



National Bank of the Republic of North Macedonia Statistics Department

Skopje, 1 December 2023

Press Release

Significant developments in other financial institutions¹ (OFIs): third quarter of 2023

- **In the third quarter of 2023, the outstanding amounts of assets of other financial institutions (OFIs) reached Denar 201,059 million** and registered a quarterly growth of Denar 4,201 million. Other financial institutions participated with 19.5% in the financial institutions' assets². In terms of sub-sectors, pension funds take the largest share in the outstanding amounts of OFIs' assets of 65.5%, followed by insurance companies with a share of 17.1%.
- **In the third quarter of the year, the outstanding amounts of assets of other financial institutions (OFIs) increased on a quarterly and annual basis by 2.1% and 15.6%, respectively, mainly as a result of the increased assets of pension funds, with positive movements in other sub-sectors.**

Table 1 Total assets/liabilities of OFIs, by sub-sector

	Q3.2022	Q2.2023	Q3.2023	quarterly changes		annual changes		Structure	Structure
				Q3. 2023/Q2. 2022		Q3. 2023/Q3. 2022		(Total of FIs)	(Total OFIs)
				<i>in millions of NC</i>		<i>in millions of NC</i>		<i>in %</i>	<i>in %</i>
1. Financial Institutions (ODI and OFI)	953,687	1,019,714	1,030,269	10,555	1.0	76,582	8.0	100.0	
2. Other Depository Institutions (ODI)	779,816	822,856	829,210	6,353.75	0.8	49,394	6.3	80.5	
3. Other Financial Institutions (OFI)	173,871	196,858	201,059	4,201	2.1	27,188	15.6	19.5	100.0
3.1 Pension Funds	112,809	128,683	131,729	3,047	2.4	18,920	16.8	12.8	65.5
3.2 Insurance Companies	31,702	34,047	34,390	343	1.0	2,687	8.5	3.3	17.1
3.3 Investment Funds	10,754	12,172	12,290	118	1.0	1,536	14.3	1.2	6.1
3.4 Finance Companies	8,591	10,091	10,647	556	5.5	2,057	23.9	1.0	5.3
3.5 Finance Leasing Companies	7,740	9,575	9,654	80	0.8	1,915	24.7	0.9	4.8
3.6 Pension and Investment Fund Management Companies	2,276	2,290	2,348	59	2.6	73	3.2	0.2	1.2

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 *Other financial institutions (OFI)* includes: Other depository institutions (ODI—banks and savings houses) and other financial institutions (OFI).



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- **Most of the OFIs' assets** are investments in debt and equity securities³ (share of 52.2% and 24.8%, respectively), **and on the liabilities side**, most of them refers to technical insurance reserves⁴ and capital accounts (share of 57.0% and 33.5%, respectively)⁵.

Table 2. OFIs' assets/liabilities, by sub-sector and by financial instrument, third 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 %)
TOTAL ASSETS	201,059		131,729		34,390		12,290		10,647		9,654		2,348	
I. Currency and deposits	16,120	8.0	5,300	4.0	6,851	19.9	2,835	23.1	414	3.9	243	2.5	477	20.3
II. Securities other than shares	104,914	52.2	85,659	65.0	14,518	42.2	3,293	26.8	-	-	-	-	1,445	61.5
III. Loans	16,998	8.5	-	-	211	0.6	1	0.0	9,299	87.3	7,469	77.4	18	0.8
IV. Shares and other equity	49,798	24.8	40,654	30.9	2,831	8.2	6,154	50.1	17	0.2	3	0.0	139	5.9
V. Insurance technical reserves	2,501	1.2	-	-	2,501	7.3	-	-	0	0.0	-	-	-	-
VI. Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Other claims	7,145	3.6	116	0.1	5,996	17.4	7	0.1	571	5.4	332	3.4	123	5.2
VIII. Nonfinancial assets	3,583	1.8	-	-	1,482	4.3	-	-	347	3.3	1,608	16.7	147	6.2
TOTAL LIABILITIES	201,059		131,729		34,390		12,290		10,647		9,654		2,348	
I. Loans	11,871	5.9	-	-	21	0.1	-	-	4,170	39.2	7,622	78.9	58	2.5
II. Insurance technical reserves	114,540	57.0	93,156	70.7	21,383	62.2	-	-	-	-	-	-	-	-
III. Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Other liabilities	7,268	3.6	151	0.1	3,506	10.2	69	0.6	2,468	23.2	997	10.3	76	3.2
V. Capital accounts	67,380	33.5	38,422	29.2	9,479	27.6	12,221	99.4	4,009	37.7	1,035	10.7	2,214	94.3

Source: NBRNM.

- **Analyzed by instruments, on the assets side**, the quarterly and annual growth results from the higher investments in debt and equity securities, and to a lesser extent from the claims on the basis of loans, amid a decline in currency and deposits. **On the liabilities side**, the quarterly and annual growth is mostly due to the increased insurance technical reserves and capital accounts.

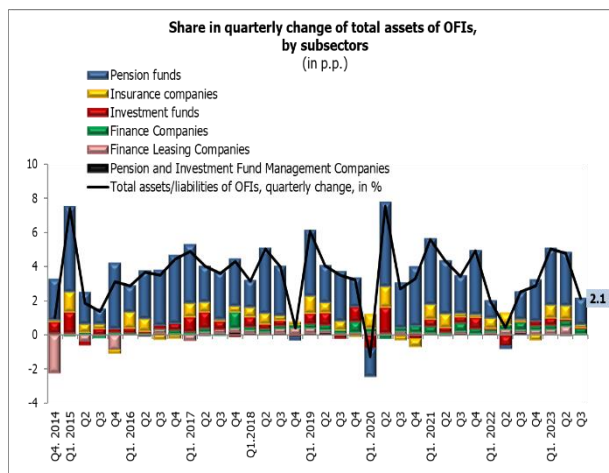
³ Debt securities denote securities other than shares, according to the international classification of financial instruments, as published in the balance sheets and surveys of other financial institutions.

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).

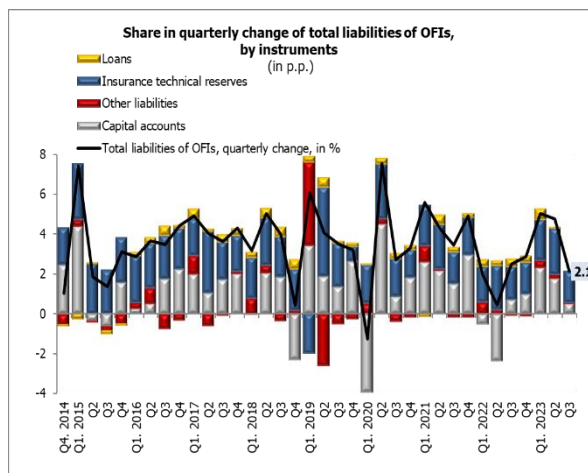
⁵ Capital accounts include: funds contributed by owners, retained earnings, current year financial result, general and special reserves and valuation adjustments.



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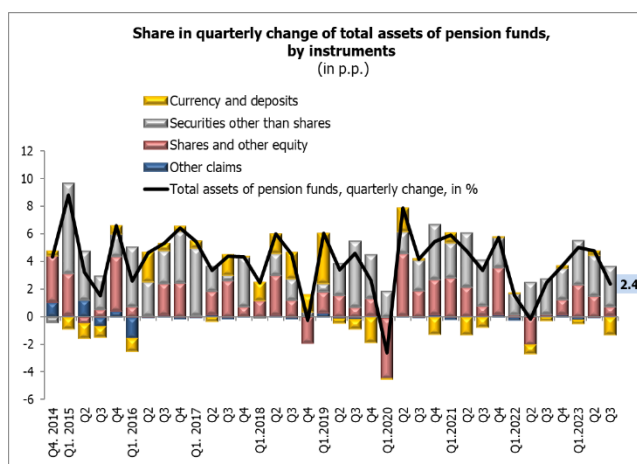


Source: NBRNM.



Significant movements in OFIs, by type of institution

- In the third quarter, the **outstanding amount of assets of pension funds⁶ (mandatory and voluntary)** registered a quarterly and annual increase of 2.4% and 16.8%, respectively. Analyzed by instruments, the growth is due to the higher investments in debt securities, with an additional positive contribution of investments in equity securities, amid drop of currency and deposits. **On the liabilities side**, the quarterly growth is primarily a result of the increased insurance technical reserves, which are also the main driver of the annual increase, with additional positive influence of capital accounts.



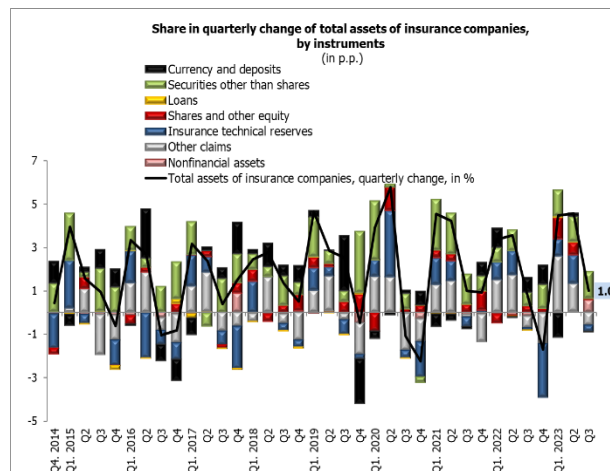
Source: NBRNM.

⁶ 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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- In the third quarter, the **outstanding amount of assets of insurance companies**⁷ increased by 1.0% on a quarterly basis, primarily due to the increased investments in debt securities, and other claims and insurance technical reserves decreased. The annual growth amounts to 8.5% and is mostly explained by the higher investments in debt securities. **On the liabilities side**, the growth on both bases is due to the increased capital accounts and insurance technical reserves.



Source: NBRNM.

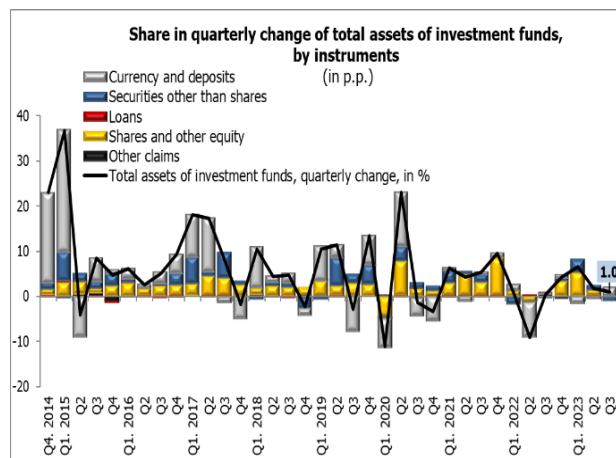
- In the third quarter, the **outstanding amount of assets of investment funds**⁸ increased by 1.0% on a quarterly basis. The growth entirely results from the increased currency and deposits, amid a decline in other instruments. Compared to the third quarter last year, the assets of investment funds increased by 14.3%, which is mainly a reflection of the higher investments in equity securities, and to a lesser extent of the increased debt securities. **On the liabilities side**, the quarterly and annual increase is entirely due to 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 include twenty-three investment funds.

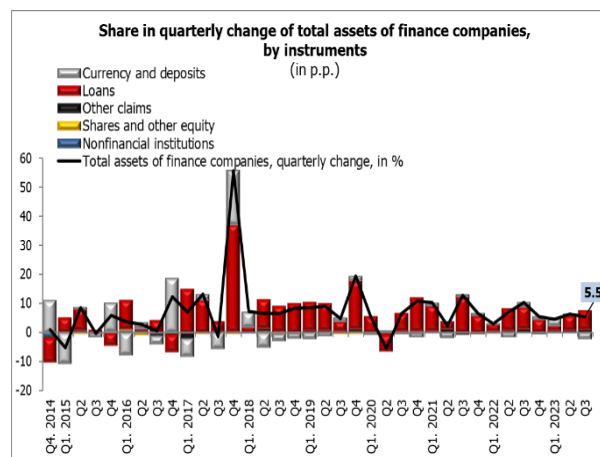


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Source: NBRNM.

- In the third quarter, the quarterly and annual growth rate of the **outstanding amount of assets of financial companies**^{9,10} was 5.5% and 23.9%, respectively. Analyzed by instruments, the assets growth mainly results from loan claims. Loans to financial companies registered a quarterly and annual growth of 7.5% and 21.8%, respectively and amounted to Denar 9,299 million at the end of September. On the liabilities side, the quarterly growth mainly results from the increased capital accounts, and to a lesser extent from other liabilities, while the annual growth reflects higher capital accounts, liabilities on the basis of loans and other liabilities.



Source: NBRNM.

- In the third quarter of 2023, the **outstanding amount of assets of financial leasing companies**¹¹ registered a minimal quarterly growth of 0.8%, amid annual growth of 24.7%. Most of the assets of this sub-sector are claims on the basis of loans, in the amount

⁹ The data currently include thirty-six financial companies.

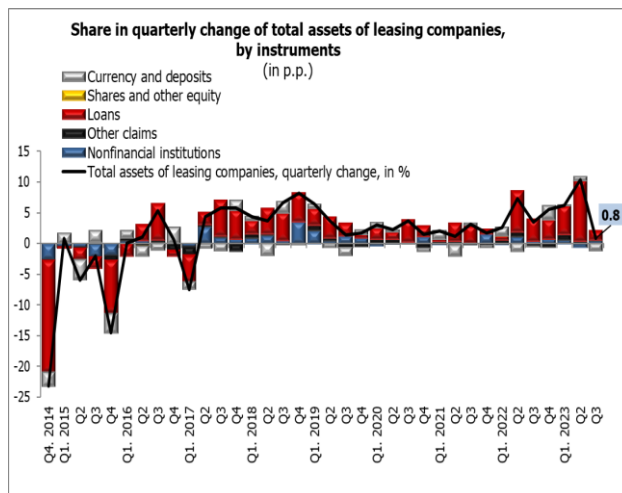
¹⁰ In the fourth quarter of 2017, the series of data included a new financial company (a savings house re-registered as a financial company), a change that affects the annual rates of change.

¹¹ The data currently include seven financial leasing companies.



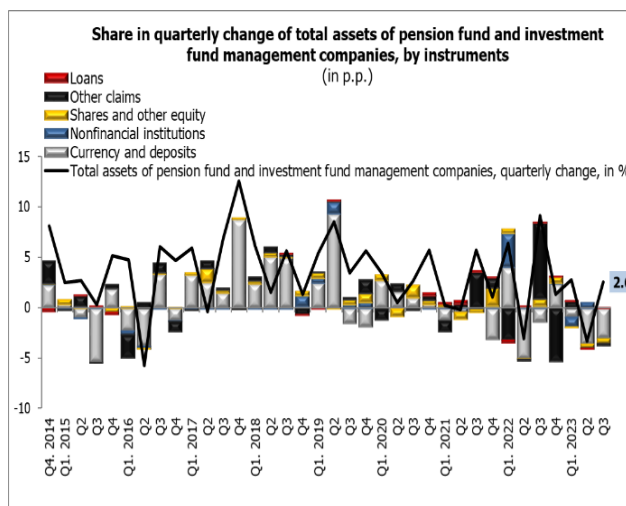
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of Denar 7,469 million, which on a quarterly and annual basis increased by 1.9% and 28.0%, respectively. **On the liabilities side**, the quarterly growth mostly reflects the increased capital accounts, while the annual growth is primarily explained by the increased loan liabilities, and to a lesser extent by other liabilities and capital accounts.



Source: NBRNM.

- In the third quarter of 2023, the **outstanding amount of assets of pension and investment funds management companies** registered a quarterly and annual increase of 2.6% and 3.2%, respectively. Moreover, the growth on both bases is a result of the increased investments in debt securities, amid a decline in investments in equity securities and in currency and deposits. **On the liabilities side**, the quarterly and annual growth entirely results from the higher capital accounts, amid decline in other components.



Source: NBRNM.



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Data revisions

Data on the OFIs movements in this press release include data revisions for the first and second 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-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: 29 February 2024 (reference period as of the fourth 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).