



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 28 February 2023

Press Release

Significant developments in other financial institutions¹, (OFIs): fourth quarter of 2022

- In the fourth quarter of 2022, the outstanding amounts of assets of other financial institutions (OFIs) equaled Denar 178,925 million and increased by Denar 5,064 million, quarterly. Within the structure of OFIs' assets, pension funds remained dominant with a share of 65.4%, followed by insurance companies of 17.4%.
- In the fourth quarter of 2022, the quarterly rate of the outstanding amounts other financial corporations (OFI) equaled 2.9%, mostly as a result of the increased pension funds' assets, while other sub-sectors have a smaller positive impact, with the exception of the insurance companies, which recorded a fall in assets. The annual growth of 0.8% was largely due to increased pension funds' assets, amid smaller positive contribution of other sub-sectors, with the exception of the investment funds' assets, which recorded an annual decrease.

Table 1 Total assets/liabilities of OFIs²

	Q4.2021	Q3.2022	Q4.2022	quarterly changes		annual changes		Structure (Total OFIs)
				Q4. 2022/Q3. 2022		Q4. 2022/Q4. 2021		
	Stocks, in millions of NC			in millions of NC	in %	in millions of NC	in %	in %
1. Other Financial Institutions	165,606	173,861	178,925	5,064	2.9	13,319	8.0	100
1.2 Pension Funds	108,675	112,809	116,957	4,149	3.7	8,282	7.6	65.4
1.1 Insurance Companies	29,377	31,702	31,166	-536	-1.7	1,789	6.1	17.4
1.3 Investment Funds	11,673	10,754	11,218	464	4.3	-455	-3.9	6.3
1.4 Other OFIs	15,882	18,596	19,584	988	5.3	3,702	23.3	10.9
1.4.1 Finance Companies	7,061	8,590	9,148	558	6.5	2087	29.6	5.1
1.4.2 Finance Leasing Companies	6,800	7,730	8,131	400	5.2	1331	19.6	4.5
1.4.3 Pension and Investment Fund Management Companies	2,020	2,276	2,305	29	1.3	285	14.1	1.3

Source: NBRNM.

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

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



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- **Most of the OFIs' assets** are investments in debt securities³ (share of 51.4%), as well as equities investments and investments in currencies and deposits (share of 24.1% and 10.2%, respectively). **On the liabilities side**, most of them are technical insurance reserves⁴ and capital accounts⁵ (share of 57.8% and 33.0%, respectively).

Table 2. OFIs' assets/liabilities, by sub-sector and by financial instrument, third quarter of 2022

	Total OFI		Pension Funds		Insurance Companies		Investment Funds		Other OFIs	
	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)
TOTAL ASSETS	178,925		116,957		31,166		11,218		19,584	
I. Currency and deposits	18,209	10.2	6,910	5.9	7,150	22.9	2,829	25.2	1,320	6.7
II. Securities other than shares	92,052	51.4	74,557	63.7	13,345	42.8	2,944	26.2	1,207	6.2
III. Loans	14,308	8.0	-	-	186	0.6	2	0.0	14,121	72.1
IV. Shares and other equity	43,126	24.1	35,204	30.1	2,304	7.4	5,440	48.5	177	0.9
V. Insurance technical reserves	1,925	1.1	-	-	1,925	6.2	-	-	-	-
VI. Financial derivatives	-	-	-	-	-	-	-	-	-	-
VII. Other claims	6,043	3.4	286	0.2	4,975	16.0	3	0.0	780	4.0
VIII. Nonfinancial assets	3,262	1.8	-	-	1,281	4.1	-	-	1,980	10.1
TOTAL LIABILITIES	178,925		116,957		31,166		11,218		19,584	
I. Loans	10,369	5.8	-	-	21	0.1	-	-	10,347	52.8
II. Insurance technical reserves	103,366	57.8	84,009	71.8	19,357	62.1	-	-	-	-
III. Financial derivatives	-	-	-	-	-	-	-	-	-	-
IV. Other liabilities	6,196	3.5	363	0.3	3,003	9.6	55	0.5	2,774	14.2
V. Capital accounts	58,994	33.0	32,586	27.9	8,783	28.2	11,162	99.5	6,462	33.0

Source: NBRNM.

- **Analyzed by instruments, on the assets side**, the quarterly growth was largely due to the increased investments in debt securities, with an additional positive contribution of equity securities, currencies and deposits, as well as claims based on loans, amid decline in technical insurance reserves. The annual growth primarily results from the higher investments in debt securities, and to a lesser extent from loans. **On the liabilities side**, the quarterly growth is largely a result of the increase in technical insurance reserves and increased capital accounts, with a positive effect of loan liabilities. The annual growth primarily reflects the increase in technical reserves, and to a lesser extent the loan liabilities, amid fall in capital accounts.

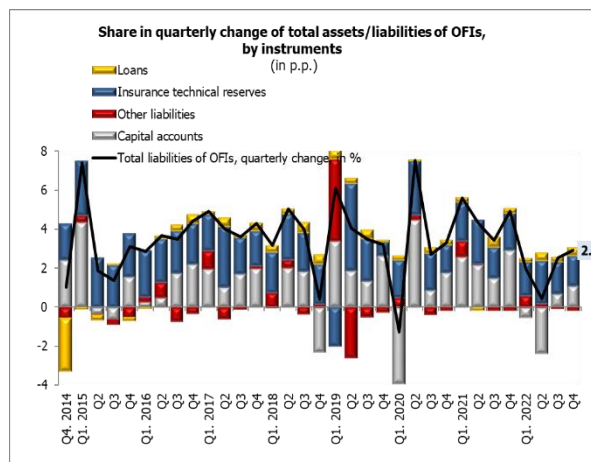
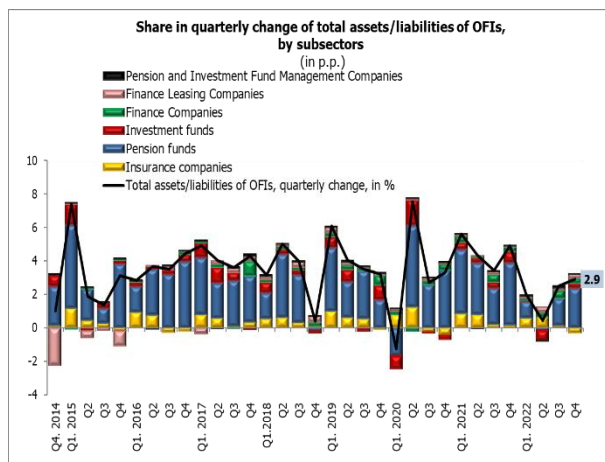
³ Debt securities denote securities other than shares, according to the international classification of financial instruments, as published in the balance sheets and surveys of other financial institutions.

⁴ Insurance technical reserves include: net equity of households in life insurance reserves, net equity of households in pension funds and prepayment of premiums and reserves against outstanding claims (non-life insurance).

⁵ Capital accounts include: funds contributed by owners, retained earnings, current year financial result, general and special reserves and valuation adjustments.



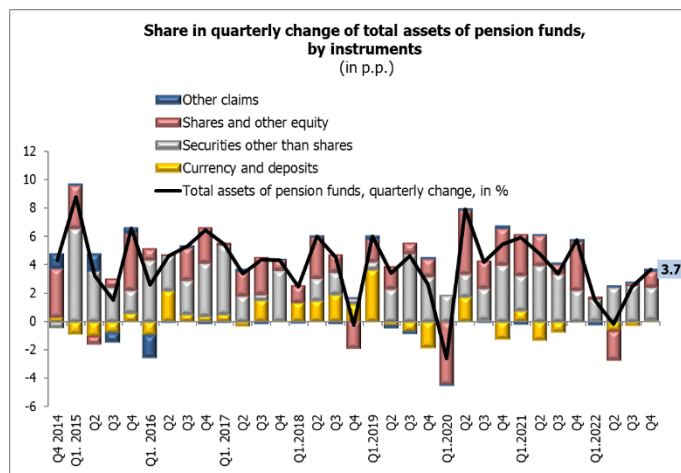
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Source: NBRNM.

Significant movements in OFIs, by type of institution

- In the fourth quarter of 2022, the quarterly growth of **the outstanding amounts of pension funds' assets (mandatory and voluntary)**⁶ equaled 3.7%, which was mostly due to increased investments in debt securities, and additionally to investments in equity securities. The pension funds' assets registered an annual growth of 7.6%, which is fully explained by higher investments in debt securities, amid fall in currency and deposits and investments in equity securities. On the liabilities side, the quarterly growth mostly results from the increased technical insurance reserves, which fully explain the annual growth. Further, smaller positive contribution to the quarterly change was made by the capital accounts.



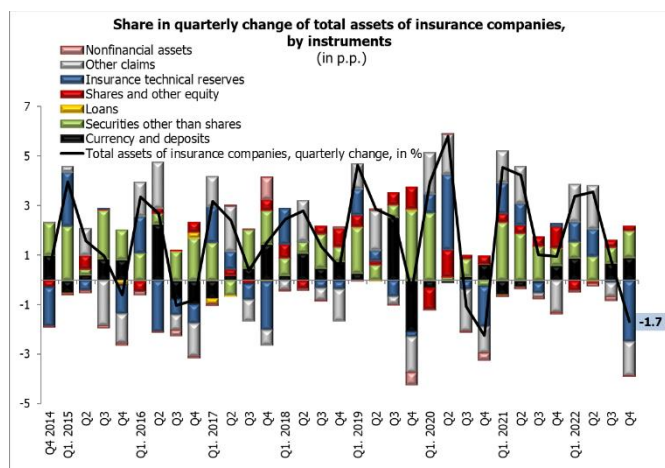
Source: NBRNM.

⁶ In the fourth quarter of 2022, the data series include a new voluntary pension fund (the fund management company is included in the data series in the third quarter of 2022).



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- **The outstanding amount of insurance companies' assets⁷**, at the end of December 2022 reduced quarterly by 1.7%, which is due to the fall in claims on technical insurance reserves, as well as other claims. Investments in securities (debt and equity), as well as in currency and deposits registered a quarterly growth. Annually, the insurance companies' assets grew by 6.1%, with a larger contribution to the increase in debt securities, currency and deposits and other claims, amid decline in technical insurance reserves. On the liabilities side, the quarterly fall is due to the decreased technical insurance reserves, and less to the negative effect of other liabilities, amid growth in capital accounts. The annual growth is largely due to technical insurance reserves and less to other liabilities.



Source: NBRNM.

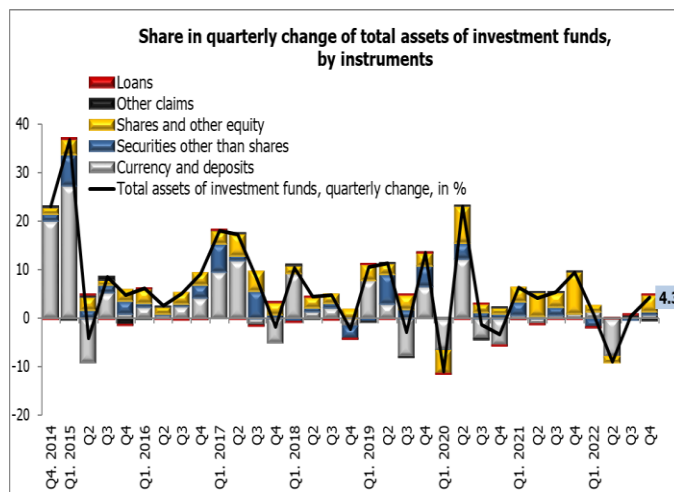
- In the fourth quarter, the quarterly growth rate of **the outstanding investment funds' assets⁸** equaled 4.3% and was mostly due to the increase in equity securities, with a positive effect of the currencies and deposits and debt securities. Observed annually, the investment funds' assets dropped by 3.9%, which was mostly explained by the reduced currencies and deposits, with a smaller negative impact on debt securities, amid growth in equity securities. On the liabilities side, the change on both basis entirely derives from the increased capital accounts.

⁷ All sixteen insurance companies included in the registry of the Insurance Supervision Agency (eleven for non-life insurance and five for life insurance) currently report to the NBRNM.

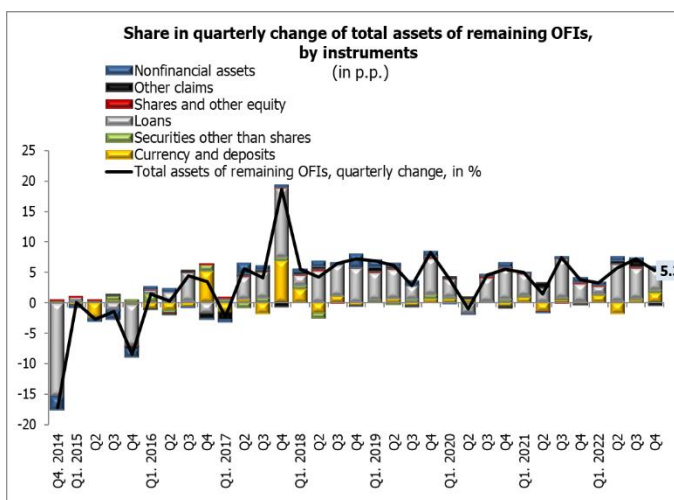
⁸ The Registry of the Securities and Exchange Commission (SEC) currently includes twenty-two open-end and one private investment fund, and the data currently include twenty-one funds.



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- In the fourth quarter of 2022, **the outstanding amount of other OFI's** ⁹¹⁰registered both, quarterly and annual increase of 5.3% and 23.3%, respectively. The loans granted by financial and leasing companies amounted to Denar 14,105 million, of which Denar 8,023 million refer to financial companies, and Denar 6,082 million to leasing companies. Lending activity of these two sectors registered quarterly and annual growth of 4.7% and 23.8%, respectively, amid greater lending by financial companies. On the liabilities side of other OFI's, largest contribution to the increase on both basis was made by loan liabilities and capital accounts. Other liabilities made an additional positive impact on the annual growth.



⁹ The data currently include thirty-three financial companies and seven finance leasing companies.

¹⁰ In the fourth quarter of 2017, the series of data included a new financial company (a savings house re-registered as a financial company), a change that affects the annual rates of change.



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Data revisions

Data on the OFIs movements in this press release include data revisions for the period from the fourth quarter of 2021 to the third quarter of 2022. These revisions did not cause significant changes in the previously disseminated data, and mainly arise from the improved scope and quality of reports.

Supporting information

Time series of data: Quarterly data on assets and liabilities of financial institutions
<https://www.nbrm.mk/ns-newsarticle-bilans-i-pregledi-na-finanskite-institucii-kvartalni-podatoci-en.nspix>

Methodological explanations:

https://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija_monetarna_07_2018_eng.pdf

Information on methodological changes in the monetary statistics, the statistics of the other financial corporations and the interest rates statistics:
https://www.nbrm.mk/content/statistika/informacii/Informacija_za_promeni_vo_monetarnata_statistika_eng.pdf

Next publications: Advance Release Calendar

http://www.nbrm.mk/content/statistika/kalendar/Advance_Release_Calendar.pdf

Quarterly data on assets and liabilities of financial institutions: 31 May 2023 (reference period as of the first quarter of 2023).

We kindly ask journalists to contact the Governor's Office for any queries.

For more details about the disseminated statistical data, please contact us at: contact.statistika@nbrm.mk or phone: 02 3215 181 extension 116 (or 112/110/108).