' financial claims on private pension funds.
AF.7. Financial derivatives		AF.71 Financial derivatives - Contracts related to certain financial instruments used for independent trading in the financial markets, with specific financial risks (exchange rate risk, commodity risk, interest rate risk, specific equity and credit risks, etc.). These include forwards, options and swaps. *AF.72 Employee stock options

AF.8 Other accounts receivable/payable	<p>AF.81 Trade credits and advances - Financial assets and liabilities created when payment for goods or services is not made at the same time as the change in ownership of a good or provision of a service. They are divided into:</p> <ul style="list-style-type: none"> <li>- financial claims arising from short-term loans for the purchase of goods and services used directly by suppliers;</li> <li>- advances, prepayments for works in progress or pending, in the form of prepayments for procurement of products and services, claims/liabilities on other costs, etc.</li> </ul> <p>AF.89 Other accounts receivable / payable except trade credit and advances - This sub-category includes claims/liabilities on wages and salaries, taxes, social security contributions, dividends, rents etc.</p>
--	--

*\* FAME currently are not compiled for the instruments marked with \*.*

## II. COMPILATION OF FINANCIAL ACCOUNTS

### II.1 Data sources

Financial Accounts statistics as secondary statistics uses the available statistical data collected for the purposes of **primary statistics** (monetary statistics, statistics of other financial institutions, international investment position, etc.).<sup>6</sup>

Although primary statistics are used, there is still a difference in the presentation of data in Financial Accounts compared to data in primary statistics. The differences arise from the different manner of grouping the data by sectors and financial instruments, linkage of data from multiple sources, the need for establishing data source hierarchy, and in some cases applying estimation methods.

The complexity of Financial Accounts and the wide range of their coverage, 5 sectors with 9 subsectors and 8 instruments with 11 subinstruments requires use of **additional data sources**, such as administrative sources and granular data sets. Additionally, **estimates are made for separate data or aggregates**.

A number of internal data sources (National Bank statistical surveys), as well as additional external sources<sup>7</sup> (Annex 3) are used for the compilation of the FAME:

- **Monetary and OFI statistics:** NBRNM Balance Sheet and Survey (1SR); Balance Sheet and Survey of Deposit-taking Corporations, except the Central bank (2SR); Balance sheet and Survey of Other Financial Institutions – insurance companies, pension funds, investment funds, financial corporations, leasing companies, investment and pension funds management companies (4SR);

<sup>6</sup> At a global level, there are merely few specific statistical surveys conducted for the sole purpose of financial accounts.

<sup>7</sup> In the FAME, the financial instruments that are an assets for one sector, are a liabilities to another. This mirror phenomenon offers the possibility of collecting data either from the sector that acquires funds, or from the debtor sector, however the data must be consistent. FAME uses information from the counter-part sectors for some instruments where direct data collection is either difficult or impossible (e.g. households and non-financial corporations).

- **External statistics:** KIPO (quarterly reports on claims and liabilities based on international commercial operations of residents); POZ (survey on debt/claims takeovers among residents and nonresidents); NDNP (claims and liabilities on credit operations with non-residents); VS11 and VS22 (equity investments in/from the rest of the world); MI (reports on accounts held abroad and settlement accounts); VHV-1 (investments in equity securities and in investment funds units on foreign markets) and VHV-2 (investments in debt securities on foreign markets);

- **Annual financial statements** of non-financial corporations and government (aggregated data provided by the State Statistical Office and individual data from the Central Registry database);

- **Data on securities from the Central Securities Depository (CSD), security by security** (debt and equity securities issued and traded on the domestic market);

- **Data on the Government sector from the Ministry of Finance:** quarterly data on stock of government debt of public companies classified in the government sector, quarterly data on on-lending loans; data on inflow/outflow for taxes;

- Additional data and information from the websites of corporations and institutions;

- Estimation of quarterly data for categories for which the annual financial statements are used as a source, applying appropriate statistical estimation methods (eg other assets/liabilities of the NFC towards other NFCs or towards the government, intercompany loans, etc.);

- Expert judgment: for the disaggregation of financial instruments by sectors according to the available information from other sources; for the classification of financial instruments by maturity, e.g. of loans based on the information from the NFCs annual balance sheets;

- Residual estimations (mostly for households and NPISHs).

#### **Examples of estimates, residuals, balancing:**

a) Financial instrument AF.21 - Currency, held by sectors S.11 and S.14 (NFCs and Households) is calculated as residual, as a difference between the AFL.21 of S.121 (recorded in the NBRNM's balance sheet, as liability) and the sum of currency held by other sectors (data provided from other sources for the respective sectors). This amount is divided between sectors, based on assumption that 80% is attributed to S.14 and the rest to S.11 (estimates from the payment statistics data).

b) Financial instrument AF.4 - NFC Loans to NFCs, Assets and Liabilities: The intercompany loan of resident NFCs is calculated as follows: first, from the primary statistics (as the most relevant sources of data), all NFC claims on loans towards other sectors are recorded (as counterpart data). Difference between sum of loans and deposits on the asset side and loans and deposits from AFS of NFC are classified as intercompany loans on the asset, and at the same time, on the liability side.

c) Financial instrument AF.51 Equity – financial subinstrument AF.519 Other equity in NFCs - LTD and/or LLC, held by S.14 - Households, is determined as follows: first, residual equity is calculated, e.i. total equity positions from the AFSs minus the sum of already recorded data on equity for all sectors (counterpart data). Then, percentage share of units held by Households of the AFS's Special Data for state purposes, is applied to the residual equity held by NFCs and Households, respectively.

d) Financial instrument F.8 Other accounts receivable/payable – On the liabilities side, subinstrument AF.81 Trade credits and advances between resident NFCs, is a residual (balancing item in the NFC's trade credits) obtained from own calculations (estimations). Namely, it is calculated as the difference between the total liabilities recorded in the NFC's AFSs and the data recorded by the primary statistics, adjusted for the difference between loans reported from counterpart sector and loan liabilities in AFS.

For financial subinstrument F.89 for S.13 - Other receivables from the government. When calculating taxes, the Time Adjusted Cash (TAC) model is used, where the source is the government tax inflows/outflows data. Thus, tax inflows/outflows in the budget (recorded when the payment is made), are adjusted for accrual (time they are generated). Total taxes are distributed by sector as follows: first, by recording household tax claims (natural persons), second, by recording tax claims on banks and OFIs, and finally, claims on NFCs are calculated as a residual item.

e) Overall, it is most difficult to provide direct sources of reliable data for S.14 - Households and S.15 - NPISH. Therefore, the items in these sectors for all financial instruments are counterpart from other data sources, most often from the primary statistics.

To ensure consistency of FAME, the National Bank and the State Statistical Office, together with the Ministry of Finance, work closely in the compilation of Financial Accounts for all sectors, especially for the Government sector.

## **II.2. Data source hierarchy**

The multiple sources for the same data (for a particular sector/financial instrument) require that the Financial Accounts are compiled on the basis of hierarchical arrangement of data sources. The available sources are ranked, so when making decisions on which particular source should be used, the one that offers methodological compliance with ESA 2010, sector consistency, satisfactory coverage and timeliness, is selected (for example, monetary statistics is used as a data source on non-financial corporations' deposits, although these data are available in the NFC balance sheets; data on securities from the Central Securities Depository (CSD), security by security is used as a data source for quoted shares liabilities to non-residents, although these data are available in the external statistics<sup>8</sup>).

The data source hierarchy is not identical for all instruments and sectors, and it may change over time. For example, instruments may be valued as a combination of market value, nominal value with accrued interest and book value in accordance with the national accounting standards. In such cases, data sources at market price are primarily used, relative to data sources at nominal price.

---

<sup>8</sup> In external statistics the valuation of capital at own funds at book value (OFBW) is considered as good approximation of market value and is one of the recommended models for valuation of capital at market price.

### **II.3. Method of compiling the Financial Accounts in the Macedonian economy - FAME**

Financial Accounts are compiled on a quarterly basis, covering the stock at the end of each relevant quarter, on an unconsolidated basis.

The stocks represent the value of the financial assets held and the outstanding financial liabilities at the end of the relevant quarter. The stocks are calculated for the institutional sectors/sub-sectors, as well as for the whole economy and the rest of the world. The difference between the financial assets and liabilities represents the financial net worth of the respective sector/sub-sector, i.e. the overall economy. The stock of the net financial assets is the result of transactions in financial instruments, cumulative revaluation (price changes and exchange rate changes) and other changes in volume (reclassifications of sectors and instruments, write-offs, etc.).

FAME are compiled in national currency - Denars. The exchange rate on the last day of the quarter is used for the conversion of the stocks of financial assets and liabilities denominated in foreign currency.

Data in the FAME are compiled through a system of interrelated two-dimensional matrices, with a separate matrix for each sector and sub-sector, where assets/liabilities vis-a-vis other sectors/sub-sectors are broken down by financial instruments. Each sector matrix is linked in an aggregated matrix, broken down by asset and liability of each sector/ sub-sector, by financial instrument, on gross basis.

Sectoral Financial Accounts are compiled using the "cell by cell approach", where each cell of financial liabilities, for each instrument, and for a particular sector, is an asset on the basis of the respective individual instrument, in the respective counterpart sector ("from whom to whom"). In certain cases, where information on a particular counterpart sector is not available, and the total value of the liabilities on the instrument has already been calculated, the value of the counterpart item is calculated as a residual.

When compiling Financial Accounts, the following validation rules are implemented, in order to achieve internal consistency of accounts:

- assets of one sector vis-a-vis another = liabilities of the latter (second) vis-a-vis the first sector, and vice versa;
- assets - liabilities of the Rest of the World sector = - (assets of all sectors in the domestic economy - corresponding liabilities);
- the sum of the values of all instruments = the sum of the values of their subinstruments;
- the sum of the values of all subsectors of a certain sector = the value of that certain aggregate sector (applies to unconsolidated data);
- negative stocks on assets and liabilities entail a qualitative analysis of their origin;

- horizontal control is used as a balancing method, where, in the absence of data on specific instruments, their full allocation by sector is determined by calculating the residual value of those instruments, so that their total value is fully encompassed and properly allocated to the overall economy.

### **III. Dissemination and revision policy**

#### **III. 1. Dissemination policy**

The data on Financial Accounts are disseminated on the NBRNM's website <https://www.nbrm.mk/statistika-na-finansiski-smetki.nspj>, four months after the end of the reporting quarter, in accordance with the Advance release calendar: <https://www.nbrm.mk/kalendar-na-objavuvanje-na-podatoci.nspj>. The methodologies for Financial Accounts are also disseminated on the NBRNM's website.

#### **III. 2. Revision policy**

The data are revised on a regular annual basis in October, every year. Additionally, if needed, revisions of disseminated data can be made more frequently in the following cases:

- provision of new, updated and / or corrected information from data sources; or
- data source changes or changes in the methodology for the compilation of Financial Accounts.

In accordance with the international recommendations for any significant data changes during the revisions, an adequate explanation will be given in a footnote or in press releases. The historical time series data will be revised from the moment of occurrence of the event that led to change in data, or if not applicable, for the longest possible time period back forward. If there is a change in the presentation of data (publication of a new indicator - sector, instrument, etc.), the historical time series will be revised starting from the moment of introducing the new indicator, if appropriate conditions exist for this matter.

## Annex 1: National classification of Institutional sectors

National classification of institutional sectors - national economy	
Code	Name of sectors and sub-sectors
S.1	Total economy
S.11	Non-financial corporations
S.11001	Public non-financial corporations
S.11002	National private non-financial corporations
S.11003	Foreign-controlled non-financial corporations
S.12	Financial corporations
S.121-S.123	Monetary financial corporations
S.121	Central bank
S.122	Deposit-taking corporations except the central bank
S.12201	Public
S.12202	National private
S.12203	Foreign controlled
S.123	Money market funds
S.12301	Public
S.12302	National private
S.12303	Foreign controlled
S.124-S.127	Financial corporations other than monetary financial corporations and insurance corporations
S.124	Non-money market investment funds
S.12401	Public
S.12402	National private
S.12403	Foreign controlled
S.125	Other financial intermediaries other than insurance corporations and pension funds
S.12501	Public
S.12502	National private
S.12503	Foreign controlled
S.126	Financial auxiliaries
S.12601	Public
S.12602	National private
S.12603	Foreign controlled
S.127	Captive financial institutions and money lenders
S.12701	Public
S.12702	National private
S.12703	Foreign controlled
S.128-S.129	Insurance corporations and pension funds
S.128	Insurance corporations
S.12801	Public
S.12802	National private
S.12803	Foreign controlled
S.129	Pension funds
S.12901	Public
S.12902	National private
S.12903	Foreign controlled
S.13	General government
S.1311	Central government
S.1313	Local government
S.1314	Social security funds
S.14	Households
S.141*	Employers and own-account workers
S.143	Employees
S.144	Recipients of property and transfer incomes
S.15	Non-profit institutions providing services to households
S.2	The rest of the world (non-residents)

\* Sub-sector S.141 includes units from sub-sector S.142 (S.141 Employers; S.142 Own-account workers)

Source: Official Gazette of the Republic of Macedonia No. 75 of 15 April 2016

## Annex 2: Financial instruments by ESA 2010

ESA code <sup>9</sup>	Name of financial instrument
<b><i>AF.1 Monetary gold and special drawing rights (SDRs)</i></b>	
AF.11	Monetary gold
AF.12	Special Drawing Rights (SDR)
<b><i>AF.21 Currency and deposits</i></b>	
AF.21	Currency
AF.22	Transferable deposits
AF.29	Other deposits
<b><i>AF.3 Debt securities (securities other than shares)</i></b>	
AF.31	Short-term
AF.32	Long-term
<b><i>AF.4 Loans</i></b>	
AF.41	Short-term
AF.42	Long-term
<b><i>AF.5 Equity and investment fund shares/units</i></b>	
AF.51	Shares and other equity
AF.511	Quoted shares
AF.512	Unquoted shares
AF.519	Other equity
AF.52	Investment fund shares/units
AF.521	Money market investment fund shares/units
AF.512	Non-MMF investment fund shares/units
<b><i>AF.6 Insurance, pension insurance and standardized guarantees</i></b>	
AF.61	Non-life insurance technical reserves
AF.62	Life insurance policy rights
AF.63	Pension entitlements
AF.64	Pension funds' claims on pension fund management companies
AF.65	Non-pension entitlements
AF. 66	Provisions for standardized guarantee
<b><i>AF.7 Financial derivatives and employee stock options</i></b>	
<b><i>AF.8 Other accounts receivable/payable</i></b>	
AF.81	Trade credits and advances
AF.89	Other accounts receivable/payable, except trade credit and advances

<sup>9</sup> According to the ESA and the SNA, transactions in financial instruments are denoted by F, while stocks with AF

## Annex 3: Data sources by sector and by instrument (for assets and liabilities)

### Financial Assests

*Sector/subsector		Non-financial Corporations S.11	Financial Corporations								General Government - Total				Households and Non profit institutions serving	Rest of the world S.2
			Financial Corporations - Total S.121 - S.129	Central Bank C.121	Deposit taking corporations except the central bank S.122	OFI - total S.123+S.124+S.125+S.126+S.127	Money market funds** S.123	Non-MMF investment funds S.124	Other, other financial institutions (S.125+ S.126+ S.127**)	Insurance corporations S.128	Pension funds S.129	General Government - Total S.1311+S.1313+S.1314	Central Government S.1311	Local Government S.1313	Social security funds S.1314	
AF.1	Monetary Gold and SDRs		S.121 - S.129	MS/ES		S.123+S.124+S.125+S.126+S.127					S.1311+S.1313+S.1314					
AF.11	Monetary Gold			MS/ES												
AF.12	SDRs			MS/ES												MS/ES
AF.2	Currency and Deposits															
AF.21	Currency	Residual		MS	MS/ES				OFI	OFI		AFS	AFS	AFS	Residual	
AF.22	Transferable Deposits	MS/ES		MS	MS			OFI	OFI	OFI		MS	MS	MS	MS	ES
AF.29	Other Deposits	MS/ES		MS	MS			OFI	OFI	OFI		MS	MS	MS	MS	ES
AF.3	Debt Securities	SBS/ES		MS/ES	SBS/ES			SBS	SBS	SBS/ES	SBS/ES	SBS/ES	SBS	SBS	SBS/ES	ES/SBS
AF.31	Short-term	SBS/ES		MS/ES	SBS/ES			SBS	SBS	SBS/ES	SBS/ES	SBS/ES	SBS	SBS	SBS/ES	ES/SBS
AF.32	Long-term	SBS/ES		MS/ES	SBS/ES			SBS	SBS	SBS/ES	SBS/ES	SBS/ES	SBS	SBS	SBS/ES	ES/SBS
AF.4	Loans	MS/ES/AFS		MS/ES	MS				OFI/ES	OFI/ES	OFI/ES	ES/MS/DI	ES/MS/DI	ES/MS/DI	ES	ES
AF.41	Short-term	MS/ES/AFS		MS/ES	MS				OFI/ES	OFI/ES	OFI/ES	ES/MS/MF	ES/MS/MF	ES/MS/MF	ES	ES
AF.42	Long-term	MS/ES/AFS		MS/ES	MS				OFI/ES	OFI/ES	OFI/ES	ES/MS/MF	ES/MS/MF	ES/MS/MF	ES	ES
AF.5	Equity and shares/units	AFS/SBS		MS	MS/ES			SBS/ES/OFI	SBS/ES/OFI	SBS/ES/OFI	SBS/ES/OFI	SBS/AFS	SBS/AFS	SBS/AFS	SBS/MS/ES	SBS/MS/ES
AF.51	Equity	AFS/SBS		MS	MS/ES			SBS/ES/OFI	SBS/ES/OFI	SBS/ES/OFI	SBS/ES/OFI	SBS/AFS	SBS/AFS	SBS/AFS	SBS/MS/ES	SBS/MS/ES
AF.59	IF shares/units	OFI/ES			OFI			OFI/ES	OFI/ES	OFI/ES	OFI/ES				OFI/ES	ES
AF.6	Insurance, pension and standardised guarantee schemes	OFI		OFI	OFI			OFI	OFI	OFI	OFI	OFI	OFI	OFI	OFI	
AF.7	Financial Derivatives			MS	MS			OFI	OFI	OFI	OFI				MS	ES
AF.8	Other accounts receivable	CS/AFS		MS	MS			OFI	OFI	OFI	OFI	CS/AFS	CS/AFS	CS/AFS	CS	ES

\*The fields in the matrix tables marked in gray mean that the sector/subsector theoretically, shouldn't have assets/liabilities for the appropriate instrument

\*\* Within the financial sector in the Republic of North Macedonia there are no Money Market Funds (subsector S.123), while Captive financial institutions and money holders (subsector S.127), which mainly include holding companies, is a small number, so there is not sufficient data so far. In certain specific cases, the identified data from this subsector in the Financial Accounts are currently included within Sector S.125 - Other Financial

## Financial Liabilities

*Sector/subsector  Financial Instruments		Non-financial Corporations S.11	Financial Corporations								General Government - Total				Households and Non profit institutions serving households	Rest of the World S.2
			Financial Corporations - Total S.121 - S.129	Central Bank C.121	Deposit taking corporations except the central bank S.122	OFI - total S.123+S.124+S.125+S.126+S.127	Money market funds** S.123	Non-MMF investment funds S.124	Other, other financial institutions (S.125+ S.126+ S.127**)	Insurance corporations S.128	Pension funds S.129	General Government - Total S.1311+S.1313+S.1314	Central Government S.1311	Local Government S.1313	Social security funds S.1314	
AF.1	Monetary Gold and SDRs		S.121 - S.129	MS/ES		S.123+S.124+S.125+S.126+S.127					S.1311+S.1313+S.1314					MS/ES
AF.11	Monetary Gold			MS/ES												
AF.12	SDRs			MS/ES												MS/ES
AF.2	Currency and Deposits															
AF.21	Currency			MS												MS
AF.22	Transferable Deposits			MS	MS											ES
AF.29	Other Deposits			MS	MS											ES
AF.3	Debt Securities	SBS/ES		MS/ES	SBS/ES			SBS/ES	SBS	SBS/ES	SBS/ES		SBS/ES	SBS/ES	SBS	ES/SBS
AF.31	Short-term	SBS/ES		MS/ES	SBS/ES			SBS/ES	SBS	SBS/ES	SBS/ES		SBS/ES	SBS	SBS	ES/SBS
AF.32	Long-term	SBS/ES		MS/ES	SBS/ES			SBS/ES	SBS	SBS/ES	SBS/ES		SBS/ES	SBS	SBS	ES/SBS
AF.4	Loans	MS/ES/AFS		MS/ES	MS				OFI/ES	OFI/ES	OFI/ES		ES/MS/DI	ES/MS/DI	ES/MS/DI	MS/ES
AF.41	Short-term	MS/ES/AFS		MS/ES	MS				OFI/ES	OFI/ES	OFI/ES		ES/MS/MF	ES/MS/MF	ES/MS/MF	MS/ES
AF.42	Long-term	MS/ES/AFS		MS/ES	MS				OFI/ES	OFI/ES	OFI/ES		ES/MS/MF	ES/MS/MF	ES/MS/MF	MS/ES
AF.5	Equity and shares/units	SBS/AFS		MS	SBS/MS/ES			SBS/ES/OFI	SBS/ES/OFI	SBS/ES/OFI	SBS/ES/OFI		SBS/AFS	SBS/AFS	SBS/AFS	ES/SBS
AF.51	Equity	AFS/SBS		MS	MS/ES			ES/OFI	ES/OFI	ES/OFI	ES/OFI		AFS/MS	AFS	AFS	ES
AF.59	IF shares/units	OFI/ES			OFI			OFI/ES	OFI/ES	OFI/ES	OFI/ES					ES
AF.6	Insurance, pension and standardised guarantee schemes	OFI/ES		OFI	OFI			OFI	OFI	OFI	OFI					MS
AF.7	Financial Derivatives			MS	MS			OFI	OFI	OFI	OFI					MS
AF.8	Other accounts payable	CS/AFS		MS	MS			OFI	OFI	OFI	OFI		CS/AFS	CS/AFS	CS/AFS	CS

\*The fields in the matrix tables marked in gray mean that the sector/subsector theoretically, shouldn't have assets/liabilities for the appropriate instrument

\*\* Within the financial sector in the Republic of North Macedonia there are no Money Market Funds (subsector S.123), while Captive financial institutions and money holders (subsector S.127), which mainly include holding companies, is a small number, so there is not sufficient data so far. In certain specific cases, the identified data from this subsector in the Financial Accounts are currently included within Sector S.125 - Other Financial Intermediaries.

### **ABBREVIATIONS**

<b>MS</b>	Monetary statistics
<b>ES</b>	External statistics
<b>OFI</b>	Other financial corporations statistics
<b>SBS</b>	Securities statistics
<b>AFS</b>	Annual financial statements
<b>CS</b>	NBRNM Primary statistics counterpart sector
<b>GS</b>	Government statistics
<b>TAC</b>	Time adjustment cash of taxes
	Not applicable/Missing data due to unavailabilit