



# **Debt securities indicator - SDDS Plus**

Statistics Department  
Financial Accounts Statistics Unit  
October 2022



# Statistical indicators - SDDS Plus

- On 28 January 2019, the national statistical system adhered the highest statistical data dissemination standard of the IMF - **SDDS Plus**.
  - SDDS Plus adherence requirements - compilation of nine new data **categories**, seven of under responsibility of the **National Bank**, and two of the Ministry of Finance.
- Since the adherence, **five indicators under the National Bank's responsibility, have been regularly produced and disseminated**. For the remaining categories, the SDDS Plus rules provide for a transition period (five-years compilation period).
- The transition period ends in January 2024, when the remaining four new data categories are to be disseminated.

## National Bank

**Debt securities, by sector of issuers and sector of holders**

quarterly data

**Sectoral balance sheets**

quarterly data

## Ministry of Finance

**General Government operations**

quarterly data

**General Government total gross debt**

quarterly data



# Debt securities indicator

- The debt securities data shows the financial links based on the financial instrument **debt securities** among sectors in the national economy and between the national economy sectors and the rest of the world.
- The debt securities report is systematized, detailed presentation of debt securities data that are available, more aggregated, within the financial account statistics framework that shows data for all financial instruments.
- The data are presented on a **“whom to whom” basis, by sector of holders and sector of issuers** of debt securities. More specifically, the data refer to the stock of domestic and foreign debt securities held by resident holders, as well as the stock of domestic debt securities held by non-resident holders.
- Debt securities include short-term and long-term securities (bills and bonds) issued by domestic issuers, traded on domestic and foreign financial markets. They also include securities issued by foreign issuers, held by domestic holders.



# Methodological base and key principles

## Methodological base:

- Debt securities data are compiled according several international standards: System of National Accounts SNA 2008, European System of Accounts ESA 2010, Balance of Payments Manual BOP6, Handbook on Securities Statistics 2015.

## Key principle of data overview:

- The data are presented in a “whom to whom” matrix, by sector of issuers and sector of holders:

## Valuation method

- Debt securities are valued at **market prices**. Value of the debt securities includes accrued interest on securities at the end of the reference period.
- Some government securities are valued at **nominal value**, including discount/premium and interest accrued.

## Sectorization of issuers/holders

In the table, the **debt securities holders and issuers** are grouped in the following sectors:

- Non-financial corporations,
- Financial corporations,
- General government,
- Households and non-profit institutions serving households (NPISH), and
- Non-residents.



# Development activities and data sources

- **Development activities** – detailed analysis of international requirements in the field of securities statistics, analysis of existing data sources and identification of new data sources.
- **A project for development of IT solution for securities** issued and traded on domestic market, in order to provide comprehensive data on equity and debt securities.
  - establishment of a security by security database and preparation of reports.
- **Data sources, security by security:**
  - ✓ **Central Securities Depository** – monthly data on securities issued and traded on domestic market – ISIN by ISIN (stocks and flows), by sector of resident holders and non-resident holders;
  - ✓ **NBRNM databases** for government securities issued on the domestic market for which NBRNM is the fiscal agent (bills and bonds), ISIN by ISIN;
  - ✓ **eVHV report** – securities issued and traded on foreign markets – monthly data on stocks and flows of investments in debt securities issued and traded on foreign markets;
  - ✓ **Primary statistics** (external statistics, monetary statistics, OFI statistics).

**Available data sources ranking** - the source that offers methodological compliance with ESA 2010, sectoral consistency, satisfactory scope and timeliness is chosen - possible differences with primary statistics in terms of data valuation (e.g. market vs. accounting value) is selected.



## Current situation

- I. Regular production of **quarterly data on the stock of debt securities** by sector of issuers and sector of holders, in accordance with the SDDS Plus requirement.
  
- II. **Time series** of data for the period from Q1.2016 to Q2.2022. Data are presented in millions of denars.
  
- III. Short **methodological explanations** for data users.
  
- IV. Regular publication of data, according to the Advance Release Calendar, **with quarterly periodicity, T+4 months** and regular transmission within SDDS Plus.





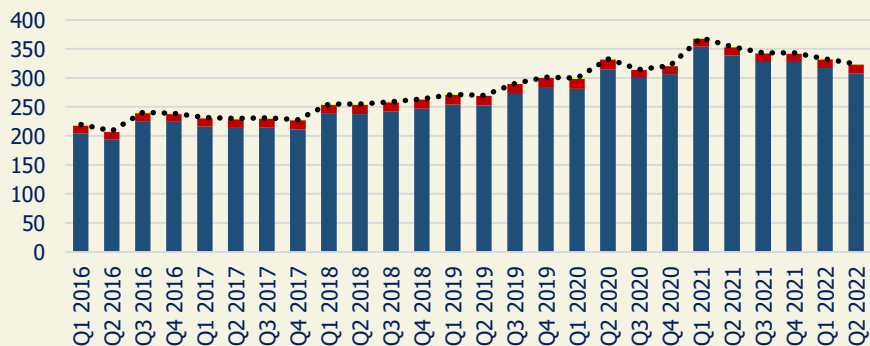
## **ANALYSIS OF DEBT SECURITIES DATA**



# Resident holders of debt securities

- At the end of the second quarter of 2022, the stock of resident investments in domestic and foreign debt securities is Denar 324 billion, which is a quarterly decrease of Denar 9.1 billion (2.7%). The quarterly decline fully reflects the decrease in financial sector investments.
- From the perspective of domestic holders of debt securities, financial corporations dominate with about 95% of the total portfolio.

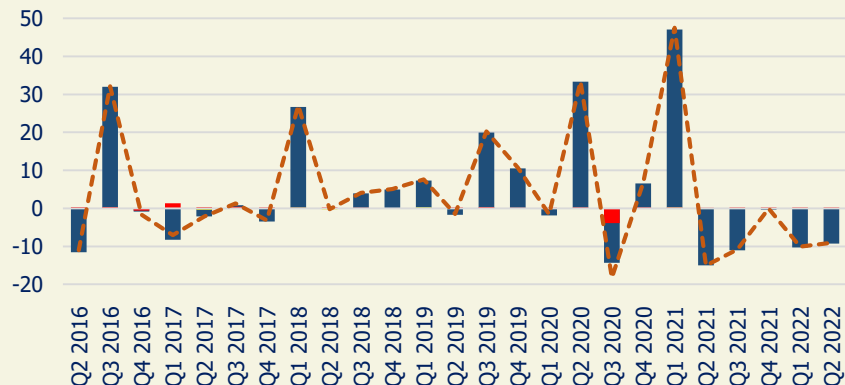
**Resident investment in debt securities, by sector of holders  
(in Denar Billion)**



■ Non-financial corporations  
■ Government  
●●●● Resident securities holders, total

■ Financial corporations  
■ Households and NPISH

**Contribution to the quarterly growth of investment in debt securities, by sector  
(in Denar Billion)**



■ Non-financial corporations  
■ Government  
- - - Resident securities holders

■ Financial corporations  
■ Households and NPISH

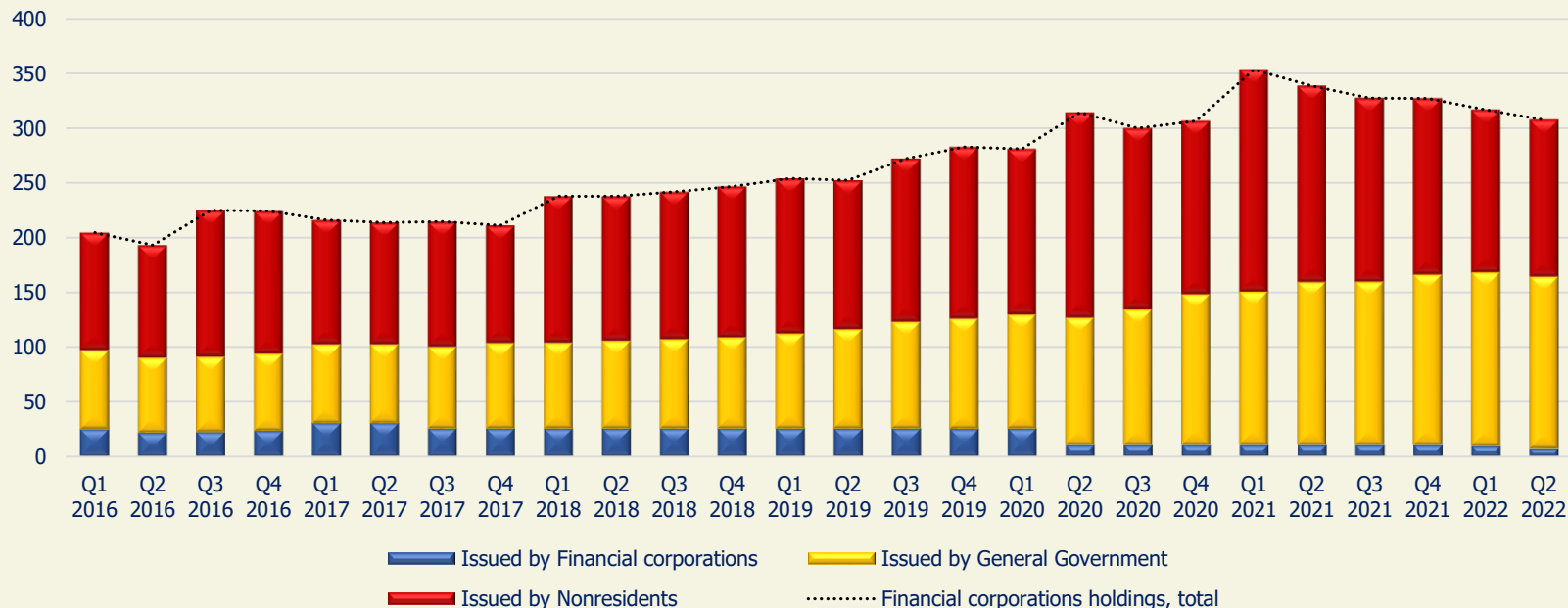




# Financial Corporations Sector

- Total financial sector investments in debt securities in the second quarter of 2022 is Denar 308 billion, which is decrease by Denar 9.2 billion, or 2.9% on the quarterly level.
- Analyzed by sector of issuer, financial corporations, at the end of June 2022, invest mainly in Government securities, with a share of 51% in total investments in securities, followed by investments in non-resident securities with a share of 47%. Rest of the portfolio of financial corporations of 2%, refers to securities issued by financial corporations.

**Financial corporations holdings, by sector of issuer (in Denar Billion)**

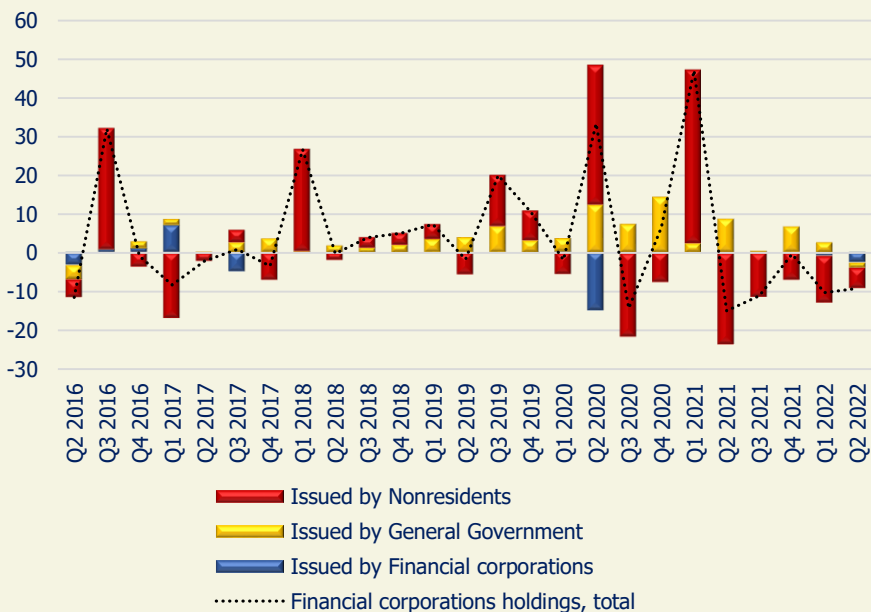




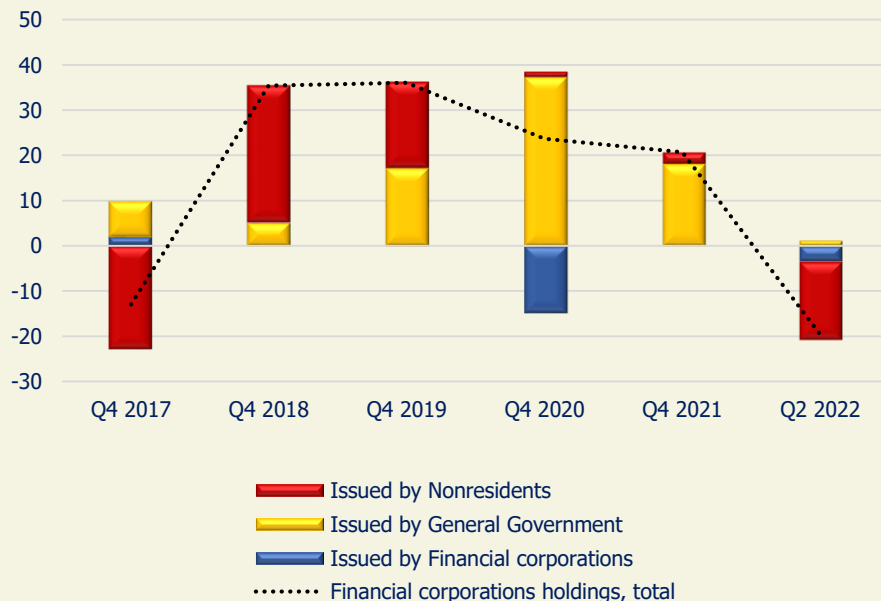
# Financial Corporations Sector

- Analyzing by sector of issuers, quarterly decrease of the financial corporations investments, is result of:
  - Decrease of investment in non-resident securities;
  - Decrease of the amount of debt securities issued by financial corporations (CB bills) and Government securities.
  
- Compared to the end of 2021, portfolio of financial corporations decreased by Denar 19.6 billion, (6%), mainly due to the decrease of investments in non-resident debt securities, followed by decrease in securities issued by financial corporations, with a positive contribution of investments in government securities.

**Contribution to the quarterly change of Financial corporations holdings, by the sector of issuers (in Denar Billion)**

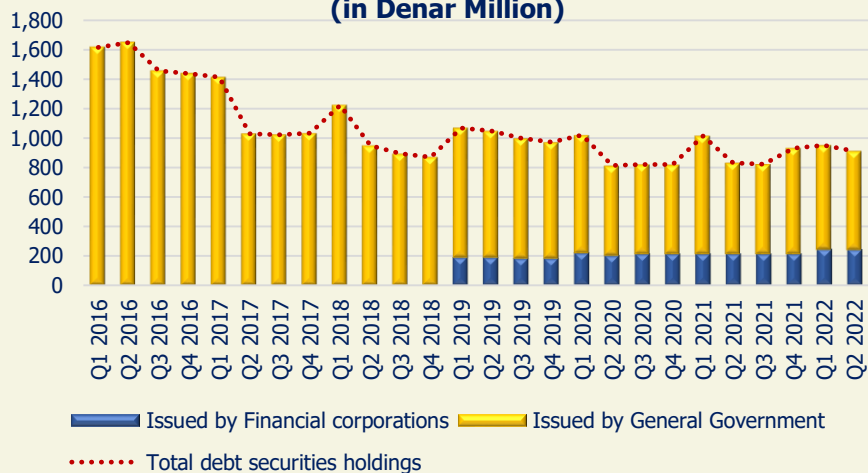


**Contribution to the annual change of Financial corporations holdings, by the sector of issuers (in Denar Billion)**

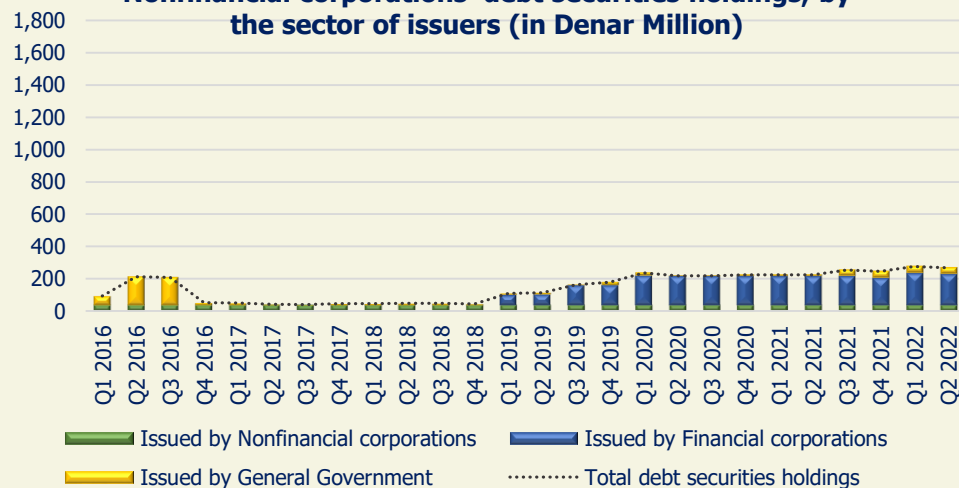


# Households and NPISH sector and Non-financial corporations sector

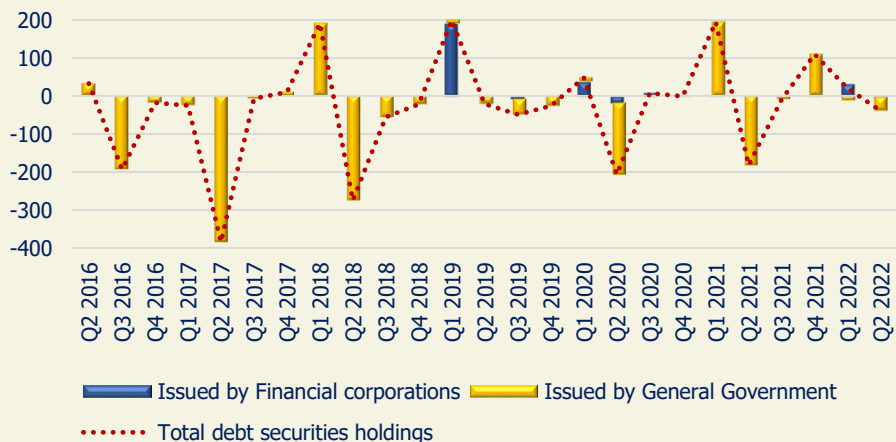
## Households and nonprofit institutions' debt securities holdings, by the sector of issuers (in Denar Million)



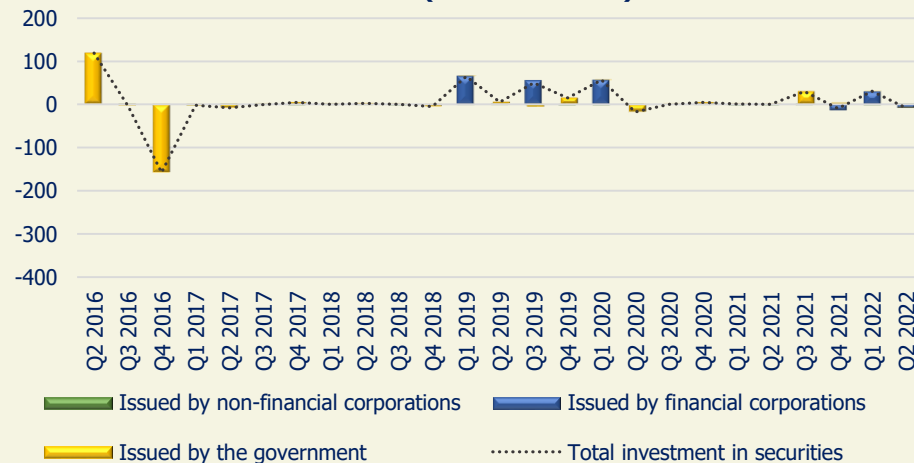
## Nonfinancial corporations' debt securities holdings, by the sector of issuers (in Denar Million)



## Contribution to the quarterly change of Households and nonprofit institutions serving households' debt securities holdings, according to the sector (in Denar Million)



## Contribution to the quarterly growth of non-financial corporations investment in debt securities, by sector of issuer (in Denar Million)





## Households and NPISH sector and Non-financial corporations sector

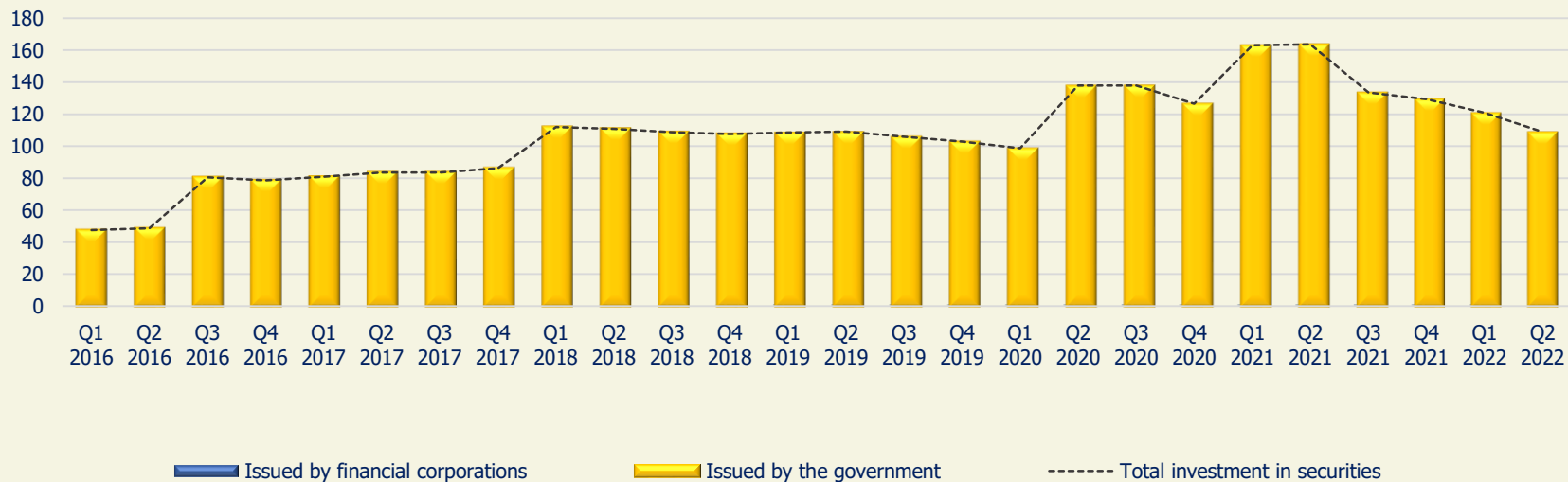
- **The households and NPISH sector** have slight interest to invest in debt securities. At the end of the second quarter of 2022, this sector's portfolio was Denar 913 million which is a quarterly decrease of Denar 39 million.
  - Within the structure of investment in debt securities, government securities (denationalization bonds) still prevail, followed by investments in financial corporations.
  - Observing the debt securities issuers, the quarterly decrease almost entirely reflects the lower household investment in government securities.
  
- Debt securities as an instrument have the lowest share in the **non-financial corporations** portfolio. At the end of the second quarter of 2022, investment in this sector was insignificant (Denar 268 million), which is a quarterly decrease of Denar 8.1 million.
  - Analyzing the issuer sectors, the quarterly decline is due to the lower investment in debt securities issued by the financial sector (banks), which dominate this sector's portfolio.



## Rest of the World

- At the end of the second quarter of 2022, the stock of debt securities owned by the Rest of the World was Denar 108.8 billion, which is a quarterly fall of Denar 11.9 billion, or 9.9%.
- The structure of debt securities portfolio by sector of issuers indicates that investment in government securities (Eurobonds) still prevail with a share of 99.6% of total investment.

**Rest of the World investment in debt securities, by sector of issuers (in Denar Billion)**



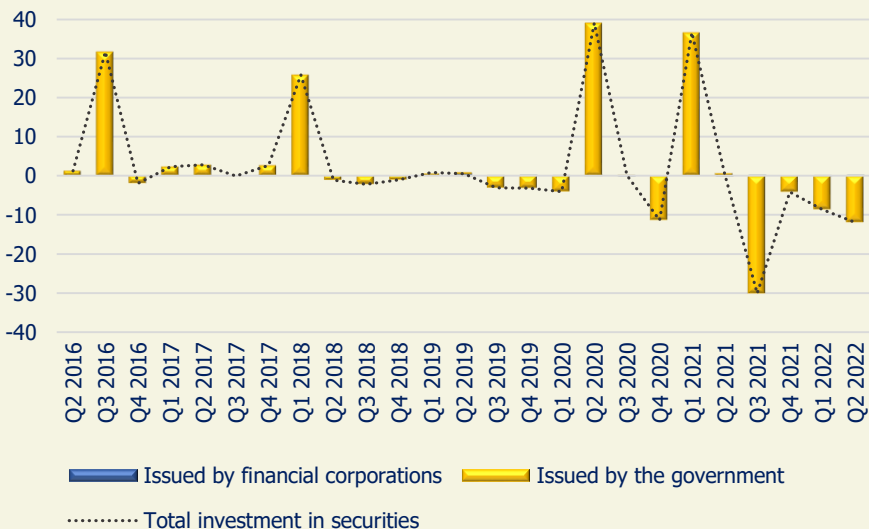




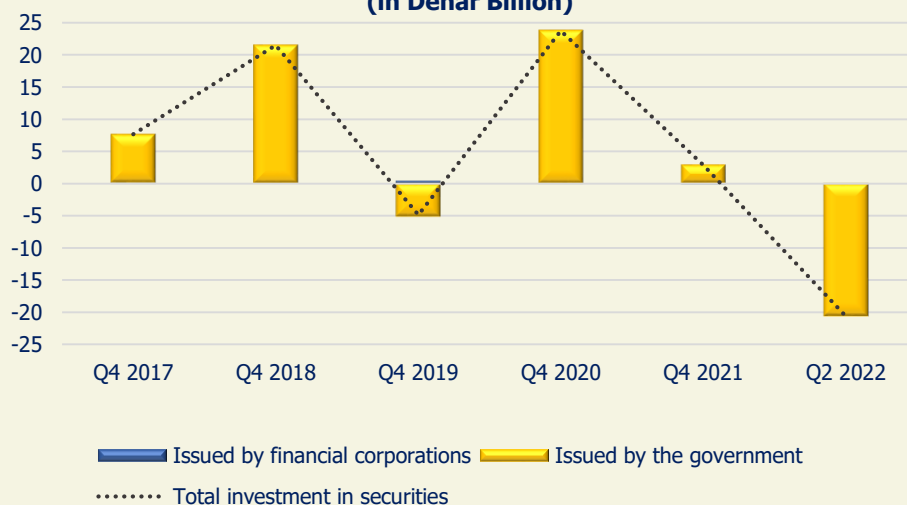
# Rest of the World

- Analyzed by sector of issuers, the quarterly decline is entirely due to the decrease of non-resident portfolio of government securities, as a result of price changes (fall in the market prices of Eurobonds).
- Compared to the end of 2021, the non-resident portfolio reduced by Denar 20.6 billion, or 17%, mainly due to the adverse effect of price changes, given the further negative contribution of net investment in government securities.

**Contribution to the quarterly change of the Rest of the World investment in debt securities, by sector of issuer (in Denar Billion)**



**Contribution to the annual aggregate change of rest of the world sector investments in debt securities, by sector of issuer (in Denar Billion)**







# Holders and issuers of debt securities according to “whom to whom” principle

- “Whom to whom” presentation shows that the government is the main issuer of debt securities, while non-residents and financial corporations are the largest investors (holders) of debt securities.
- In the second quarter of 2022, compared to the first quarter of 2016, there is a significant increase of the amount of government securities issued, but in terms of the structure, there are no significant changes, i.e. non-residents and financial corporations continue to be the key holders of securities.
- The financial sector (central bank) owns the largest amount of securities abroad and the increase compared to the first quarter of 2016 is due to the increased foreign reserves placed in debt securities.

