

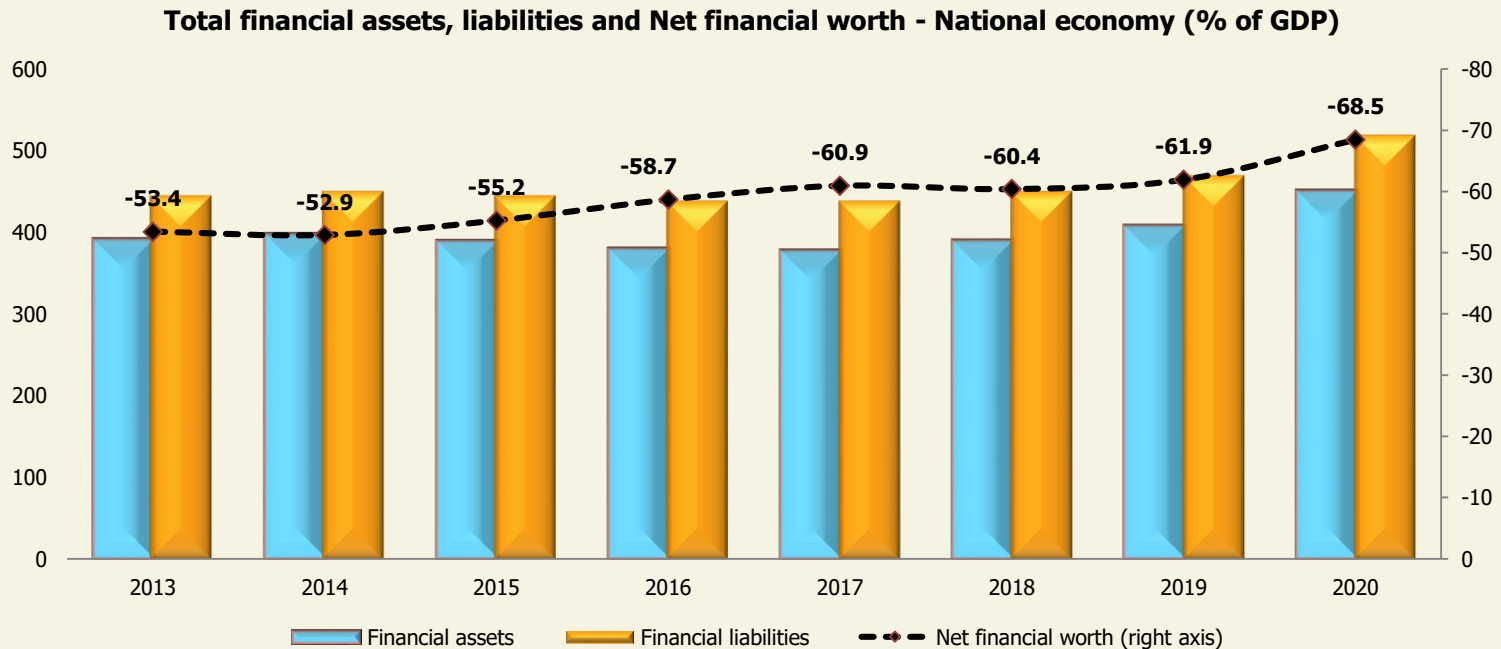


Financial Accounts Statistics - analysis of the main developments in 2020

Statistics Department
Financial Accounts Statistics Unit
December 2021

Financial assets and liabilities of the national economy

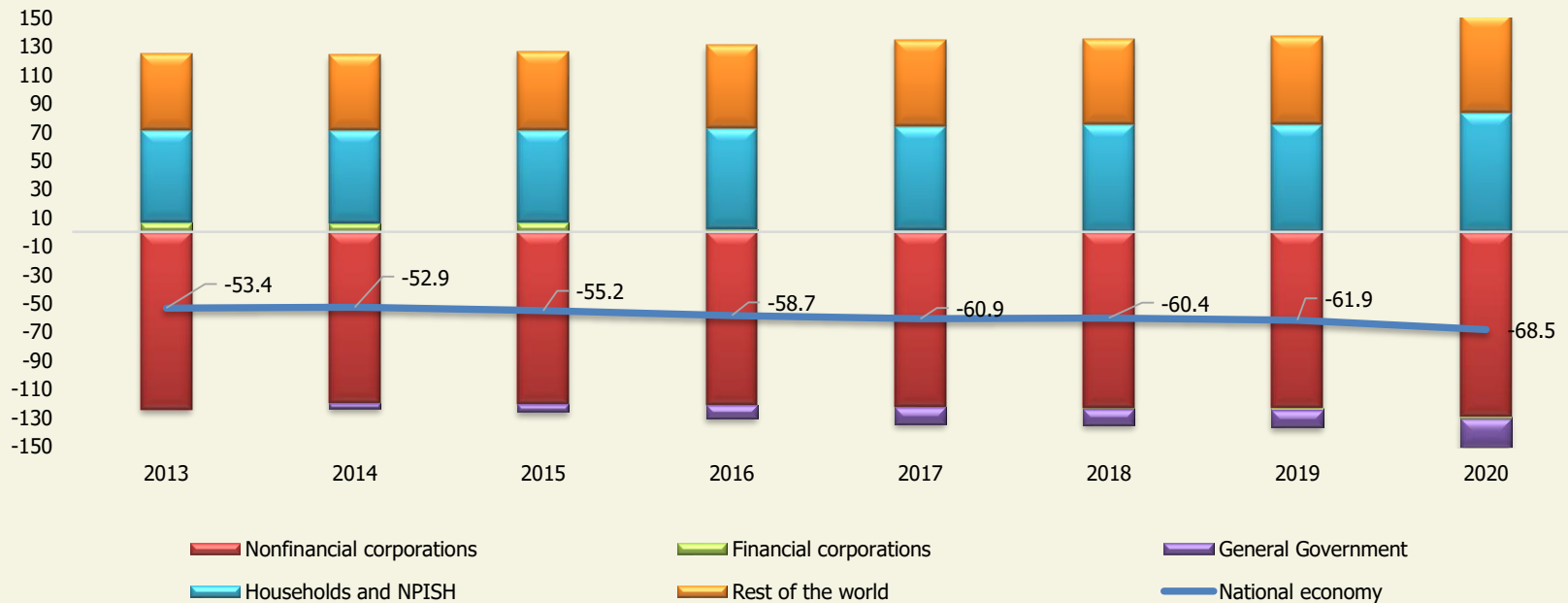
- The analysis of financial position of the national economy indicates **deepening of the negative net position in 2020**. The negative Net financial worth (NFW) was Denar 449 billion, which is an increase of Denar 22 billion, i.e. 5.2%.
- In relative terms, the **negative net position in 2020 amounted to 68.5% of GDP**, which is a significant increase (from 6.6 p.p.) compared to the previous year and largely reflects the GDP fall caused by the negative effects of the corona crisis.



Financial assets and liabilities of the national economy

- Sector-by-sector analysis shows that households and rest of the world sectors in 2020 are net creditors that finance other sectors in the national economy (NFC and the general government), which are net debtors. The financial sector has an almost balanced net financial position.
- Dynamically, the deepened negative NFW as a % of GDP resulted from the deteriorated negative NFW of the government and the NFC, partially offset by the improved NFW of the households sector.

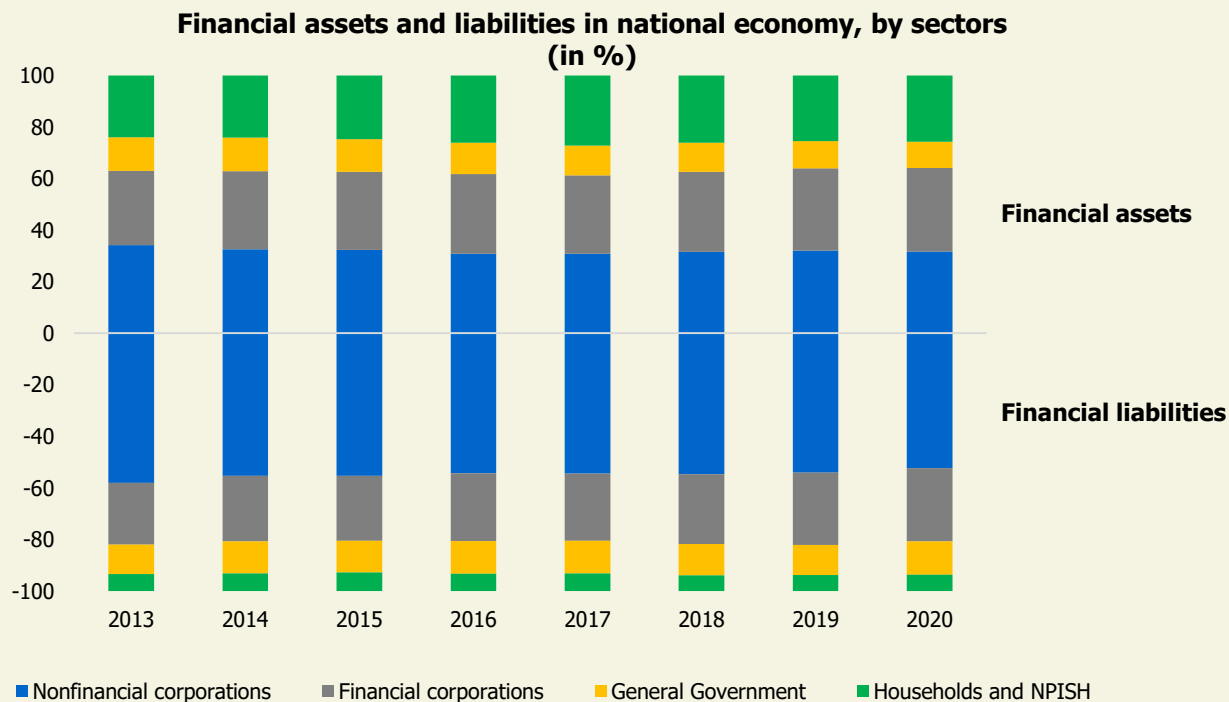
Net financial worth, by sectors (% of GDP)





Financial assets and liabilities of the national economy, by sector

- The structure of **national economy assets** indicates that the NFC sector and the financial corporations in 2020 have the largest (almost equal) share, followed by households and the general government (which has the lowest share in total national economy assets).
- The sector-by-sector structure of **total liabilities** is similar to the structure of assets and remains unchanged, compared to the previous year.

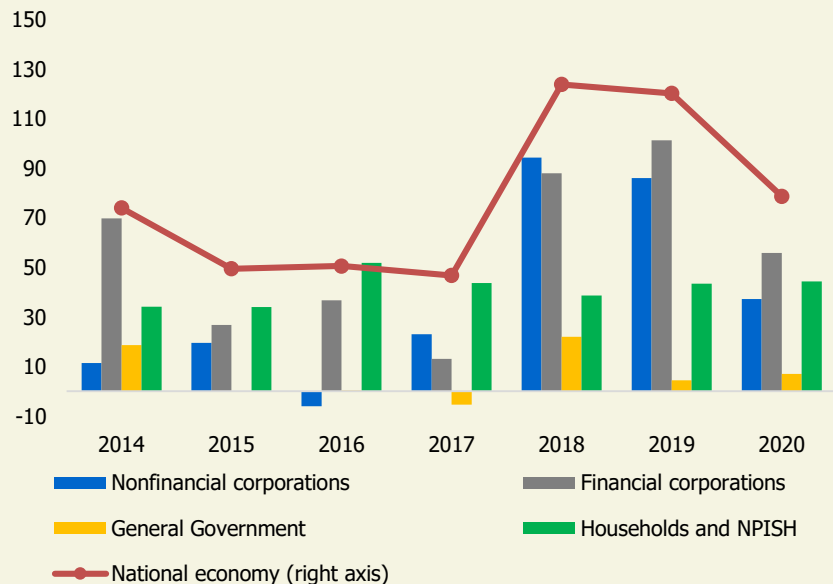




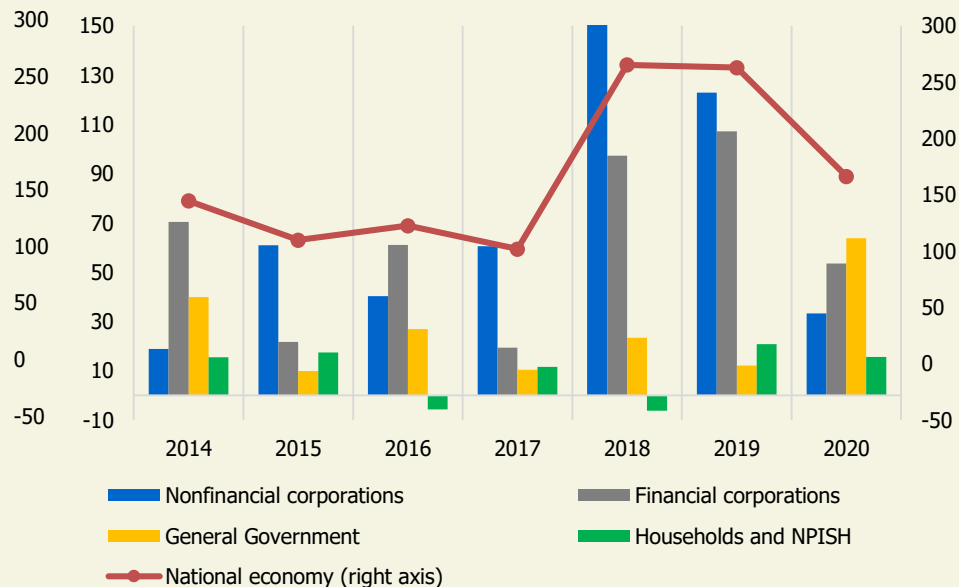
Financial assets and liabilities of the national economy, by sector

- In 2020, the **total assets of the national economy** amounted to Denar 2,958 billion, which is an annual growth of Denar 144 billion, or 5.2%. The upward change is a result of the increased assets of all sectors, mostly financial corporations, followed by households and the NFC. The growth of general government assets has the lowest contribution to the growth of total financial assets of the national economy.
- At the end of 2020, **total liabilities** amounted to Denar 3,407 billion, which is an increase of Denar 166 billion, or 5.1%, mainly reflecting the growth in liabilities of the general government sector, financial corporations and NFC, amid lower growth of households' liabilities.

Annual change of financial assets in national economy, by sectors (in Denar billion)



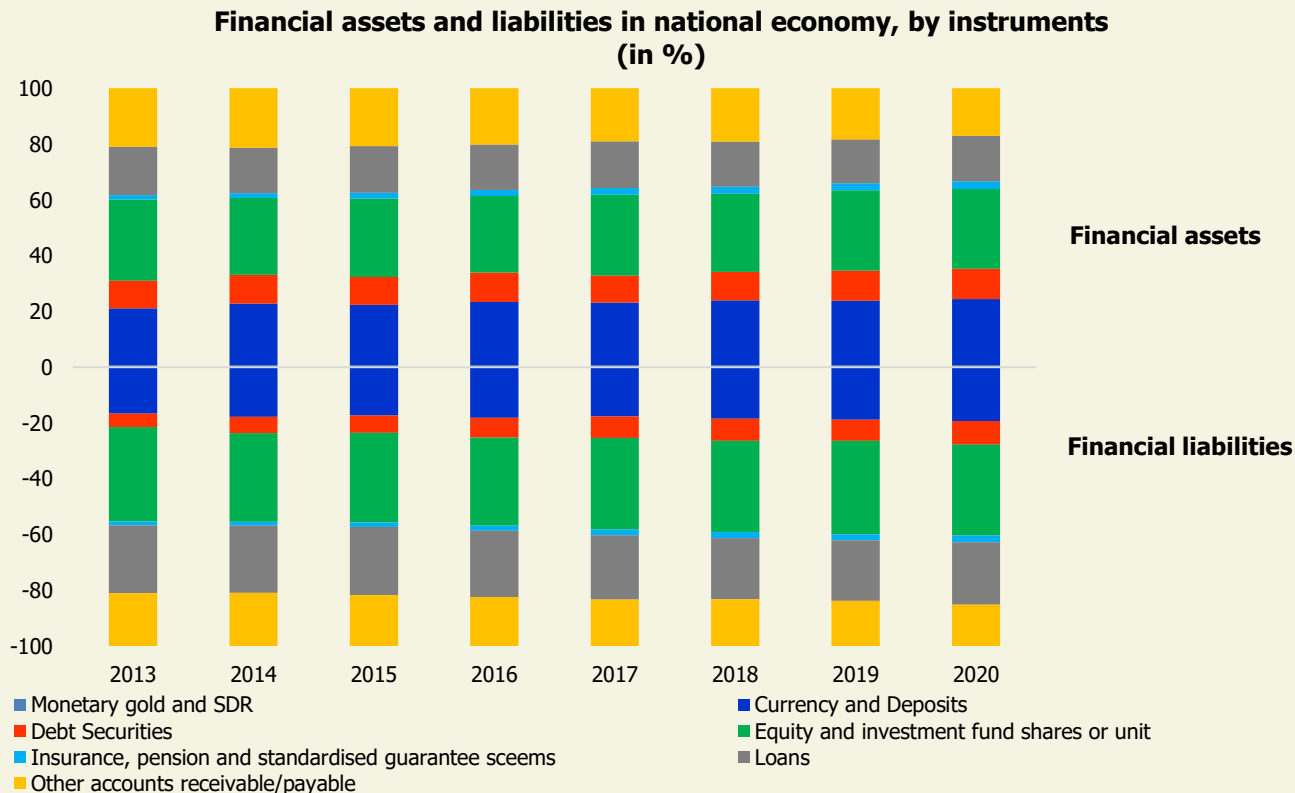
Annual change of financial liabilities, by sectors (in Denar billion)





Financial assets and liabilities of the national economy, by instrument

- Analyzing by **instruments**, the **assets side** is dominated by equity, followed by currency and deposits, other accounts receivable, loans and securities, while monetary gold and SDR have the smallest share in the assets structure.
- Equity and loans dominate the **total liabilities** structure, followed by currency and deposits, other accounts payable and other instruments.

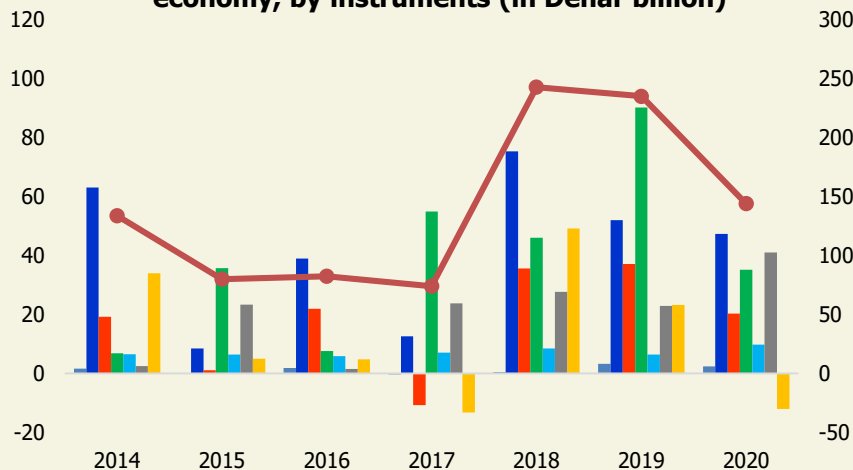




Financial assets and liabilities of the national economy, by instrument

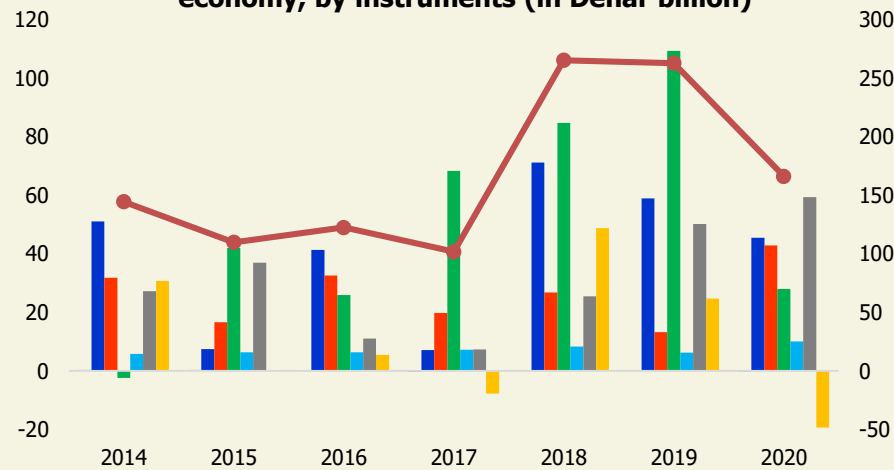
- The **assets** analysis by instrument shows that in 2020 the annual growth is mainly driven by the increased placements in deposits, followed by loans and equity investments. Other accounts receivable is the only category that records an annual decrease.
- On the **liabilities side**, increased loans have the largest contribution to the growth, followed by currency and deposits, as well as debt securities. Other accounts payable on the liabilities side are the only instrument that declined on an annual basis.

Annual change of financial assets of the National economy, by instruments (in Denar billion)



- Monetary gold and SDR
- Currency and Deposits
- Debt Securities
- Equity and investment fund shares or unit
- Insurance, pension and standardised guarantee schemes
- Loans
- Other accounts receivable
- Financial assets (right axis)

Annual change of financial liabilities of the National economy, by instruments (in Denar billion)



- Monetary gold and SDR
- Currency and Deposits
- Debt Securities
- Equity and investment fund shares or unit
- Insurance, pension and standardised guarantee schemes
- Loans
- Other accounts payable
- Financial liabilities (right axis)



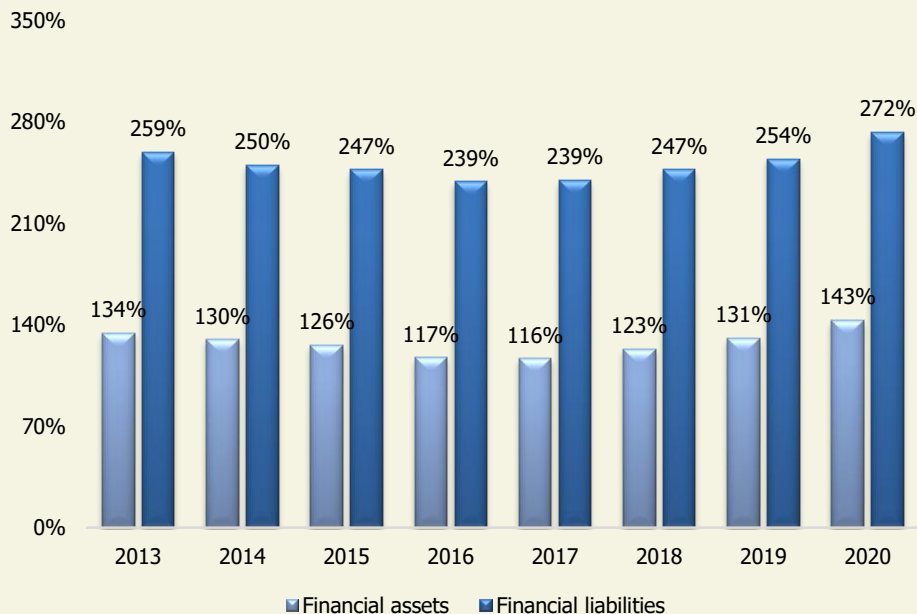
FINANCIAL ACCOUNTS DATA ANALYSIS BY SECTOR



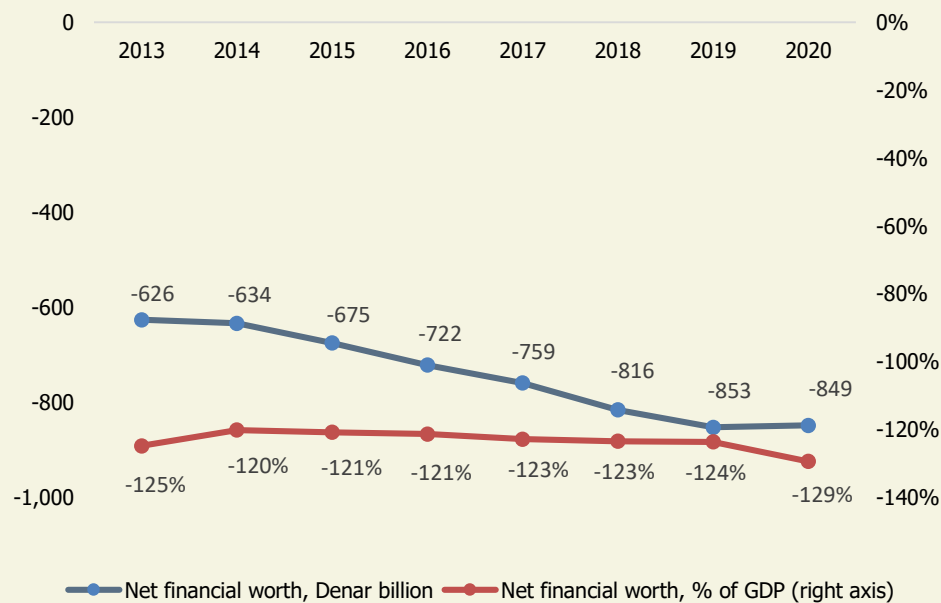
Non-financial Corporations Sector (NFC)

- The **net financial worth** of the NFC sector in 2020 is negative and amounted to Denar 849 billion, which in nominal terms is a slight improvement of Denar 3.9 billion, or 0.5% compared to the previous year.
- Observing through relative indicators, despite the improvement, the GDP decline in 2020 deepened the negative net financial worth from 124% to 129% of GDP, which is an increase of 5 p.p.

Financial assets and liabilities, % of GDP



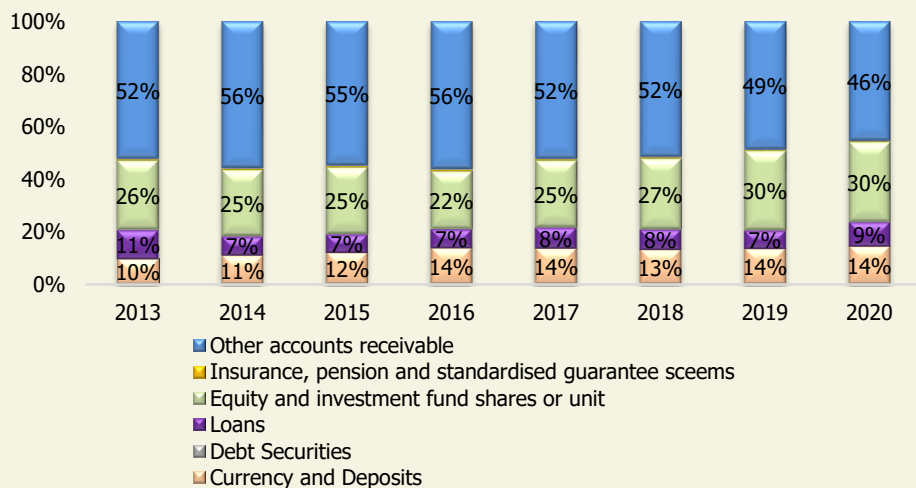
Net financial worth



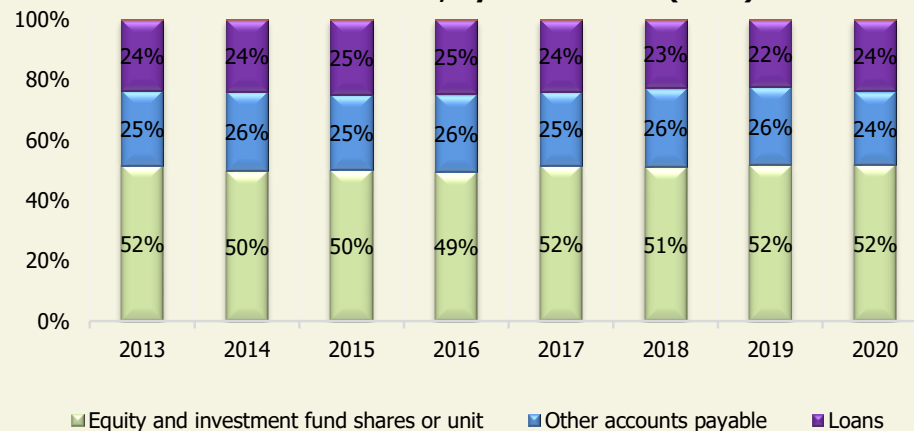


Non-financial Corporations Sector (NFC)

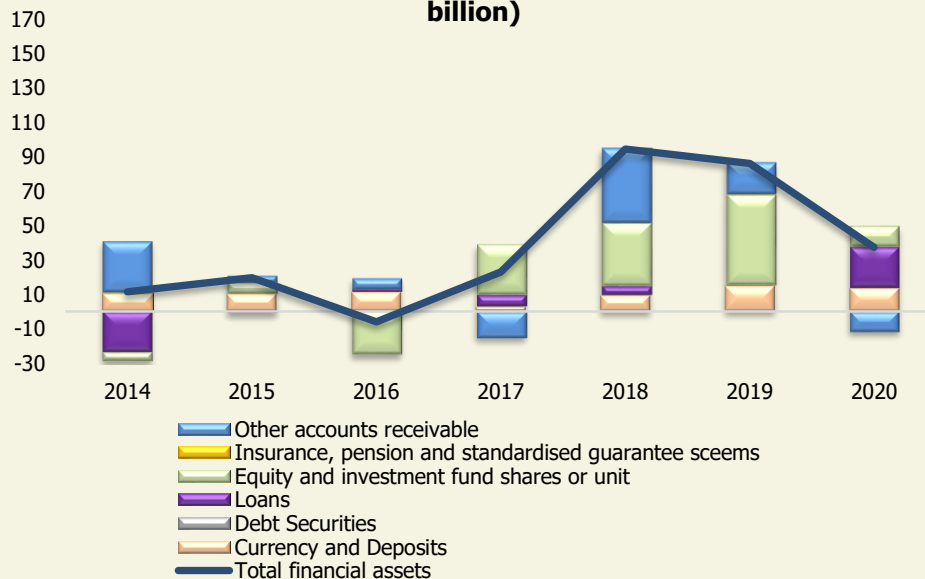
Financial assets, by instruments (in %)



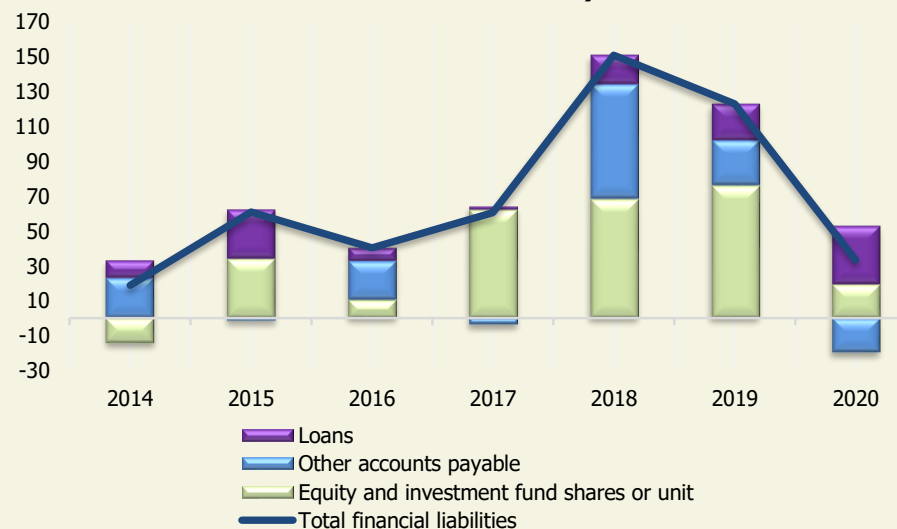
Financial liabilities, by instruments (in %)



Annual change of total assets, by instruments (in Denar billion)



Annual change of total liabilities, by instruments (in Denar billion)





Financial assets and liabilities of the NFC sector

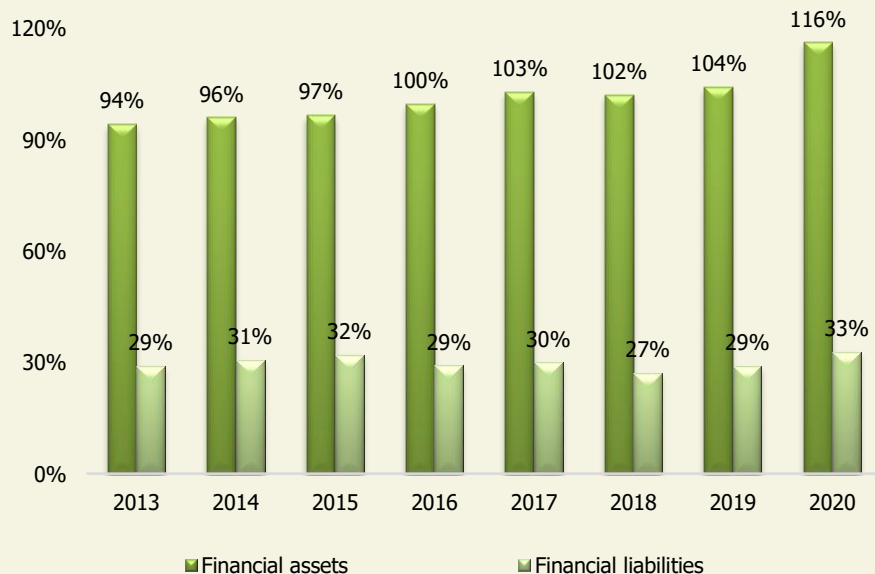
- **Total financial assets** of the NFC increased by Denar 37 billion (4.2%) at the end of 2020. This growth is mostly due to the growth of loans, as well as the growth of currency and deposits and equity, amid declining of other accounts receivable.
- Dynamically analyzed, assets growth slowed down, mainly due to reduced equity growth and reduced other accounts receivable. On the other hand, there is a significant growth of loans as a result of the intercompany lending of the NFC.
- **Financial liabilities** recorded an annual growth of Denar 33 billion, or 1.9% in 2020. The change is mainly due to growth of loans, and less to growth of equity. Other accounts payable are the only instrument that decreased.
- After the strong growth of financial liabilities in the previous two years, in 2020 the growth slowed down, which reflects the lower growth of equity liabilities (the crisis mainly resulted in lower positive financial result and losses) and the reduced other accounts payable.
- The structure of financial assets and liabilities registered no significant changes. Loans are the only category whose share has moderately increased, at the expense of the decreased share of other accounts receivable/payable.



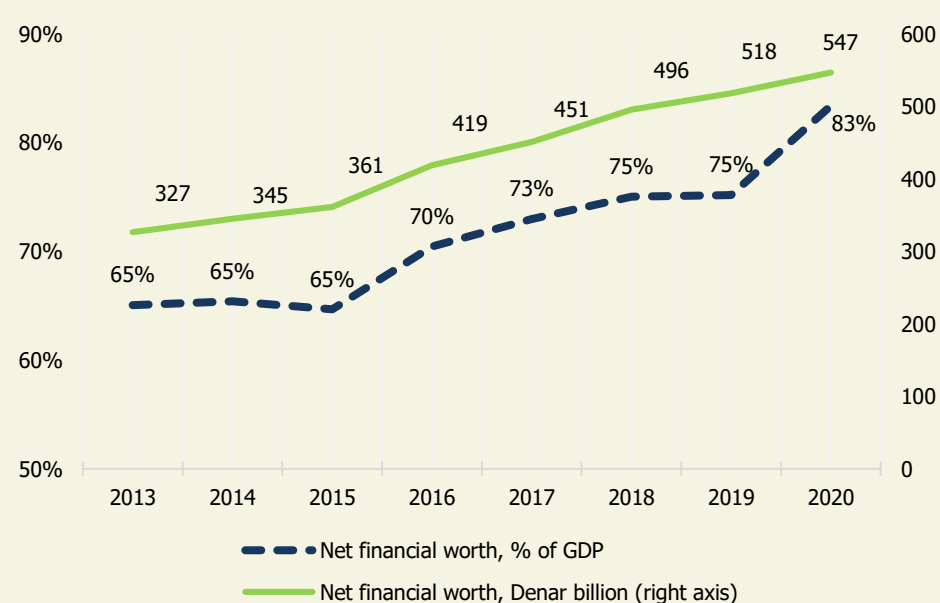
Households sector

- **The net position of households in 2020** is Denar 547 billion, which is an annual growth of Denar 29 billion, or 5.5%. The improved positive net position of households resulted from higher financial assets compared to liabilities.
- The relative indicators (due to the GDP decline) indicate a faster growth of net financial worth to 83% of GDP, which is an increase of 8 p.p. compared to the previous year.

Financial assets and liabilities, % of GDP



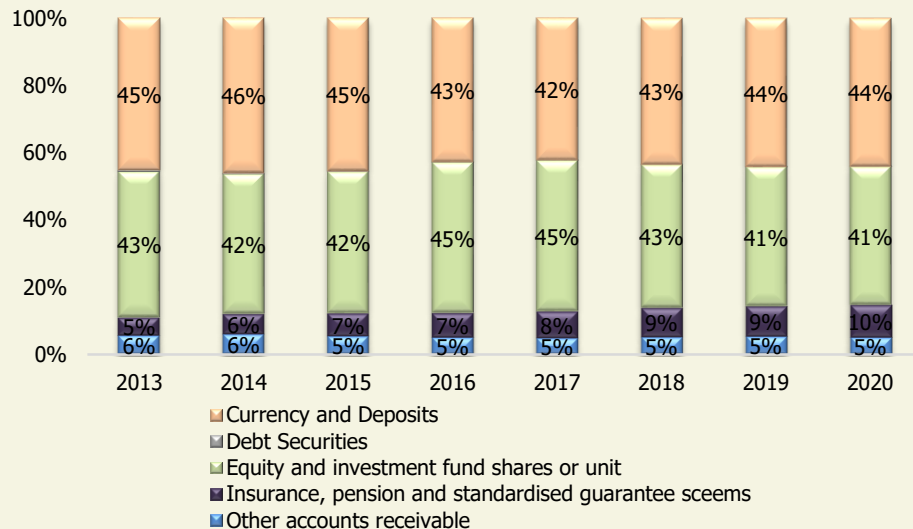
Net financial worth



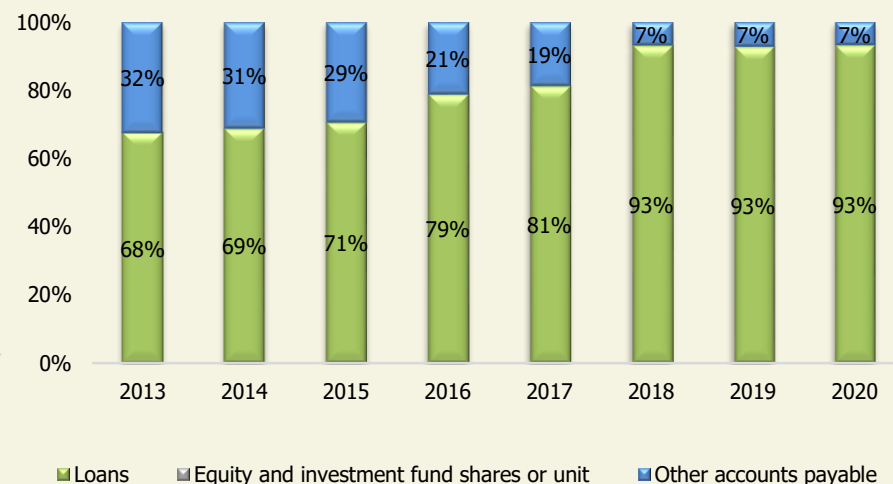


Households sector

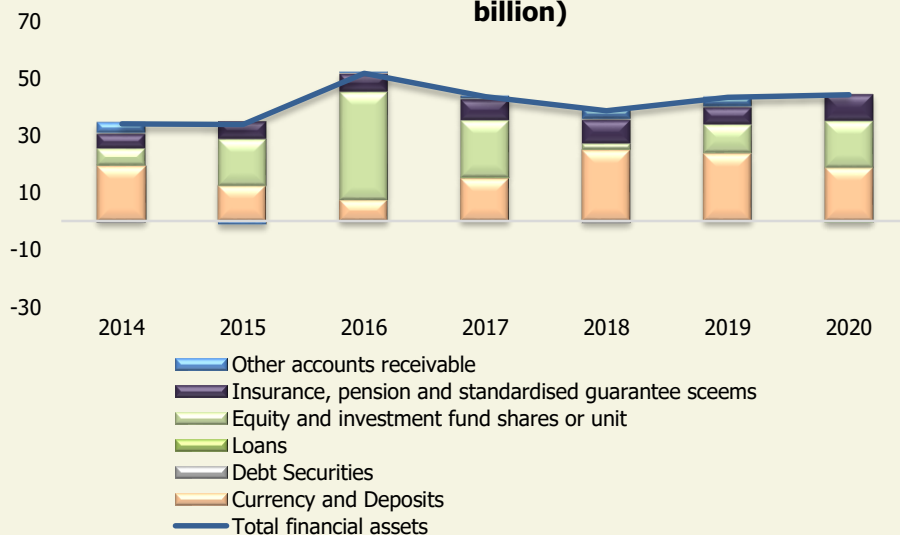
Financial assets, by instruments (in %)



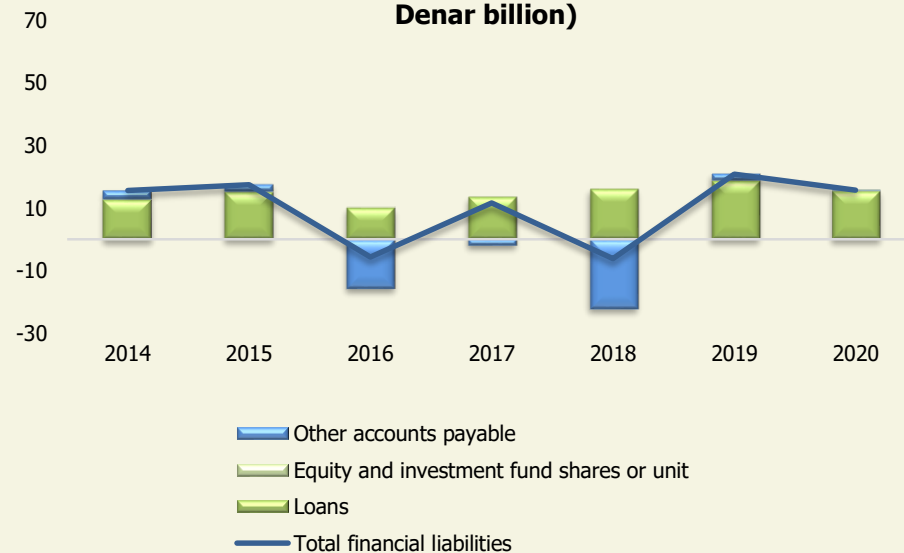
Financial liabilities, by instruments (in %)



Annual change of total assets, by instruments (in Denar billion)



Annual change of total liabilities, by instruments (in Denar billion)





Financial assets and liabilities of the Households sector

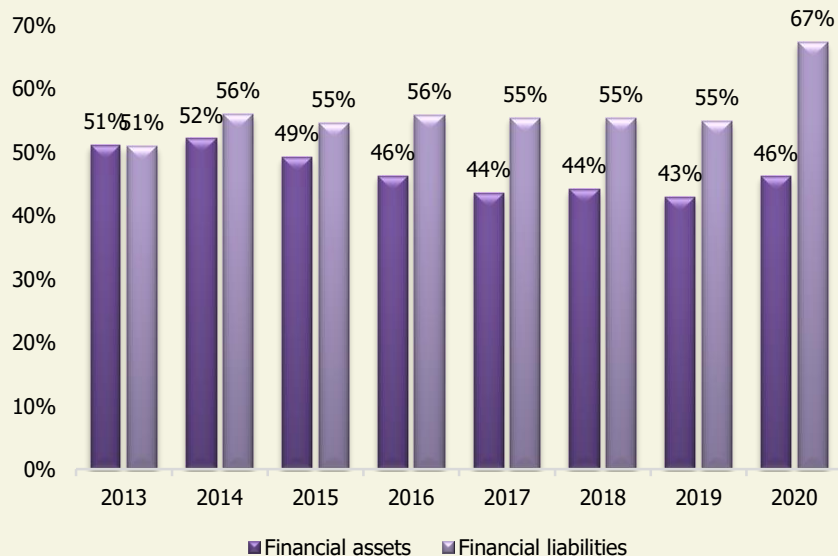
- In 2020, **total households assets** registered an annual growth of Denar 44 billion, or by 6.2%. Analyzed by instrument, the annual growth is mainly due to placements in deposits and equity investments, and less to the increased insurance technical reserves of pension funds.
- Analyzing the contribution of instruments, in 2020 compared to 2019, equity and the increased insurance technical reserves have a larger contribution to growth, as opposed to the decreased share of deposits.
- **Liabilities** registered an annual growth of Denar 16 billion, or 7.8%. The growth of total liabilities is fully caused by loan liabilities, which also dominate the structure of households liabilities.
- There are no changes in the structure of financial assets and liabilities in 2020, i.e. deposits and equity still dominate with about 85% of total assets of this sector, while liabilities mostly include loans with a share of 93%.



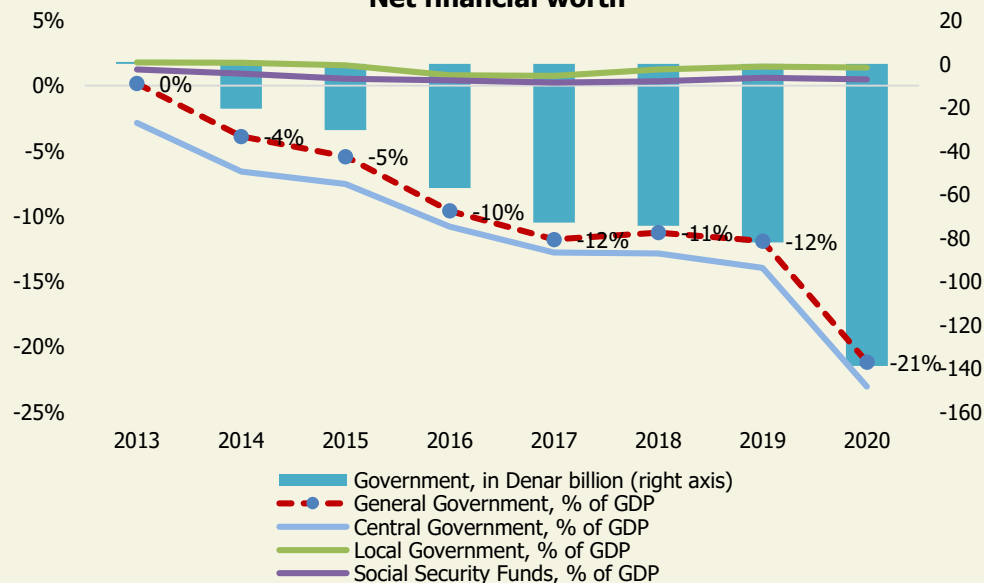
General Government sector

- The negative net financial worth of the general government amounted to Denar 139 billion, which is significant deterioration of Denar 57 billion, or 9 p.p., in relative terms (21% of GDP in 2020 versus 12% of GDP in 2019). The deepening of the negative net position of the general government resulted from the higher liabilities growth, compared to the growth of general government assets, used to alleviate the effects of the corona crisis.
- Analyzed by sub-sectors, the negative position solely resulted from the central government sub-sector (with negative NFW of 23% of GDP), while local government and social security funds maintain a positive net financial position of 1.4% and 0.5 % of GDP, respectively.

Financial assets and liabilities, % of GDP



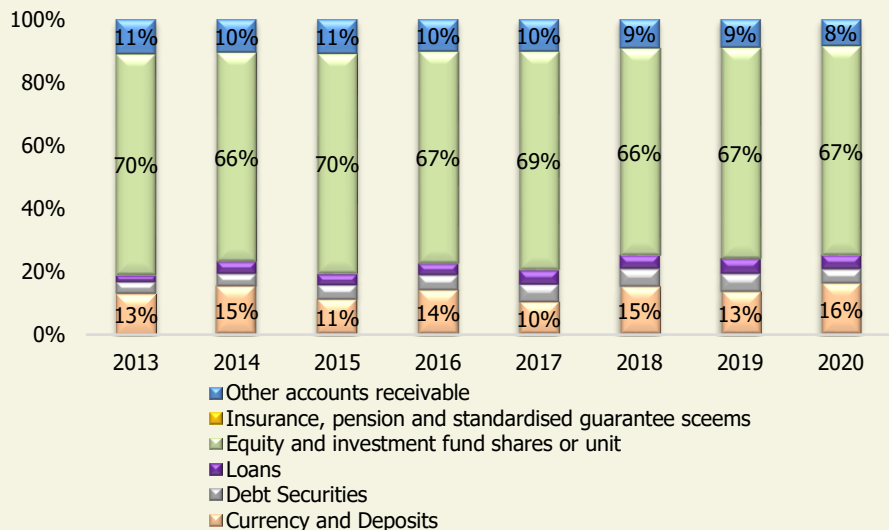
Net financial worth



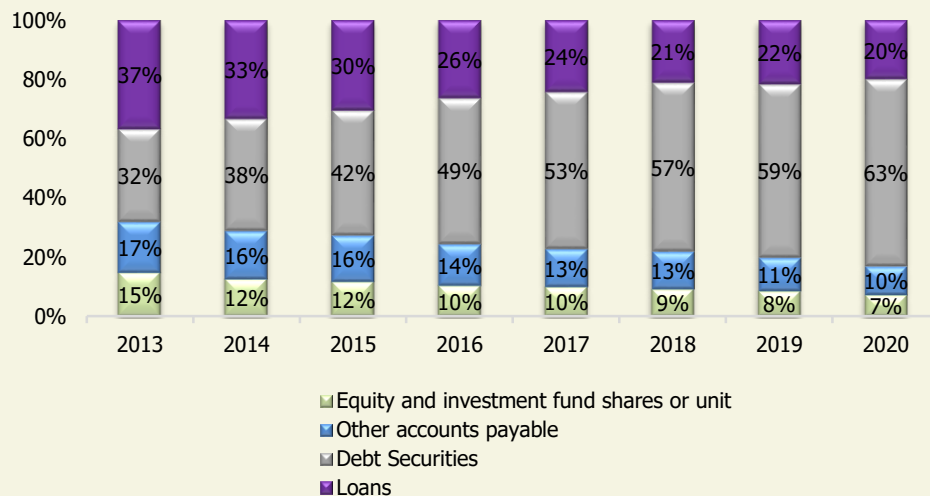


General Government sector

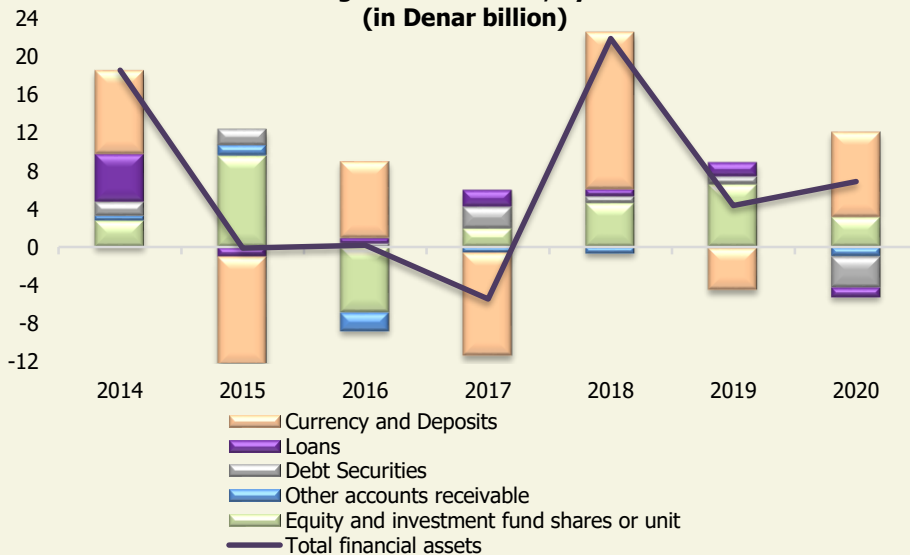
Financial assets, by instruments (in %)



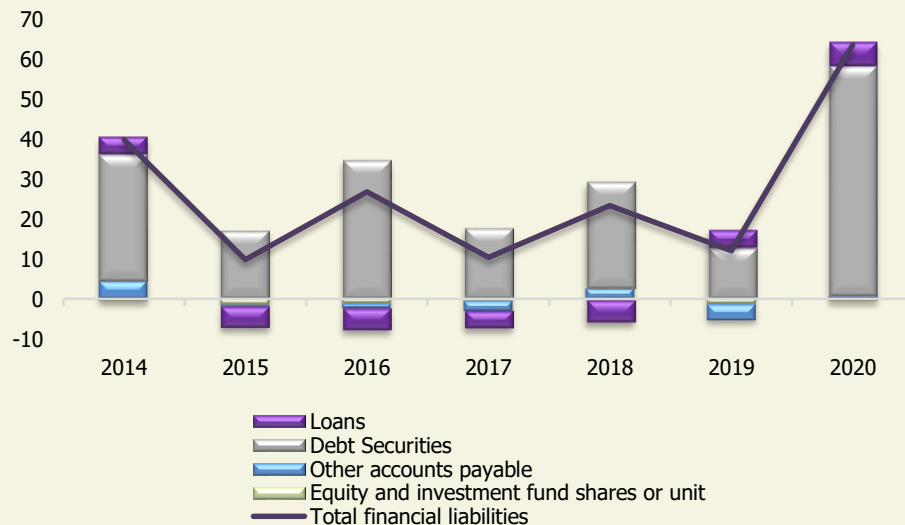
Financial liabilities, by instruments (in %)



Annual change of total assets, by instruments (in Denar billion)



Annual change of total liabilities, by instruments (in Denar billion)





Financial assets and liabilities of the General Government sector

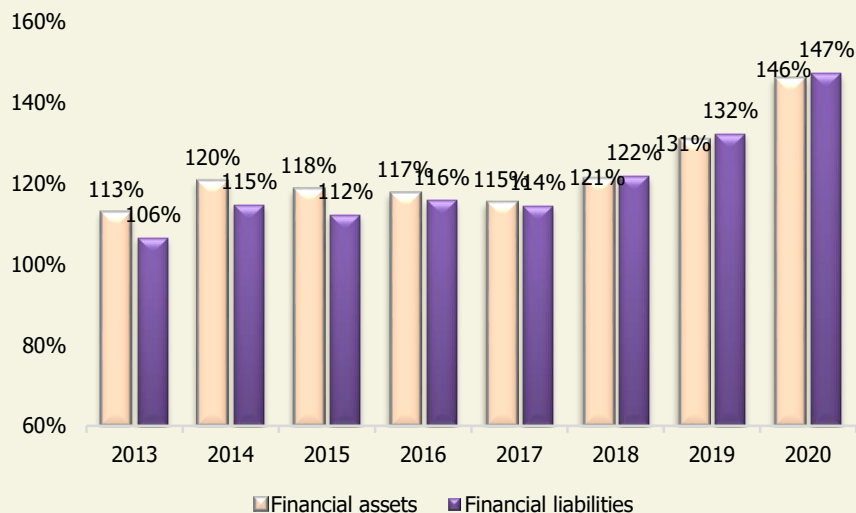
- In 2020, total **financial assets** of the general government registered a moderate increase of Denar 7 million, or 2.3%. The increase in assets is largely due to the increase in central bank deposits, as well as the growth of government equity, despite the decrease in short-term securities, loans and other accounts receivable.
- Dynamically, growth accelerated mainly due to higher government deposits, due to increased borrowing.
- The **financial liabilities** of the general government increased by Denar 64 billion (or 16.9%) compared to 2019. The considerable growth is due to borrowing through the issuance of long-term debt securities on the domestic and foreign markets and financing through foreign loans. This dynamics was entirely driven by the higher debt securities.
- Analyzing the structure, financial assets registered no changes, while on the financial liabilities side, the share of debt securities increased significantly by 4 p.p., at the expense of the reduced share of other instruments.



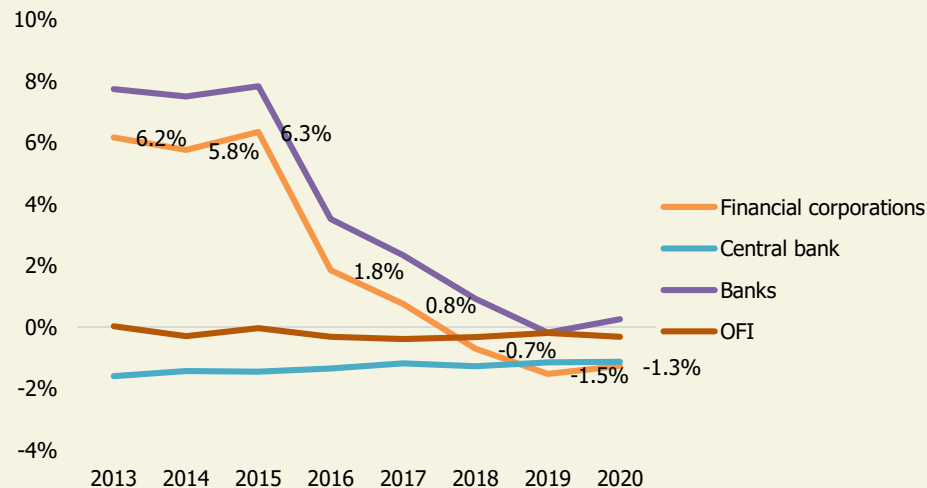
Financial Corporations sector

- **The net financial worth** of FC in 2020 is negative and amounted to Denar 8.3 billion, which is an improvement of Denar 2.2 billion or 21% compared to the previous year. It is 1.3% of GDP, which is a moderate improvement compared to 2019, when it was also negative and amounted to 1.5% of GDP.
- Analyzed by sub-sector, this is due to the negative financial position of the central bank sub-sector, with NFW of 1.2% of GDP, due to higher liabilities (mostly because of currency in circulation and deposits of banks and government) compared to the assets. In 2020, banks and savings houses have a positive net financial position of 0.3% of GDP, while OFIs continued with a negative net financial position, which in 2020 equaled 0.3% of GDP.
- The better performance in 2020 is driven by banks and savings houses, which from negative NFW in 2019, switched to a positive one in 2020, while other sub-sectors registered no significant changes.

Financial assets and liabilities, % of GDP



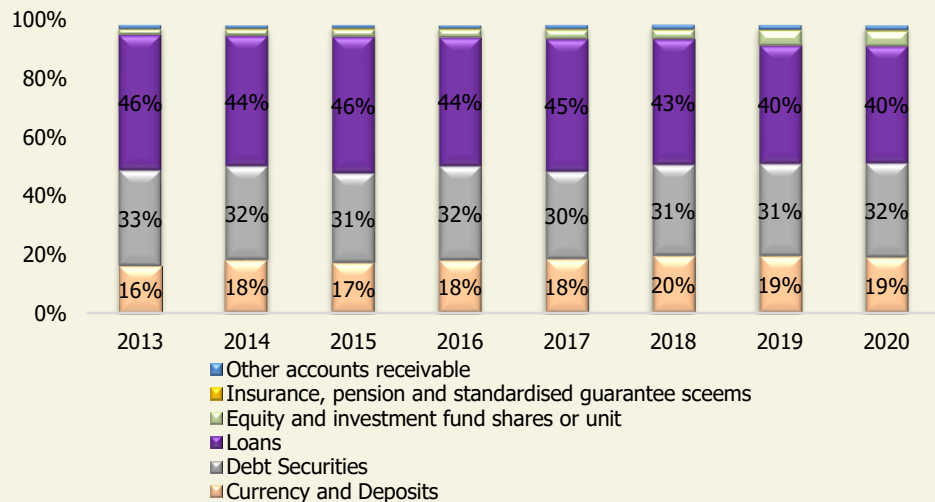
Net financial worth (% of GDP)



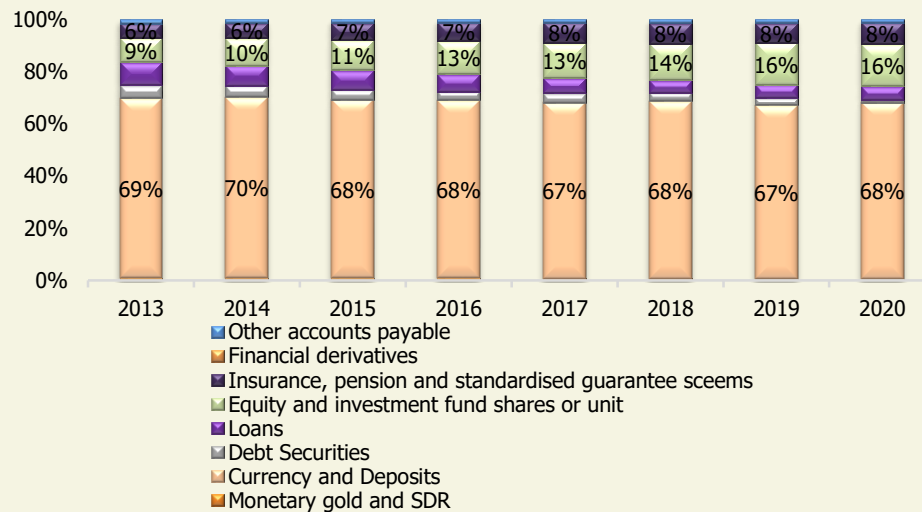


Financial Corporations sector

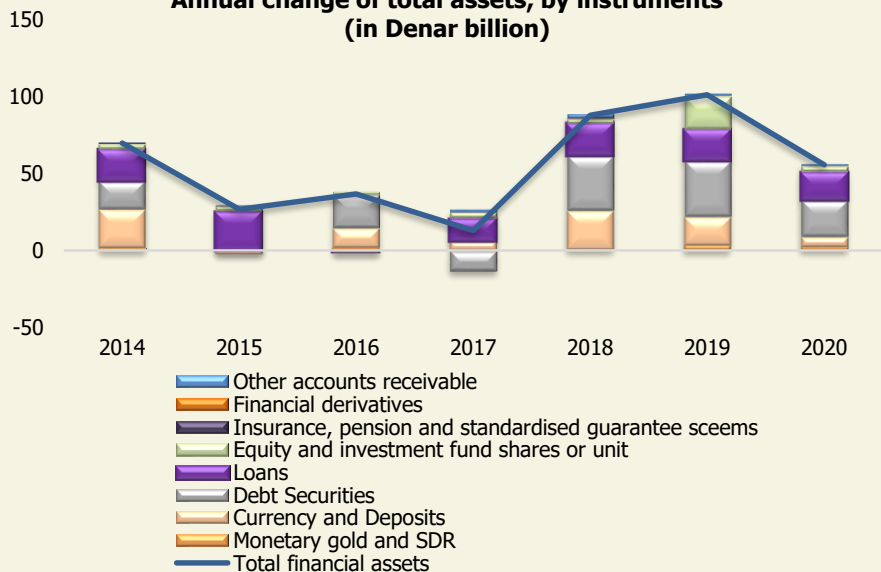
Financial assets, by instruments (in %)



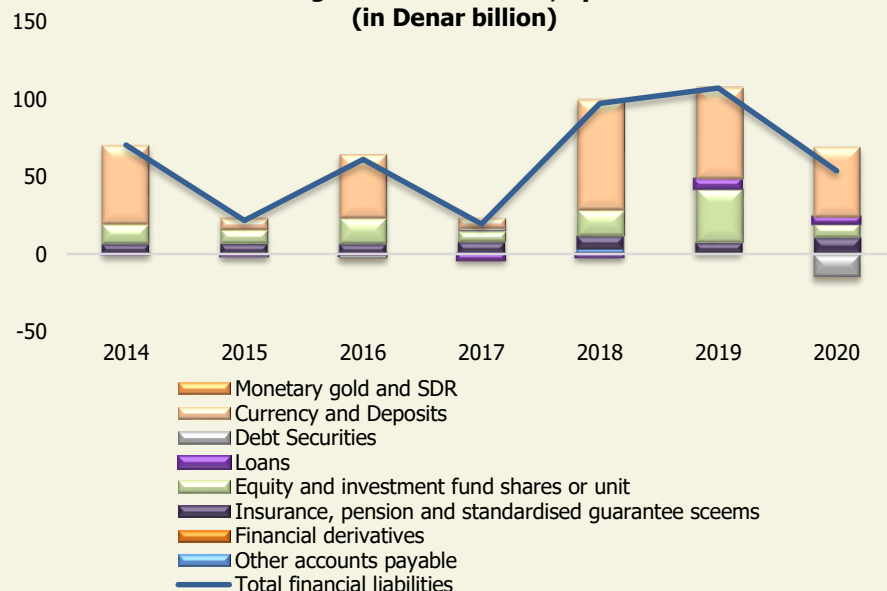
Financial liabilities, by instruments (in %)



Annual change of total assets, by instruments (in Denar billion)



Annual change of total liabilities, by instruments (in Denar billion)





Financial assets and liabilities of the Financial Corporations sector

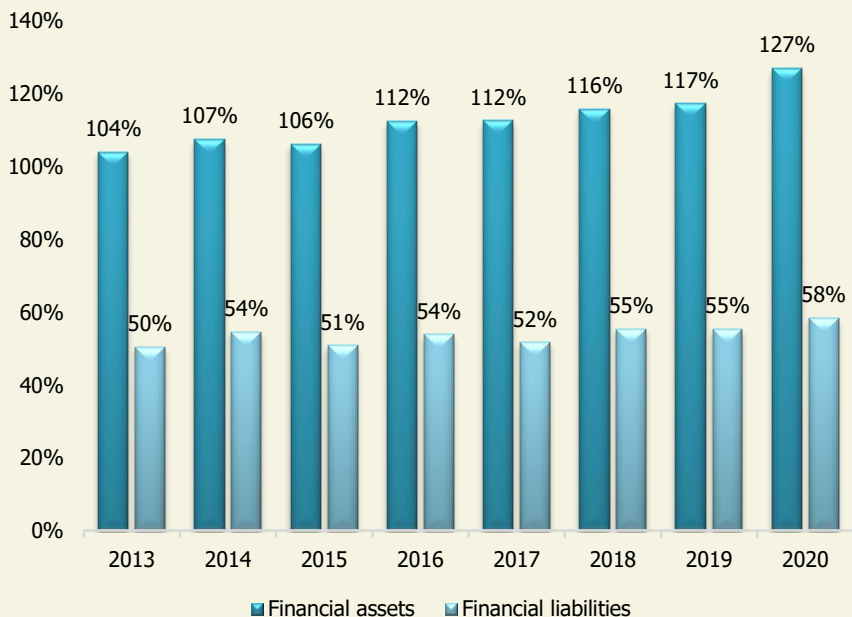
- The growth of **financial assets** of the FC in 2020 amounted to Denar 56 billion, or 6.2%. The analysis of instruments shows that the growth is mostly due to the increase in debt securities, followed by loans, with a smaller contribution of currency and deposits to the annual growth.
- Dynamically analyzed, growth slowed down due to all instruments, especially equity, and currency and deposits.
- In 2020, **financial liabilities** increased by Denar 54 billion, or 5.9%. Growth is registered in all instruments, especially in currency and deposits, while the only category with a negative contribution to the growth is debt securities.
- These developments did not impact the financial assets structure which is still dominated by loans and debt securities. The structure of FC financial liabilities in 2020 shows a moderate growth of liabilities based on currency and deposits and insurance technical reserves.



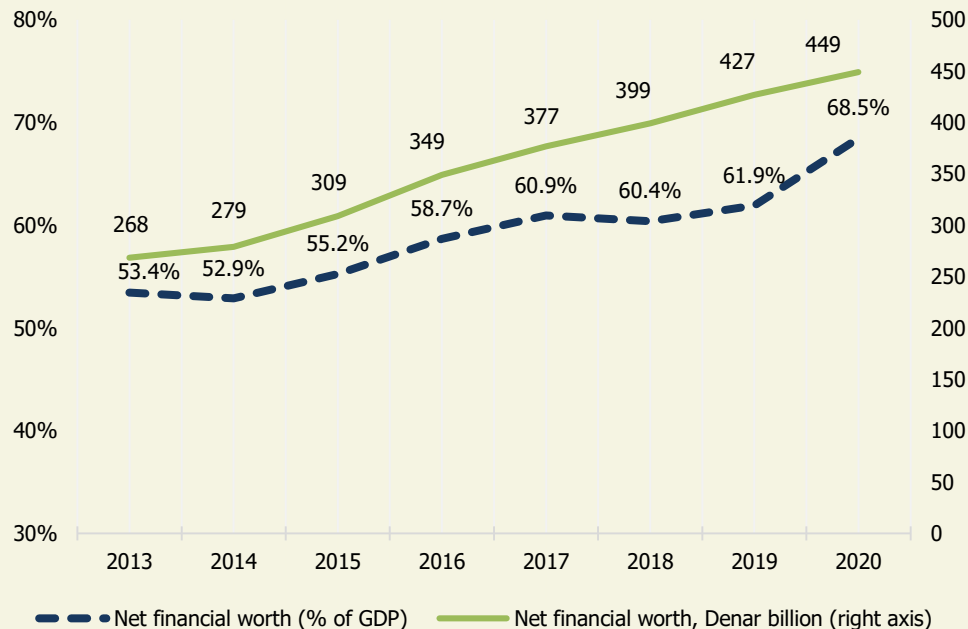
Rest of the World sector

- **The net position of the rest of the world sector in 2020** is positive and amounted to Denar 449 billion, which is an annual growth of Denar 22 billion, or 5.2%. Relative indicators show higher growth (also due to the GDP fall), i.e. the net financial worth increased by 6,6 p.p. and at the end of 2020, it reached 68,5% of GDP.
- The increase in positive net position of the rest of the world sector resulted from the significantly higher increase in financial assets than the increase in liabilities.

Financial assets and liabilities, % of GDP



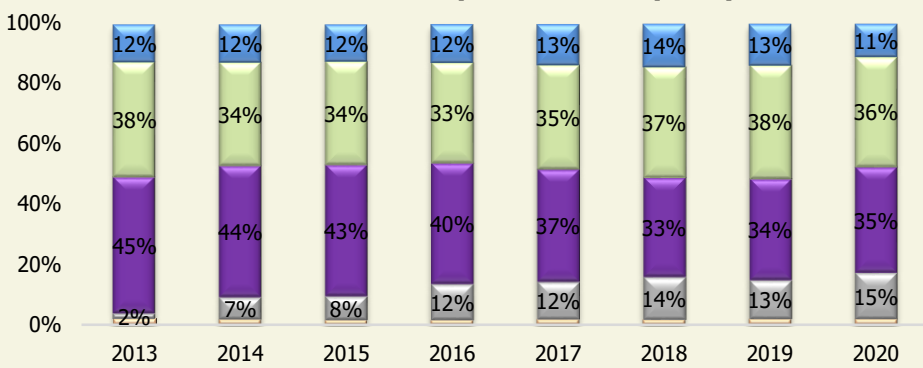
Net financial worth





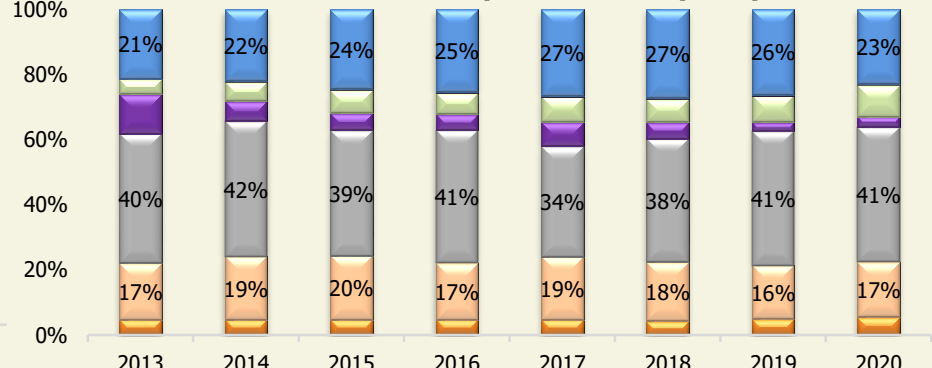
Rest of the World sector

Financial assets, by instruments (in %)



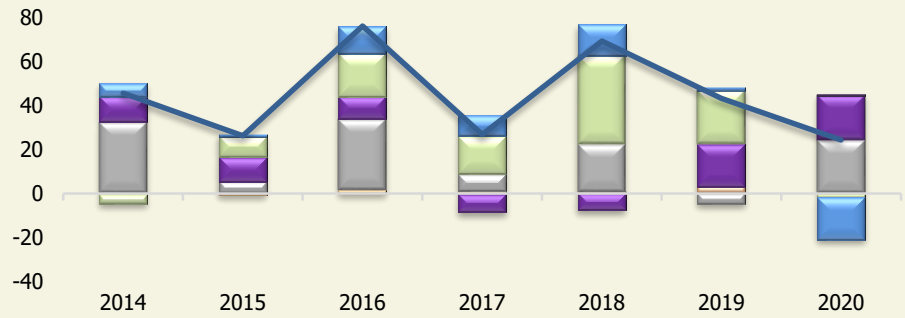
- Other accounts receivable
- Insurance, pension and standardised guarantee schemes
- Equity and investment fund shares or unit
- Loans
- Debt Securities
- Currency and Deposits

Financial liabilities, by instruments (in %)



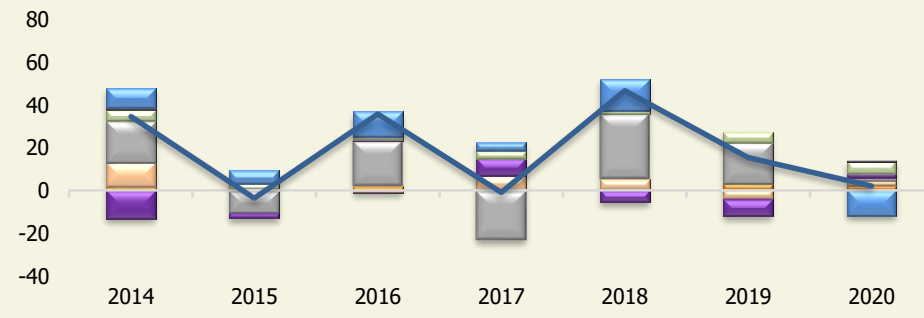
- Other accounts payable
- Financial derivatives
- Insurance, pension and standardised guarantee schemes
- Equity and investment fund shares or unit
- Loans
- Debt Securities
- Currency and Deposits
- Monetary gold and SDR

Annual change of total assets, by instruments (in Denar billion)



- Other accounts receivable
- Financial derivatives
- Insurance, pension and standardised guarantee schemes
- Equity and investment fund shares or unit
- Loans
- Debt Securities
- Monetary gold and SDR
- Total financial assets

Annual change of total liabilities, by instruments (in Denar billion)



- Other accounts payable
- Financial derivatives
- Insurance, pension and standardised guarantee schemes
- Equity and investment fund shares or unit
- Loans
- Debt Securities
- Currency and Deposits
- Monetary gold and SDR
- Total financial liabilities



Financial assets and liabilities of the Rest of the World sector

- In 2020, there is an annual growth of **total financial assets of the rest of the world sector** of Denar 24 billion, which is an increase of 3% compared to 2019. Analyzed by instrument, the annual growth was mainly a result of the increased placements in debt securities and loans, amid decline in other accounts receivable.
- Growth in 2020 slowed down, mainly due to the reduced equity, but also the decline in other accounts receivable.
- **Total financial liabilities** registered an annual growth of Denar 2 billion, which is an increase of 0.5%, as a result of the moderate growth in all financial instruments except other accounts payable, which significantly offset the growth in other financial instruments.
- The structure of financial assets indicates a slight increase in the share of debt securities and loans in 2020, with a reduced share of equity and other accounts receivable. On the financial liabilities side, in 2020, the largest change i.e. reduced share is recorded in other accounts payable, at the expense of the higher share of other instruments.



Data revision - time series 2013 - 2019

In 2020, the financial accounts data were subject to 2 types of revision for better coverage and quality of the data:

- 1. Regular revision by obtaining final data from the legal entities' annual financial statements for 2019**, that caused increase of the financial assets and liabilities and moderate improvement of the net worth. Analyzed by sectors, the most significant changes are recorded with the non-financial corporations and households, and less the general government. The increase in financial assets and liabilities was explained by the change in three financial instruments, primarily in other accounts receivable/payable, followed by equity and loans.
- 2. Introduction of a new methodology for calculation of part of the government debt securities** (denationalization bonds) by including accrual interest. This revision refers to the period 2013-2019 and does not have a significant impact on data.