



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

Skopje, 31 May 2023

### Press Release

### Significant developments in other financial institutions<sup>1,2</sup> (OFIs): first quarter of 2023

- **In the first quarter of 2023, the outstanding amounts of other financial institutions' assets (OFI) equaled Denar 187,888 million**, which is a quarterly growth of Denar 9.012 million. Other financial institutions participate with 19,0% in the financial institutions' assets<sup>3</sup>. The analysis of the participation of the OFI sub-sectors in the outstanding amounts of OFI's assets shows the largest participation of the pension funds with 65.4%, followed by the insurance companies, with a share of 17.3%.
- **The outstanding amounts of other financial institutions (OFI), in the first quarter of the year**, registered quarterly decrease of 5.0%, mostly as a result of the growth in the pension funds' assets, given smaller positive contribution of insurance companies, as well as other sub-sectors. The annual increase equals 11.3% and is mostly due to the higher pension funds' assets, with a positive influence also of growth in the financial companies' assets, insurance companies and financial leasing companies.

Table 1 Total assets/liabilities of OFIs, by sector

	Q1.2022	Q4.2022	Q1.2023	quarterly changes		annual changes		Structure (Total of FIs) in %	Structure (Total OFIs) in %
				Q1. 2023/Q4. 2022		Q1. 2023/Q1. 2022			
	Stocks, in millions of NC			NC	in %	NC	in %		
<b>1. Financial Institutions (ODI and OFI)</b>	<b>917,035</b>	<b>983,096</b>	<b>991,105</b>	<b>8,009</b>	<b>0.8</b>	<b>74,070</b>	<b>8.1</b>	<b>100.0</b>	
<b>2. Other Depository Institutions (ODI)</b>	<b>748,166</b>	<b>804,220</b>	<b>803,217</b>	<b>-1,003</b>	<b>-0.1</b>	<b>55,050</b>	<b>7.4</b>	<b>81.0</b>	
<b>3. Other Financial Institutions (OFI)</b>	<b>168,869</b>	<b>178,876</b>	<b>187,888</b>	<b>9,012</b>	<b>5.0</b>	<b>19,019</b>	<b>11.3</b>	<b>19.0</b>	<b>100.0</b>
3.1 Pension Funds	110,320	116,957	122,849	5,892	5.0	12,529	11.4	12.4	65.4
3.2 Insurance Companies	30,369	31,161	32,551	1,391	4.5	2,182	7.2	3.3	17.3
3.3 Investment Funds	11,777	11,218	11,952	734	6.5	175	1.5	1.2	6.4
3.4 Finance Companies	7,279	9,065	9,492	427	4.7	2,213	30.4	1.0	5.1
3.5 Finance Leasing Companies	6,974	8,170	8,676	506	6.2	1,702	24.4	0.9	4.6
3.6 Pension and Investment Fund Management Companies	2,150	2,305	2,368	63	2.7	218	10.1	0.2	1.3

Source: NBRNM.

<sup>1</sup> Other financial institutions include: investment funds, pension funds, insurance companies, investment funds management companies and pension funds management companies, financial companies and financial leasing companies.

<sup>2</sup> For the purposes of this press release the category *financial institutions* (FI) includes: Other depository institutions (ODI - banks and savings houses) and other financial institutions (OFI).



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

- **Most of the OFI's assets** are investments in debt securities<sup>4</sup>, as well as equities investments (share of 51.4% and 24.9%, respectively). **On the liabilities side**, the largest share refers to insurance technical reserves<sup>5</sup> and capital accounts (share of 57% and 33.5%, respectively)<sup>6</sup>.

Table 2. OFIs' assets/liabilities, by sub-sector and by financial instrument, first quarter of 2023

	Total OFI		Pension Funds		Insurance Companies		Investment Funds		Finance Companies		Finance Leasing Companies		Pension and Investment Fund Management Companies	
	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 %)	Stocks, in millions of NC	share (in %)	Stocks, in millions of NC	share (in %)
<b>TOTAL ASSETS</b>	<b>187,888</b>		<b>122,849</b>		<b>32,551</b>		<b>11,952</b>		<b>9,492</b>		<b>8,676</b>		<b>2,368</b>	
I. Currency and deposits	17,572	9.4	6,594	5.4	6,801	20.9	2,653	22.2	590	6.2	304	3.5	630	26.6
II. Securities other than shares	96,586	51.4	78,300	63.7	13,720	42.1	3,268	27.3	-	-	-	-	1,298	54.8
III. Loans	14,848	7.9	-	-	202	0.6	2	0.0	8,156	85.9	6,471	74.6	18	0.7
IV. Shares and other equity	46,736	24.9	37,917	30.9	2,621	8.1	6,020	50.4	17	0.2	3	0.0	158	6.7
V. Insurance technical reserves	2,176	1.2	-	-	2,176	6.7	-	-	-	-	-	-	-	-
VI. Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Other claims	6,649	3.5	39	0.0	5,762	17.7	10	0.1	419	4.4	291	3.4	129	5.4
VIII. Nonfinancial assets	3,322	1.8	-	-	1,270	3.9	-	-	310	3.3	1,607	18.5	135	5.7
<b>TOTAL LIABILITIES</b>	<b>187,888</b>		<b>122,849</b>		<b>32,551</b>		<b>11,952</b>		<b>9,492</b>		<b>8,676</b>		<b>2,368</b>	
I. Loans	10,908	5.8	-	-	21	0.1	-	-	4,001	42.2	6,821	78.6	65	2.7
II. Insurance technical reserves	107,100	57.0	87,067	70.9	20,034	61.5	-	-	-	-	-	-	-	-
III. Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Other liabilities	6,899	3.7	45	0.0	3,392	10.4	69	0.6	2,217	23.4	879	10.1	297	12.5
V. Capital accounts	62,981	33.5	35,737	29.1	9,104	28.0	11,883	99.4	3,274	34.5	976	11.2	2,006	84.7

Source: NBRNM.

- **Analyzed by instruments, on the assets side**, the quarterly growth is primarily due to the increased investments in debt securities and equities. The annual growth rate was primarily a result of the investments in debt securities, with additional positive contribution of the investments in equities and loans. Regarding currency and deposits, decrease on a quarterly and annual basis was registered. **On the liabilities side**, the quarterly growth is largely due to increase in the capital accounts and insurance technical reserves. The annual growth mainly results from the increase in insurance technical reserves, with an additional positive impact on higher capital accounts and liabilities based on loans.

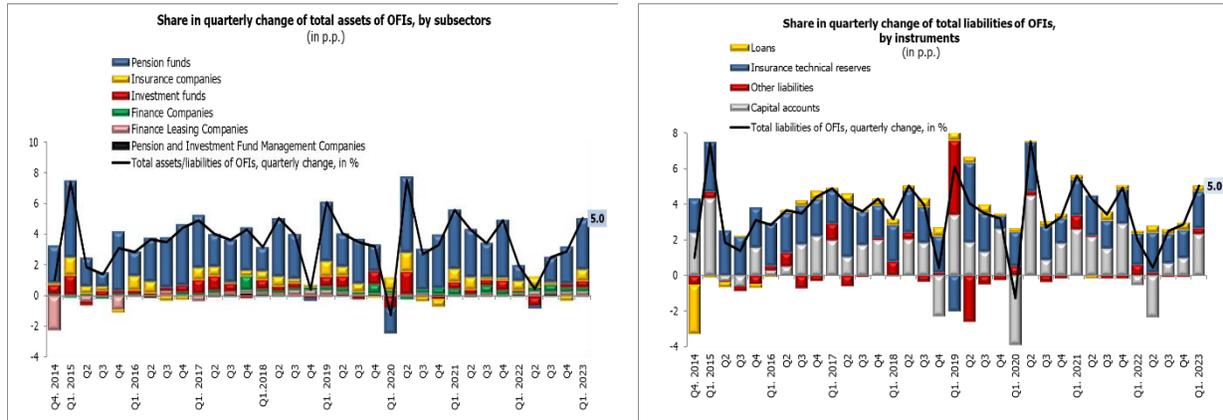
<sup>4</sup> Debt securities denote securities other than shares, according to the international classification of financial instruments, as published in the balance sheets and surveys of other financial institutions.

<sup>5</sup> 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).

<sup>6</sup> Capital accounts include: funds contributed by owners, retained earnings, current year financial result, general and special reserves and valuation adjustments.



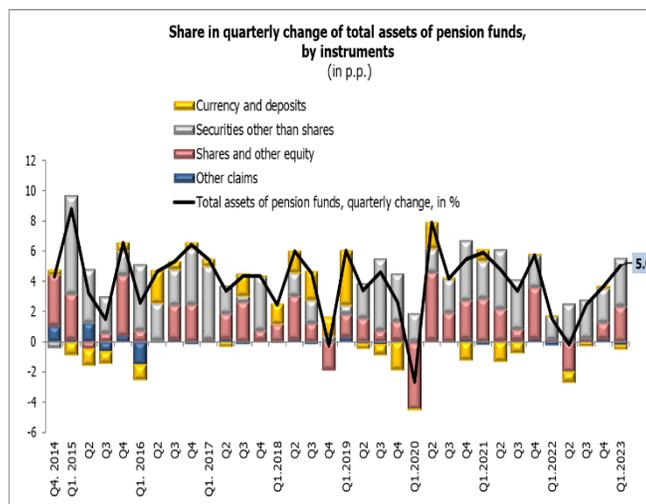
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Source: NBRNM.

### Significant movements in OFIs, by type of institution

- **The outstanding amounts of pension funds' assets<sup>7</sup> (mandatory and voluntary),** at the end of March 2023 registered quarterly increase of 5.0%, which is result of the investments in debt securities and equities, in conditions of a decrease in currencies and deposits and other claims. On an annual basis, the assets of pension funds are higher by 11.4%, primarily explained by the increase in investments in debt securities, and to a lesser extent, by the investments in equities, in the conditions of a decline in currencies and deposits. **On the liabilities side,** the quarterly growth arises from the higher capital accounts and insurance technical reserves, while the annual growth is almost fully a reflection of the increased insurance technical reserves.



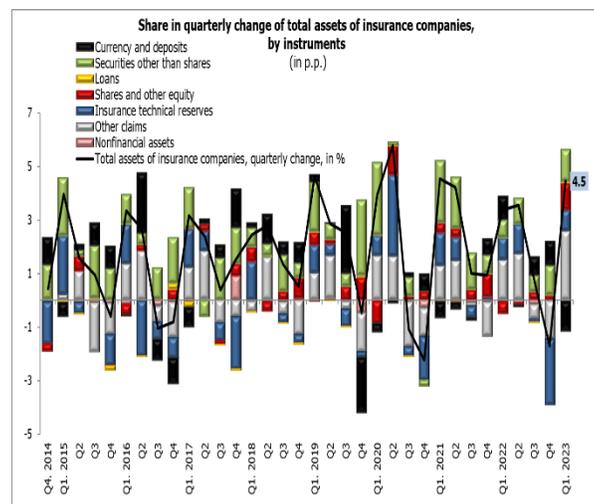
Source: NBRNM.

<sup>7</sup> NBRSM is currently notified by all pension funds that are included in the register of the Agency for Supervision of Fully Funded Pension Insurance (MAPAS), of which three are mandatory and four are voluntary pension funds.



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

- The quarterly growth rate of the **total assets of the insurance companies**<sup>8</sup> equals 4.5% in the first quarter of 2023, and is mostly due to the increase in other claims, as well as higher investments in debt securities and equities and insurance technical reserves, technical insurance reserves in conditions of drop in currencies and deposits. The annual increase of 7.2% mainly results from higher investments in debt securities, as well as other claims and investments in equities, in conditions of a decline in insurance technical reserves. **On the liabilities side**, the quarterly increase is explained with higher insurance technical reserves, other liabilities and capital accounts. Similar developments are registered on annual basis, with the insurance technical reserves having the largest contribution to the growth.



Source: NBRNM.

- At the end of March this year, **the outstanding amount of the investment funds' assets**<sup>9,10</sup> registered a quarterly growth of 6.5%, given the annual increase of 1.5%. The growth on both bases is almost entirely due to the increased investments in equities and debt securities, with a greater contribution of equity investments, and in conditions of registered decline in currencies and deposits, which decreased significantly on an annual basis. **On the liabilities side**, the quarterly and annual growth is entirely due to the increased capital accounts.

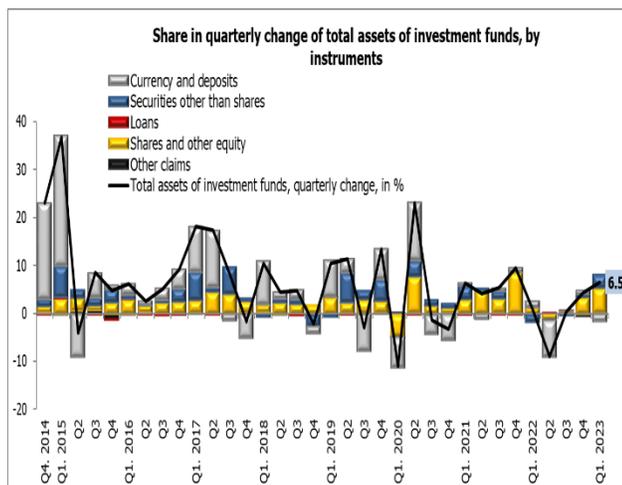
<sup>8</sup> All sixteen insurance companies included in the registry of the Insurance Supervision Agency (eleven for non-life insurance and five for life insurance) currently report to the NBRNM.

<sup>9</sup> 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-three investment funds.

<sup>10</sup> The series of data on the first quarter of 2023, included two new open investment funds.

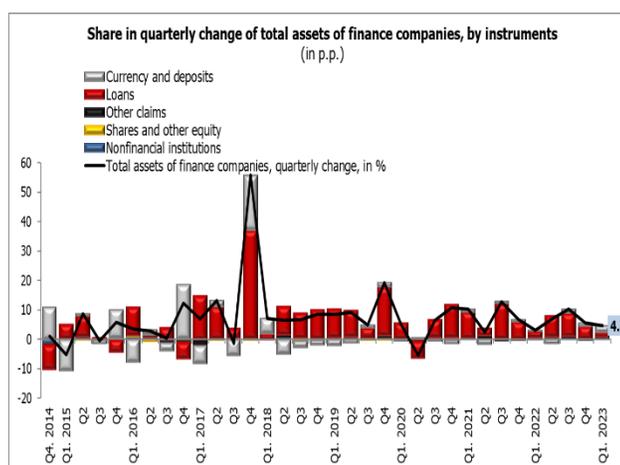


## National Bank of the Republic of North Macedonia Statistics Department



Source: NBRNM.

- In the first quarter of the year **the outstanding amount of assets of insurance companies**<sup>11,12,13</sup> registered a quarterly and annual growth of 4.7% and 30.4%, respectively. Most of the assets of this sub-sector refer to claims based on loans, which equaled Denar 8,156 million at the end of March. The quarterly and the annual growth rate of the outstanding amount of assets of the financial companies is 1.9% and 25.3%, respectively. **On the liabilities side**, the quarterly and annual growth is due to increased liabilities based on loans, higher capital accounts and other liabilities.



Source: NBRNM.

<sup>11</sup> The data currently include thirty five financial companies.

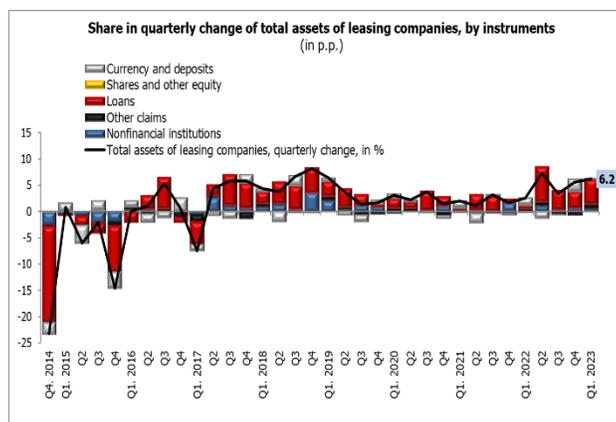
<sup>12</sup> In the fourth quarter of 2017, the series of data included a new financial company (a savings house re-registered as a financial company), a change that affects the annual rates of change.

<sup>13</sup> The series of data on the first quarter of 2023, included two new financial companies.

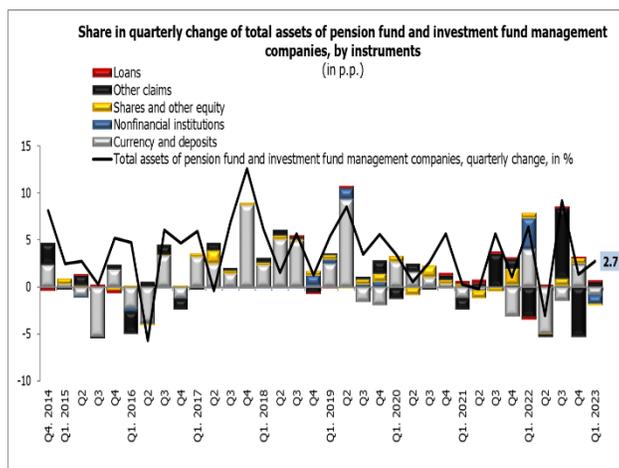


## National Bank of the Republic of North Macedonia Statistics Department

- **The outstanding amount of assets of financial leasing companies<sup>14</sup>** registered monthly and annual increase of 6.2% and 24.4%, respectively at the end of March 2023. The loans of this sub-sector as the main instrument on the assets side, in March equaled Denar 6,471 million. On a quarterly bases, the credit growth equals 6.4%, while annually it equals 27.0%. **On the liabilities side**, the quarterly and annual growth is mostly due to the increased liabilities based on loans.



- In the first quarter of the year, **the outstanding amount of the assets of both pension and investment funds management companies increased by 2.7% and 10.1% on quarterly and annual basis, respectively.** The upward change on both bases is mostly due to the increase in investments in debt securities, with a smaller growth of other claims, and in conditions of a real decline in currencies and deposits. **On the liabilities side**, the quarterly growth is fully a result of the increased other liabilities, in conditions of a decrease in capital accounts. The annual change is mostly a result of the higher capital accounts, and less to other liabilities.



<sup>14</sup> The data currently include seven financial leasing companies.



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

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### Data revisions

Data on the developments of OFI in this press release contain data revision for 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-finansiskite-institucii-kvartalni-podatoci-en.nspk>

Methodological explanations:

[https://www.nbrm.mk/content/statistika/Monetarna%20statistika/metodologija/Metodologija\\_monetarna\\_07\\_2018\\_eng.pdf](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](https://www.nbrm.mk/content/statistika/informacii/Informacija_za_promeni_vo_monetarnata_statistika_eng.pdf)

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Quarterly data on assets and liabilities of financial institutions: 30 June 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](mailto:contact.statistika@nbrm.mk) or phone: 02 3215 181 extension 116 (or 112/110/108).