



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

Skopje, 31 August 2023

### Press Release

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

- **In the second quarter of 2023, the outstanding amount of assets of other financial institutions (OFIs) equaled Denar 196,853 million** and increased by Denar 8,967 million, on a quarterly basis. Other financial institutions participated with 19.3% in the financial institutions' assets.<sup>2</sup> In terms of sub-sectors, pension funds take the largest share in the total assets of OFI of 65.4%, followed by insurance companies with a share of 17.3%.
- **In the second quarter of the year, the outstanding amount of the other financial institutions (OFIs) registered a quarterly growth of 4.8%**, mainly under the influence of the higher assets of the pension funds, with a smaller positive contribution also of other sub-sectors, with the exception of the pension and investment funds management companies, which recorded a decline in assets. The annual growth of 16.1% mostly results from the increased assets of the pension funds, with other sub-sectors also registering positive developments.

Table 1 Total assets/liabilities of OFIs, by sector

	Q2.2022	Q1.2023	Q2.2023	quarterly changes		annual changes		Structure (Total of FIs)	Structure (Total OFIs)
				Q2. 2023/Q1. 2022		Q2. 2023/Q2. 2022			
	Stocks, in millions of NC			in millions of NC	in %	in millions of NC	in %	in %	in %
1. Financial Institutions (ODI and OFI)	931,033	987,076	1,019,709	32,633	3.3	88,677	9.5	100.0	
2. Other Depository Institutions (ODI)	761,415	799,190	822,856	23,666	3.0	61,441	8.1	80.7	
3. Other Financial Institutions (OFI)	169,618	187,886	196,853	8,967	4.8	27,235	16.1	19.3	100.0
3.1 Pension Funds	110,103	122,849	128,683	5,834	4.7	18,580	16.9	12.6	65.4
3.2 Insurance Companies	31,452	32,557	34,050	1,494	4.6	2,598	8.3	3.3	17.3
3.3 Investment Funds	10,713	11,952	12,172	220	1.8	1,459	13.6	1.2	6.2
3.4 Finance Companies	7,784	9,483	10,082	599	6.3	2,297	29.5	1.0	5.1
3.5 Finance Leasing Companies	7,481	8,676	9,575	899	10.4	2,094	28.0	0.9	4.9
3.6 Pension and Investment Fund Management Companies	2,085	2,370	2,291	-79	-3.3	206	9.9	0.2	1.2

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 finance leasing companies.

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



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- **The largest portion of OFI assets** are investments in debt and equity securities<sup>3</sup> (a share of 51.2% and 24.9%, respectively), **while on the liabilities side**, the largest portion refers to insurance technical reserves<sup>4</sup> and capital accounts (a share of 56.6% and 33.7%, respectively)<sup>5</sup>.

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

	Total OFI		Pension Funds		Insurance Companies		Investment Funds		Finance Companies		Finance Leasing Companies		Pension and Investment Fund Management	
	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>#####</b>		<b>128,683</b>		<b>34,050</b>		<b>12,172</b>		<b>10,082</b>		<b>9,575</b>		<b>2,291</b>	
I. Currency and deposits	17,927	9.1	6,959	5.4	6,847	20.1	2,597	21.3	618	6.1	360	3.8	545	23.8
II. Securities other than shares	100,697	51.2	81,918	63.7	14,101	41.4	3,377	27.7	-	-	-	-	1,301	56.8
III. Loans	16,187	8.2	-	-	210	0.6	1	0.0	8,631	85.6	7,327	76.5	18	0.8
IV. Shares and other equity	48,920	24.9	39,768	30.9	2,811	8.3	6,172	50.7	17	0.2	3	0.0	149	6.5
V. Insurance technical reserves	2,604	1.3	-	-	2,604	7.6	-	-	0	0.0	-	-	-	-
VI. Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Other claims	7,184	3.6	37	0.0	6,196	18.2	25	0.2	475	4.7	323	3.4	129	5.6
VIII. Nonfinancial assets	3,333	1.7	-	-	1,281	3.8	-	-	341	3.4	1,562	16.3	148	6.5
<b>TOTAL LIABILITIES</b>	<b>#####</b>		<b>128,683</b>		<b>34,050</b>		<b>12,172</b>		<b>10,082</b>		<b>9,575</b>		<b>2,291</b>	
I. Loans	11,859	6.0	-	-	21	0.1	-	-	4,159	41.2	7,618	79.6	61	2.7
II. Insurance technical reserves	111,445	56.6	90,252	70.1	21,192	62.2	-	-	-	-	-	-	-	-
III. Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Other liabilities	7,220	3.7	57	0.0	3,557	10.4	100	0.8	2,353	23.3	990	10.3	162	7.1
V. Capital accounts	66,329	33.7	38,373	29.8	9,279	27.3	12,072	99.2	3,570	35.4	967	10.1	2,068	90.2

Source: NBRNM.

- **Analyzed by instruments, on the assets side**, the quarterly growth is mostly due to the increased investments in debt and equity securities. **On the liabilities side**, the quarterly and annual growth is mostly a result of the increase in technical insurance reserves and capital accounts, and less of the liabilities based on loans.

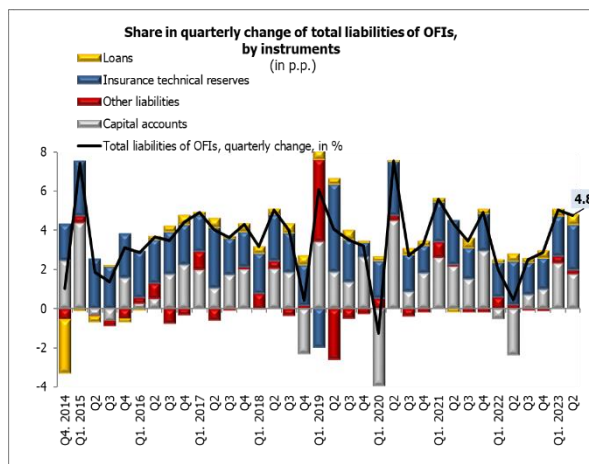
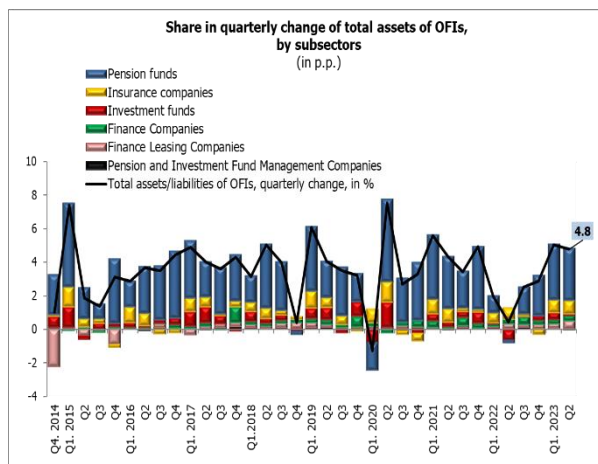
<sup>3</sup> Debt securities denote securities other than shares, according to the international classification of financial instruments, as published in the balance sheets and surveys of other financial institutions.

<sup>4</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>5</sup> Capital accounts include: funds contributed by owners, retained earnings, current year financial result, general and special reserves and valuation adjustments.



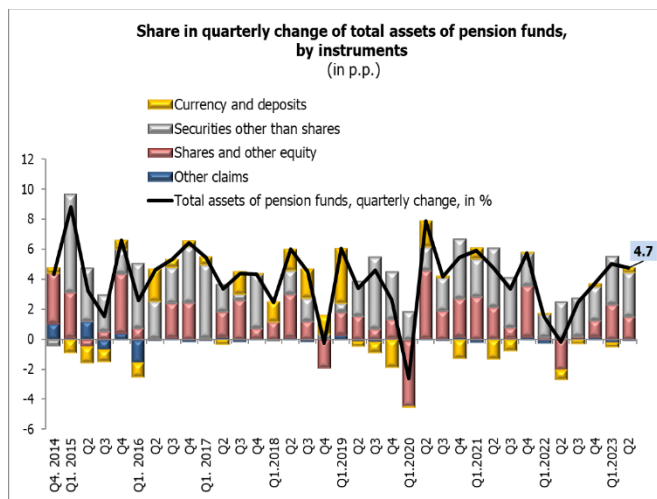
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Source: NBRNM.

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

- The quarterly and annual growth rate of the **outstanding amount of the pension funds' assets<sup>6</sup> (mandatory and voluntary)** in the second quarter of the year equals 4.7% and 16.9%, respectively, which is mainly a reflection of higher investments in debt securities, with additional positive contribution of investments in equity securities. **On the liabilities side**, the quarterly and annual growth mostly reflects the increased insurance technical reserves and capital accounts.



Source: NBRNM.

<sup>6</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.



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- **At the end of June, the outstanding amount of insurance companies' assets<sup>7</sup>** recorded a quarterly increase of 4.6%, which is mostly the result of increased insurance technical reserves, other claims and investments in debt securities, and to a lesser extent, higher investments in equity securities. The annual growth of 8.3% primarily results from increased investments in debt securities, with investments in equity securities and other claims also having a positive impact. **On the liabilities side**, the quarterly and annual growth mostly reflects the increased insurance technical reserves, at positive influence also of capital accounts and other liabilities.



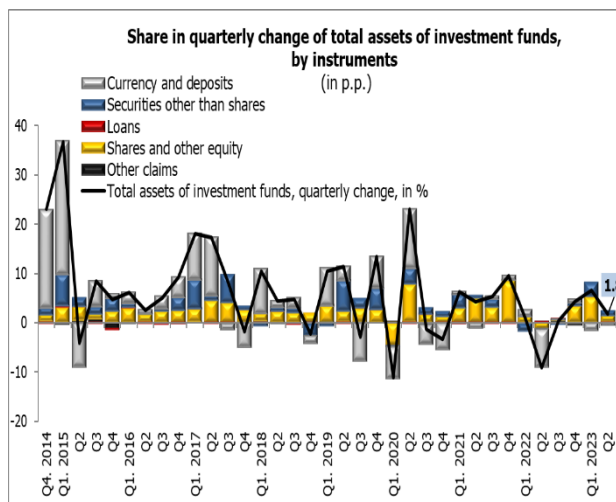
- In the second quarter of the year, **the outstanding amount of the investment funds' assets<sup>8</sup>** recorded quarterly and annual growth of 1.8% and 13.6%, respectively, mostly under the influence of increased investments in equity and debt securities, in conditions of decline in currencies and deposits. **On the liabilities side**, the quarterly growth is driven by the higher capital accounts, which fully explain the annual growth.

<sup>7</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.

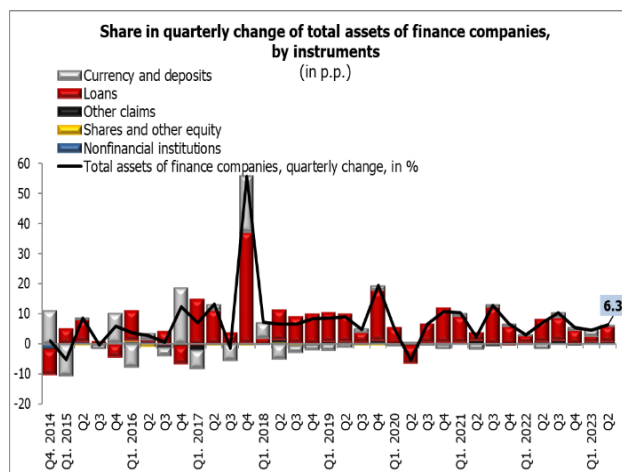
<sup>8</sup> The Registry of the Securities and Exchange Commission (SEC) currently includes twenty-two open-end and one private investment fund, and the data currently include twenty-three investment funds.



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- **The outstanding amount of assets of the financial companies<sup>9,10,11</sup>** registered monthly and annual increase of 6.3% and 29.5%, respectively. The loans of this sub-sector as the main instrument on the assets side reached Denar 8,631 million at the end of June. Credit activity of financial companies increased by 5.9% on a quarterly basis and 22.6% on an annual basis. **On the liabilities side**, the quarterly and annual growth is due to higher capital accounts, other liabilities and liabilities based on loans.



- In the second quarter of 2023, the quarterly and annual growth rate of the **outstanding amount of financial leasing companies<sup>12</sup>** equaled 10.4% and 28.0%, respectively. The largest part of the assets of this sub-sector are claims based on loans, in the amount

<sup>9</sup> The data currently include seven financial leasing companies.

<sup>10</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.

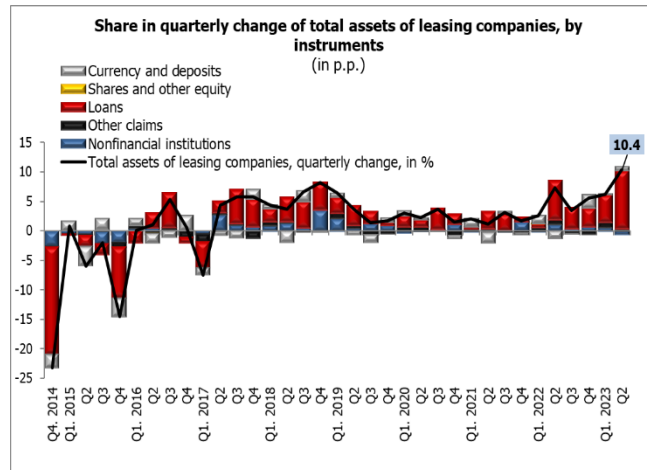
<sup>11</sup> The series of data on the first quarter of 2023, included two new financial companies.

<sup>12</sup> The data currently include seven financial leasing companies.



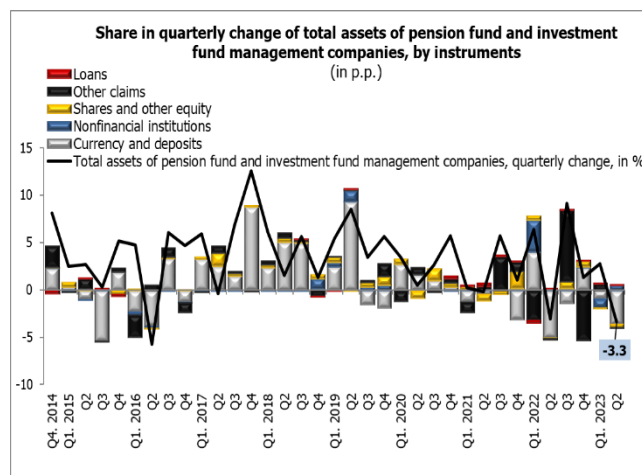
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of Denar 7,327 million. Lending increased by 13.2% compared to the quarterly basis, with an annual growth of 31.7%. **On the liabilities side**, the quarterly and annual growth is primarily explained by the increased liabilities based on loans, and to a lesser extent by other liabilities.



Source: NBRNM.

- **The outstanding amount of assets of pension and investment fund management companies recorded a quarterly decrease of 3.3%** at the end of June, mostly under the influence of reduced currencies and deposits, and a smaller decline was also registered in investments in equity securities. However, compared to June last year, the assets of this sub-sector increased by 9.9%, mainly as a result of increased investments in debt securities, and to a lesser extent other claims and equity securities, in conditions of decline in currencies and deposits. **On the liabilities side**, the quarterly decrease results from the increase in insurance technical reserves, given the decline in capital accounts. The annual growth is driven by the higher capital accounts, with the rest of the liabilities also having a positive effect.



Source: NBRNM.



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### Data revisions

Data on the developments of OFI in this press release contain data revision for the first quarter of 2023. 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.nspix>

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 November 2023 (reference period as of the third 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).