



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

Skopje, 29 February 2024

Press Release

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

- **In the fourth quarter of 2023, the outstanding amounts of other financial institutions' assets (OFIs) equaled Denar 210,604 million**, which is a quarterly increase of Denar 9,295 million. Other financial institutions participated with 19.6% in the financial institutions' assets². Analyzed by sub-sectors, pension funds have the largest share in the outstanding amounts of OFIs with 65.9%, followed by insurance companies with a share of 16.3%.
- **In the fourth quarter of 2023, the outstanding amounts of other financial institutions' assets (OFIs) grew quarterly by 4.6%**, primarily due to increased assets of pension funds, with positive movements in other sub-sectors, excluding insurance companies which registered a decline in assets. The annual growth of 17.7% was largely due to increased pension funds' assets, amid smaller positive contribution of other sub-sectors.

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

	Q4.2022	Q3.2023	Q4.2023	quarterly changes		annual changes		Structure (Total of FIs)	Structure (Total OFIs)
				Q3. 2023/Q2. 2022		Q3. 2023/Q3. 2022			
	Stocks, in millions of NC			in millions of NC	in %	in millions of NC	in %	in %	in %
1. Financial Institutions (ODI and OFI)	983,096	1,030,519	1,077,142	46,623	4.5	94,046	9.6	100.0	
2. Other Depository Institutions (ODI)	804,220	829,210	866,538	37,328	4.5	62,319	7.7	80.4	
3. Other Financial Institutions (OFI)	178,876	201,309	210,604	9,295	4.6	31,728	17.7	19.6	100.0
3.1 Pension Funds	116,957	131,729	138,867	7,138	5.4	21,910	18.7	12.9	65.9
3.2 Insurance Companies	31,161	34,390	34,317	-73	-0.2	3,157	10.1	3.2	16.3
3.3 Investment Funds	11,218	12,290	13,499	1,209	9.8	2,281	20.3	1.3	6.4
3.4 Finance Companies	9,065	10,642	11,224	582	5.5	2,159	23.8	1.0	5.3
3.5 Finance Leasing Companies	8,170	9,909	10,234	325	3.3	2,064	25.3	1.0	4.9
3.6 Pension and Investment Fund Management Companies	2,305	2,348	2,463	115	4.9	158	6.9	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 25.5%, respectively), **and on the liabilities side**, most of them refer to technical insurance reserves⁴ and capital accounts (share of 56.1% and 34.6%, respectively)⁵.

Table 2. OFIs' assets/liabilities, by sub-sector and by financial instrument, fourth 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	210,604		138,867		34,317		13,499		11,224		10,234		2,463	
I. Currency and deposits	15,567	7.4	4,026	2.9	6,963	20.3	3,473	25.7	525	4.7	114	1.1	467	18.9
II. Securities other than shares	110,024	52.2	90,031	64.8	14,996	43.7	3,455	25.6	-	-	-	-	1,542	62.6
III. Loans	18,005	8.5	1	-	231	0.7	0	0.0	9,760	87.0	7,997	78.1	16	0.6
IV. Shares and other equity	53,605	25.5	43,864	31.6	3,052	8.9	6,544	48.5	10	0.1	3	0.0	132	5.3
V. Insurance technical reserves	2,137	1.0	-	-	2,137	6.2	-	-	0	0.0	-	-	-	-
VI. Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Other claims	7,436	3.5	945	0.7	5,440	15.9	27	0.2	582	5.2	290	2.8	151	6.1
VIII. Nonfinancial assets	3,831	1.8	-	-	1,497	4.4	-	-	346	3.1	1,831	17.9	156	6.3
TOTAL LIABILITIES	210,604		138,867		34,317		13,499		11,224		10,234		2,463	
I. Loans	12,818	6.1	-	-	96	0.3	-	-	4,600	41.0	8,070	78.9	52	2.1
II. Insurance technical reserves	118,204	56.1	96,835	69.7	21,369	62.3	-	-	-	-	-	-	-	-
III. Financial derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Other liabilities	6,679	3.2	75	0.1	3,062	8.9	31	0.2	2,368	21.1	1,047	10.2	95	3.9
V. Capital accounts	72,903	34.6	41,957	30.2	9,790	28.5	13,467	99.8	4,257	37.9	1,117	10.9	2,315	94.0

Source: NBRNM.

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

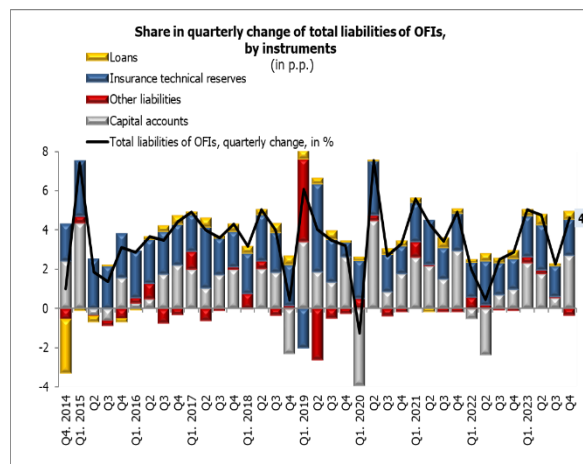
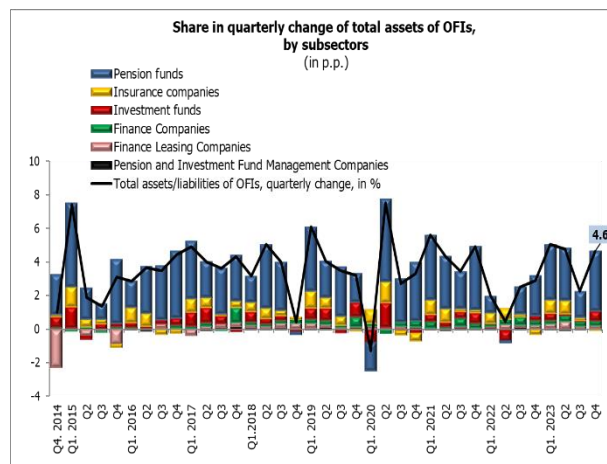
³ Debt securities denote securities other than shares, according to the international classification of financial instruments, as published in the balance sheets and surveys of other financial institutions.

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.



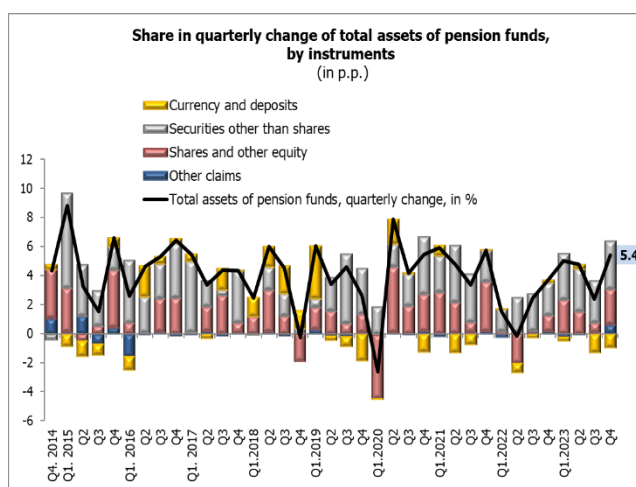
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Source: NBRNM.

Significant movements in OFIs, by type of institution

- In the fourth quarter of 2023, the quarterly and annual growth rate of **the outstanding amounts of pension funds' assets⁶ (mandatory and voluntary)**, amounted to 5.4% and 18.7%, respectively. The upward change on both bases was mainly due to higher investments in debt and equity securities, amid additional contribution of other claims. Only currencies and deposits registered quarterly and annual decrease in assets. On the liabilities side, the quarterly and annual growth entirely reflects the increased insurance technical reserves and capital accounts.



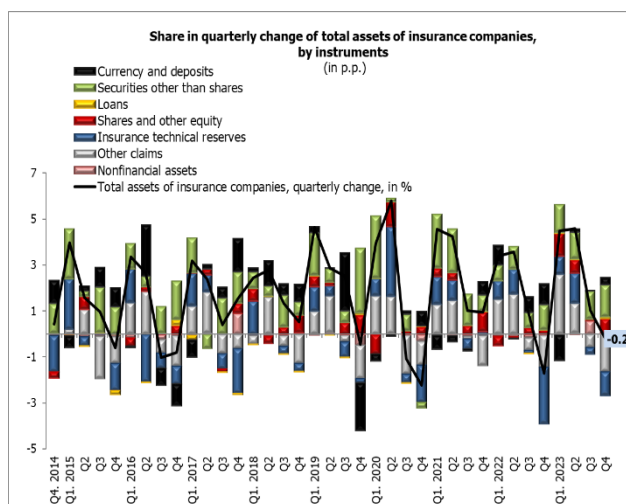
Source: NBRNM.

⁶ NBRNM 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 fourth quarter of 2023, **the outstanding amounts of insurance companies' assets**⁷ registered a quarterly decline of 0.2%, as a result of the decrease in other claims and insurance technical reserves, amid growth in other instruments. Compared to the fourth quarter last year, insurance companies' assets increased by 10.1%, mostly due to higher investments in debt and equity securities and other claims, while currencies and deposits decreased. On the liabilities side, the quarterly decrease was primarily due to other liabilities, amid growth in capital accounts. The annual growth was due to increased insurance technical reserves and to capital accounts.



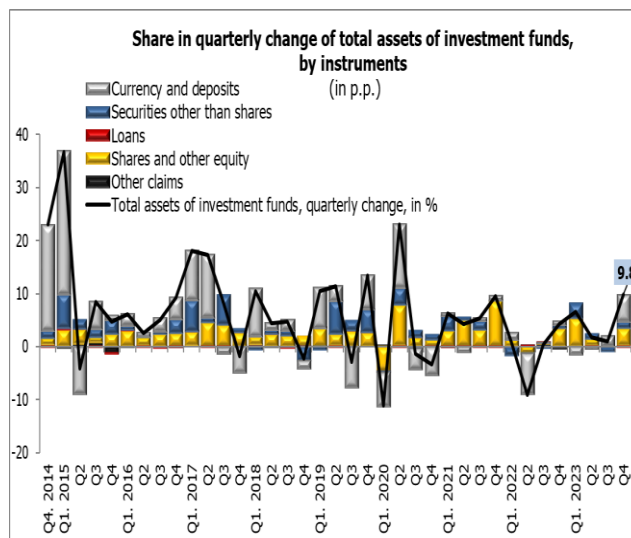
- In the fourth quarter of the year, **the outstanding amounts of investment funds' assets**⁸, increased by 9.8% on a quarterly basis. Analyzed by instruments, the quarterly growth mostly reflected higher currencies and deposits, with investments in debt and equity securities acting in the same direction. The annual growth of 20.3% was driven by the increased investments in equity securities, with a positive contribution of currencies and deposits and investments in debt securities. On the liabilities side, the quarterly and annual growth was 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.

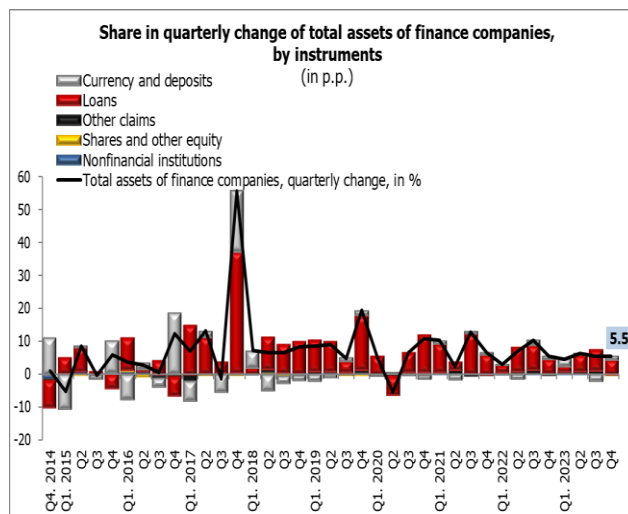


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Source: NBRNM.

- **The outstanding amount of financial companies' assets^{9,10}** registered a quarterly and annual growth of 5.5% and 23.8%, respectively. Most of the financial companies' assets are claims based on loans, in the amount of Denar 9,760 million, which on a quarterly and annual basis increased by 5.0% and 22.0%, respectively. On the liabilities side, the growth on a quarterly basis was due to loan liabilities and capital accounts, with a larger contribution of loans. The annual growth of liabilities mainly results from increased capital accounts, and to a lesser extent from loan liabilities and other liabilities.



Source: NBRNM.

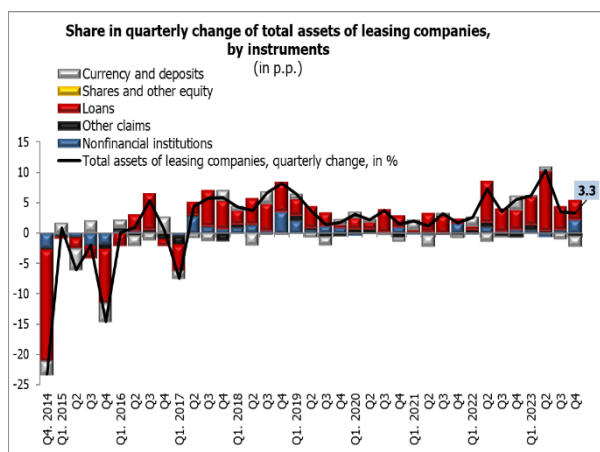
⁹ The data currently include thirty-six financial companies.

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.



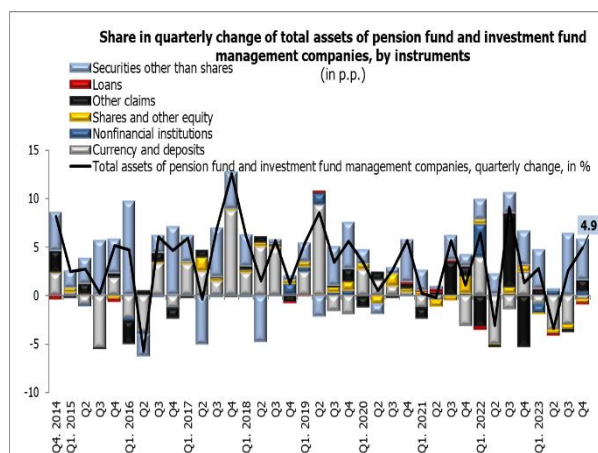
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- In the fourth quarter of 2023, **the outstanding amount of financial leasing companies' assets¹¹**, registered a quarterly and annual growth of 3.3% and 25.3%, respectively. Most of the assets of this sub-sector were claims based on loans, which at the end of 2023 amounted to Denar 7,997 million and registered a quarterly and annual growth of 4.0% and 31.4%, respectively. On the liabilities side, the quarterly growth almost entirely reflected the increased loan liabilities, which were the main driver of the annual change, amid slight positive contribution of other liabilities.



Source: NBRNM.

- In the fourth quarter, **the outstanding amount of assets of pension and investment fund management companies** registered a quarterly and annual increase of 4.9% and 6.9%, respectively. The positive movements on both bases were mainly due to increased investments in debt securities, and to a lesser extent to other claims, amid decline in currencies and deposits and equity securities. On the liabilities side, the quarterly growth mostly reflected higher capital accounts, which almost entirely explain the annual increase.



Source: NBRNM.

¹¹ The data currently include seven financial leasing companies.



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Data revisions

Data on the developments of OFI in this press release contain data revision for the third 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

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 2024 (reference period as of the first quarter of 2024).

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).