



QF-A-018

**FINANCIAL PLAN  
OF THE DEPOSIT INSURANCE FUND  
FOR THE YEAR 2022**

**Skopje, March 2022**

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## **I. W O V E D**

The Deposit Insurance Fund is a state institution in the Republic of North Macedonia, established in 1997 by a special law and functions as a non-budgetary , self-financing , profitable, specialized financial institution. The purpose of the Fund's existence is to insure the deposits of the population and indemnify the insured deposits in banks, branches of foreign banks, savings banks in the event of a risky event. The fund is registered as an activity in accordance with the Law on Commercial Companies (65.12 non-life insurance).

The main task of the Fund is to insure the deposits of the population in the banking sector in the country and to conscientiously and productively dispose of the funds collected from banks, branches of foreign banks and savings banks on the basis of deposit insurance premiums, which enables the fertilization of assets and continuous strengthening of security funds, which are used to compensate depositors in the event that the Governor of the National Bank of the Republic of North Macedonia revokes the license to operate a bank, a branch of a foreign bank or a savings bank, i.e. in case of occurrence of a risk event.

The deposit insurance fund is one of the most important pillars in maintaining financial stability, together with other institutions that participate in the creation and management of the fiscal and monetary policy of the state. Hence, its participation in system analyses, predictions and simulations of possible risk events is important in order to guarantee the security of citizens' deposits.

The financial plan of the Deposit Insurance Fund for 2022 was created in the direction of efficient organization and implementation of activities that are important for the realization of the two basic processes for which the Fund was established, as well as in the direction of their modernization, improvement of the efficiency and effectiveness of the services of the Fund. During 2022, the Fund will continue to carry out promotional activities that will contribute to raising financial education and public awareness of the existence of a deposit insurance system, which will influence the strengthening of trust in the banking system, which is a pillar for development of the economy in the country.

Investments, as one of the main activities of the Fund, will continue to be implemented in accordance with the investment policies for maintaining a strong, low-risk and safe investment portfolio.

During 2022, the Fund will continue and strengthen cooperation with international institutions, the European Forum of Deposit Insurers and the International Association of Deposit Insurers. It is also planned to maintain successful cooperation with all significant domestic institutions and organizations from the financial and banking sector. The deposit insurance fund will work on activities that correspond to the new European deposit insurance policies.

The ultimate goal of all the activities carried out by the Fund is to strengthen and modernize the system for insurance and compensation of depositors and to approach the European Directive on deposit insurance ( DIRECTIVE 2014/49/EU ) .

In order to carry out the business activities, the following parameters were taken into account during the preparation of the Financial Plan of the Deposit Insurance Fund for 2022: a) the applicable legislation; b) the economic policies of the Government and macroeconomic indicators and projections for 2022; c) strengthening regional cooperation and cooperation with developed European countries in order to

approach European trends; d) strengthening cooperation with NBRSM, the Ministry of Finance, the Macedonian Banking Association and other financial and banking institutions important for maintaining financial stability in the Republic of North Macedonia.

## I. Macroeconomic scenario for 2022 in the Republic of North Macedonia

The world pandemic and the global health and economic crisis that began in 2020 due to the spread of the infectious disease COVID 19, continued in 2021.

In the second half of 2021, the mass vaccination for protection against the SarsCov2 virus began, a process that opened up the possibility of suppressing the pandemic and gradually recovering from the damage caused by it.

After a GDP decline of 4.5% in 2020, the National Bank predicts a recovery of the economy and a solid GDP growth of 3.9% in 2021. In the medium term, further recovery is predicted, with growth rates of around 4%. This growth dynamic will enable compensating the economic losses from the corona crisis and surpassing the pre-pandemic level during 2022 <sup>1</sup>.

Inflation projections predict that in 2021 it will amount to 3.1%, while in 2022 it is predicted to decrease to 2.4%, and then maintain around the historical average of about 2%. Factors affecting the increase in the inflation rate are mainly of a global nature - growth in world prices of primary products and disruption in global supply chains <sup>2</sup>.

In designing the Financial Plan of the Deposit Insurance Fund for 2022, the most important are the movements of the population's deposits that are insured and compensated by the Deposit Insurance Fund, and other factors are also taken into account:

- Forecasts for macroeconomic trends and monetary policy in the Republic of North Macedonia for 2022;
- Planned dynamics of total household deposits in the banking sector in the Republic of North Macedonia for 2022;
- Planned monthly dynamics for movement and the state of the investment portfolio of the Deposit Insurance Fund for 2022;
- Estimated balance sheet results in 2022.

During 2022, the Deposit Insurance Fund will continue to carry out regular business activities through which its basic goals, strategies and the mission for which it was founded are realized, while taking care of the implementation of measures and activities for efficient and effective operation, evaluation of the achieved goals and establishment of a high degree of control of the operation. At the same time, the Deposit Insurance Fund plans to implement certain preparatory activities in the direction of approaching the new EU policies in the area of deposit insurance of the population.

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<sup>1</sup>Source : National Bank of the Republic of North Macedonia

<sup>2</sup>Source: National Bank of the Republic of North Macedonia

## **II . Basics of the Financial Plan of the Deposit Insurance Fund in 2022**

During the preparation of the financial plan of the Insurance Fund, the balance of deposits by month, the dynamics of deposit movement, the currency structure and the maturity structure of total household deposits in the banking sector in 2021 were taken into account, on the basis of which it was prepared prediction of the dynamics of total household deposits in 2022.

The determined projection of the movement of total household deposits for the banking sector in 2022 enabled the preparation of a relatively accurate forecast of the inflows of assets in the Fund during 2022 based on the collection of insurance premiums, while the forecasting of the inflows of the Fund's assets enabled planning of the Fund's investments in 2022.

From there, the financial plan for 2022 is based on the following parameters:

- Deposits of the population in the banking sector at the end of 2022 will achieve an annual increase of 7% and will reach an amount of 336,832 million denars;
- At the end of 2022, the fund will collect a total annual premium in the amount of MKD 808 million;
- The volume of the investment portfolio at the end of 2022 is predicted to exceed by 5.8% the achieved volume at the end of 2021;
- Based on the interest from new government bills (interest rate of 0.5%), in 2022 the Fund will earn 38,016 thousand denars, and it will pay a commission to the banks - intermediaries for the mediation during the purchase of the bills in the amount of 525 thousand denars.

The Deposit Insurance Fund, as a creditor in the bankruptcy proceedings of " Eurostandard Bank AD Skopje in bankruptcy " expects collection of its claim during 2022. Upon realization of the collection of the claim, the Fund will immediately deposit the funds in the security fund and accordingly include them in its investment portfolio.

The above parameters are elaborated in detail in sections II.1 and II.2 of chapter II of the Financial Plan of the Deposit Insurance Fund for 2022.

### **II .1 Planned dynamics of the movement of the deposit base of the members of the Fund in the part of the assets of the population during 2022**

The planned dynamics of the movement of the deposit base of the members of the Fund in 2022 are based on realistic estimates by the Fund and an annual growth of the deposit mass of 7% is predicted, that is, the total deposits of the population at the end of 2022 will amount to 336,832,100 thousand denars (Table 1).

Table 1: Planned dynamics of growth of deposits and planned monthly state of total deposits of the population in 2022 in correlation with realized monthly state of deposits and realized dynamics of growth of deposits in 2021

*in thousands of denars*

Date	Deposits 2021 year <i>real situation</i>	Planned growth dynamics of deposits for 2021 (in %)	Dynamics of deposit growth achieved in 2021 (in %)	Date	Planned deposits for 2022 year	Planned growth dynamics of deposits for 2022
31.12.2020	295,686,631			31.12.2021	314,750,858	
31.01.2021	296,122,887	-0.40%	0.15%	31.01.2022	315,380,360	0.20%
28.02.2021	299,961,877	0.90%	1.30%	28.02.2022	319,480,304	1.30%
31.03.2021	300,706,003	0.05%	0.25%	31.03.2022	320,279,005	0.25%
30.04.2021	301,169,505	0.60%	0.15%	30.04.2022	320,919,563	0.20%
31.05.2021	302,361,953	0.30%	0.40%	31.05.2022	322,524,161	0.50%
30.06.2021	303,174,255	0.80%	0.27%	30.06.2022	323,394,976	0.27%
31.07.2021	304,236,475	0.50%	0.35%	31.07.2022	324,526,859	0.35%
31.08.2021	306,964,382	0.40%	0.90%	31.08.2022	327,447,600	0.90%
30.09.2021	308,302,103	0.50%	0.44%	30.09.2022	328,888,370	0.44%
31.10.2021	308,409,608	0.20%	0.03%	31.10.2022	329,875,035	0.30%
30.11.2021	310,099,368	0.60%	0.55%	30.11.2022	331,854,285	0.60%
31.12.2021 *	314,750,858	1.50%	1.50%	31.12.2022	336,832,099	1.50%
<b>In total</b>		<b>6.1</b>	<b>6.4%</b>			<b>7%</b>

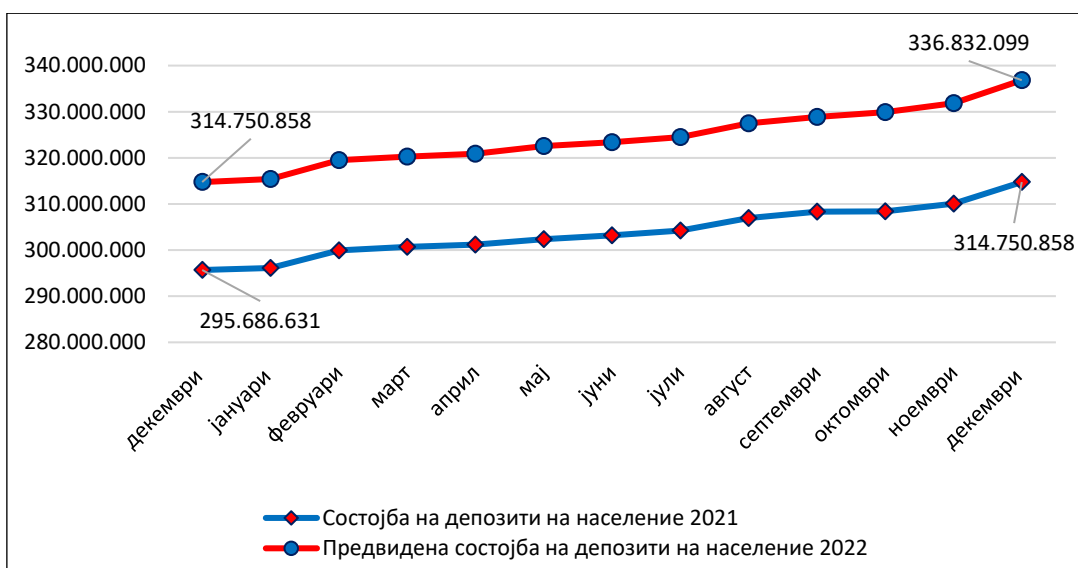
\*the amount and percentage of growth expressed for the month of December 2021 are given as expectations (projection) due to the fact that at the time of preparation of the financial plan for 2022 no real data is available for analysis.

According to the achieved increase in deposits in 2021 and the macroeconomic indicators given above in 2022, an annual growth of the deposit base of 7% is projected for 2022, which will be characterized by continuous monthly growth until the end of 2021.

The monthly trend of the movement of deposits in 2021 and planned for 2022 is given in Chart 1.

Chart 1: Dynamics of total household deposits for 2021 and projection of dynamics of total household deposits for 2022

*in thousands of denars*



According to the projected movement of deposits for 2022, it is predicted that by the end of 2022 the Fund will collect a total amount of premium of MKD 808,191,955.00 (Table 2).

Table 2: Expected collection of premium from the members of the Fund and the level of coverage of the Fund during 2022

<i>in denars</i>				
Date	Estimated state of deposits during 2022	Premium Rate (%)	Monthly premium amount	Coverage level (target ratio)
31.12.2021	314,750,858,520			
31.01.2022	315,380,360,237	0.25	65,573,096	4.84
28.02.2022	319,480,304,920	0.25	65,704,242	4.80
31.03.2022	320,279,005,682	0.25	66,558,397	4.81
30.04.2022	320,919,563,694	0.25	66,724,793	4.82
31.05.2022	322,524,161,512	0.25	66,858,242	4.82
30.06.2022	323,394,976,748	0.25	67,192,534	4.83
31.07.2022	324,526,859,167	0.25	67,373,953	4.83
31.08.2022	327,447,600,899	0.25	67,609,762	4.81
30.09.2022	328,888,370,343	0.25	68,218,250	4.81
31.10.2022	329,875,035,454	0.25	68,518,410	4.81
30.11.2022	331,854,285,667	0.25	68,723,966	4.81
31.12.2022	336,832,099,952	0.25	69,136,310	4.75
<b>Total annual premium for 2022</b>			<b>808,191,955</b>	

## II.2 Planned monthly movement dynamics and state of the investment portfolio of the Deposit Insurance Fund in 2022



In accordance with the Law on the Deposit Insurance Fund and in 2022, the Fund will place the collected funds in government securities - government bills with a maturity of 364 days, according to the calendar of monthly auctions for 2022, published by Ministry of Finance. The method of investing the funds is carried out according to the provisions of the Fund's internal acts - Rulebook on the Fund's investment policy.

During the preparation of the plan of the investment portfolio of the Fund for 2022, the following assumptions were determined:

- 7% annual increase in total deposits among the members of the Fund;
- 0.25% annual premium rate; and
- 0.50% annual interest rate on 12-month T-bills

The Fund will invest the money from the collection of premiums from the members of the Fund and the income based on the placements in securities.

The total premium in 2022 will amount to 808 million denars, which represents a basic inflow for reinvestment, i.e. for the purchase of new notes, together with the amount of notes due in each month of the year.

The total balance of the investment portfolio at the end of 2022 is planned to amount to 15,620 million denars (current value, 15,589 million denars), which represents an increase of 850 million denars, i.e. a growth of 5.8% compared to 2021. The dynamics and nominal values of the due T-bills and the planned T-bills by month in 2022 are shown in Table 3.

Table 3: Plan of the Fund's investment portfolio for 2022  
*in denars*

**Financial plan of the Deposit Insurance Fund for 2022**

- 2022 година (месеци) - 12 месечни државни записи	Достасани записи	Нови записи	Каматна стапка	Камата			Провизија за банка- купувач
	во номинална вредност			камата до 31.12.2022	камата во 2023	вкупно камата до доспевање	
<b>состојба на 31.12.2021</b>	<b>14.770.000.000</b>						
<b>јануари</b>	600.000.000	660.000.000	0,50%	3.091.792	228.008	3.319.800	35.000
	<b>14.830.000.000</b>						
<b>февруари</b>	760.000.000	830.000.000	0,50%	3.727.589	447.311	4.174.900	35.000
	<b>14.900.000.000</b>						
<b>март</b>	3.040.000.000	3.110.000.000	0,50%	13.064.734	2.578.566	15.643.300	35.000
	650.000.000	650.000.000	0,50%	2.479.071	2.089.129	4.568.200	35.000
	<b>14.970.000.000</b>						
<b>април</b>	1.230.000.000	1.300.000.000	0,50%	4.706.643	1.832.357	6.539.000	35.000
	<b>15.040.000.000</b>						
<b>мај</b>	1.040.000.000	1.110.000.000	0,50%	3.589.264	1.994.036	5.583.300	35.000
	<b>15.110.000.000</b>						
<b>јуни</b>	520.000.000	590.000.000	0,50%	1.622.451	1.345.249	2.967.700	35.000
	<b>15.180.000.000</b>						
<b>јули</b>	60.000.000	130.000.000	0,50%	307.189	346.711	653.900	35.000
	<b>15.250.000.000</b>						
<b>август</b>	380.000.000	450.000.000	0,50%	932.761	1.330.739	2.263.500	35.000
	<b>15.320.000.000</b>						
<b>септември</b>	0	60.000.000	0,50%	95.349	206.451	301.800	35.000
	<b>15.380.000.000</b>						
<b>октомври</b>	720.000.000	800.000.000	0,50%	884.396	3.139.604	4.024.000	35.000
	1.560.000.000	1.560.000.000	0,50%	1.422.771	6.424.029	7.846.800	35.000
	<b>15.460.000.000</b>						
<b>ноември</b>	2.170.000.000	2.250.000.000	0,50%	1.399.141	9.918.359	11.317.500	35.000
	1.010.000.000	1.010.000.000		432.663	4.647.637	5.080.300	35.000
	<b>15.540.000.000</b>						
<b>декември</b>	1.030.000.000	1.110.000.000	0,50%	260.759	5.322.541	5.583.300	35.000
	<b>15.620.000.000</b>						
<b>Вкупна состојба на 31.12.2021</b>	<b>15.620.000.000</b>			<b>38.016.573</b>	<b>41.850.727</b>	<b>79.867.300</b>	<b>525.000</b>
<b>Сегашна вредност на 31.12.2022</b>	<b>15.579.447.973</b>						

Based on the new placements in government bonds with an interest rate of 0.5%, the Fund will earn interest in the amount of 38,017 thousand denars, and will pay a commission to the intermediary banks for the mediation during the purchase of the bonds in the amount of 525 thousand denars.

Table 4: Overview of Treasury Bill-Based Interest Income and Bill Purchase Brokerage Plan in 2022  
in denars

O P I S	Condition
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<b>1. State of treasury bills ( 12-month treasury bills)</b>	<b>Nominal value</b>	<b>present value</b>
State of the government records on 31.12.2021	14,770,000,000	
New Treasury bills in 2022	850,000,000	
State of the government records on 31.12.2022	<b>15,620,000,000</b>	<b>15,579,447,973</b>
<b>2. Interest on the basis of treasury bills</b>	<b>2022</b>	<b>2023</b>
2.1. Interest on the basis of missing entries from 2021	39,428,152	
2.2. Interest based on new notes in 2022:		
-Interest on notes due 2022	38,016,573	
-Interest on notes due 2023		40,552,027
<b>Total:</b>	<b>77,444,725</b>	
<b>3. Commission for the purchase of treasury bills</b>	<b>525,000</b>	

In accordance with the Rulebook on the Fund's investment policy, the total amount of the Fund's investment portfolio at the end of each month will not exceed 99% of the sum of the balance of total cash assets, the balance of the Fund's securities and claims based on premiums. Under the state of the securities is taken the value adjustment of the treasury bills in the accounting records of the Fund (current state) at the end of each month. The funds are invested through the Fund's account in NBRSM.

The sum of the balance of securities investments and the balance of liquid assets on the Fund's account represents an element for determining the target level (the target proportion, the target) of the Fund, i.e. its ratio with the total deposits at banks and savings banks, members of the Fund, which in 2022 is planned to move from 4.84% in January 2022 to 4.75% in December 2022.

### **III . Planned balance sheet results of the Deposit Insurance Fund in 2022**

The Fund's business activity is presented by projecting the balance sheet results that are expected to be achieved at the end of 2022. One of the main goals of the Fund is to increase profits in order to provide financial resources needed to fertilize the capacities of the Fund for the realization of its basic functions, which are the insurance of deposits of the population and compensation of depositors in case of a risky event with one of the members - banks and savings banks.

According to the forecasts for macroeconomic trends and the guidelines of the macroeconomic policy of the Government of the Republic of North Macedonia for 2022, according to the calendar for auctions of government bills organized by the Ministry of Finance, as well as the anticipated needs of the Fund for the smooth running of business activity, the projected values by categories in the Fund's Balance Sheet and Income Statement for 2022.

#### **III.1 Balance sheet**

The amount of the total balance at the end of 2022 will amount to 16,041 million denars.

The projection for the total balance at the end of 2021 amounts to MKD 15,223 million, i.e. it is predicted that in 2022 the increase in the balance will amount to MKD 817,589 thousand or an increase of 5.37%.

The planned increase in the balance is mostly due to the participation of treasury bills in the total structure of assets.

#### **1. Structure of assets in terms of the Balance Sheet as of 12/31/2022**

The structure of assets in the Balance Sheet consists of four groups of asset categories:

- 1.1 "Intangible assets", software programs and similar rights needed for quality performance of business activities;
- 1.2 "Tangible assets" which include the value of the own office space together with the equipment (fixed assets) in which the business activity of the Deposit Insurance Fund is carried out;
- 1.3 "Investments" that are held until maturity and that make up the investment portfolio of the Fund; and
- 1.4 "Cash assets, claims, delimitations" which include the assets kept in the NBRSM, in commercial banks for operational needs and in the Fund's treasury. At the same time, this group also includes active time divisions.

The values by asset categories on the assets side are presented in table no. 5.

Table No. 5 Structure of assets in terms of the Balance Sheet

in thousands of denars

Description	Plan 31.12.2021	%	Status 30.11.2021	%	Projection 31.12.2021	%	Plan 31.12.2022	%	Index 8/6
1	2	3	4	5	6	7	8	9	10
<b>FUNDS</b>	<b>15,078,036</b>	<b>100.0</b>	<b>15,177,319</b>	<b>100.0</b>	<b>15,222,929</b>	<b>100.0</b>	<b>16,040,519</b>	<b>100.0</b>	<b>105.37</b>
<i>Intangible assets</i>	0	0.00	0	0.00	0	0.00	2,099	0.01	
Software and similar rights	0	0.00	0	0.00	0	0.00	2,099	0.01	
<i>Material means</i>	19,516	0.13	18,983	0.13	19,101	0.13	19,071	0.12	99.84
Real estate	18,779	0.12	18,712	0.12	18,645	0.12	17,836	0.11	95.66
Equipment	737	0.00	271	0.00	456	0.00	1,235	0.01	270.83
<i>Investments</i>	14,638,930	97.09	14,657,332	96.57	14,730,822	96.77	15,579,448	97.13	105.76
Twelve month records	14,638,930	97.09	14,657,332	96.57	14,730,822	96.77	15,579,448	97.13	105.76
<i>Cash, receivables, distinctions</i>	419,590	2.78	501,004	3.30	473,006	3.11	439,901	2.74	93.00
Cash resources	415,308	2.75	498,145	3.28	470,026	3.09	437,905	2.73	93.17
1. Cash in banks	415,238	2.75	498,078	3.28	469,960	3.09	437,835	2.73	93.16
2. Business card	60	0.00	51	0.00	50	0.00	50	0.00	100.00
3. Cashier	10	0.00	16	0.00	16	0.00	20	0.00	125.00
Claims	4,282	0.03	2,859	0.02	2,980	0.02	1,996	0.01	66.98
1. Claims based on premiums	0	0.00	0	0.00	0	0.00	0	0.00	
2. Other claims	0	0.00	0	0.00	0	0.00	0	0.00	
3. Advance payments of profit tax	4,282	0.03	2,859	0.02	2,980	0.02	1,996	0.01	66.98
Demarcations	0	0.00	0	0.00	0	0.00	0	0.00	
1. AVR	0	0.00	0	0.00	0	0.00	0	0.00	

### 1.1 Intangible assets

The "intangible assets" category includes the Fund's software and website. For 2022, the total value of intangible assets is planned to amount to MKD 2,099 thousand.

According to the conclusions of the Government of the Republic of North Macedonia, it is necessary to reserve funds for the procurement of software with which the Deposit Insurance Fund will join the National Interoperability Platform.

Also, in accordance with the planned reforms of the deposit insurance system, the procurement of a new or upgrade of the existing electronic system, which is used for the implementation of the Fund's business activities, is foreseen. Part of those reforms envisage electronic connection of the Fund with its members - banks and savings banks, a new way of calculating the premium rate, etc.

### 1.2 Tangible Assets

The category "Tangible assets" represents the business space, owned by the Fund, in which the business activity is carried out. According to the plan for 2022, its value at the end of 2022 is predicted to be 19,071 thousand denars or a decrease in value of 0.16%.

in the category of tangible assets. The value of existing equipment is reduced according to depreciation calculations.

The total value of the item - equipment is planned to be MKD 1,235 thousand.

According to the conclusion of the Government of the Republic of North Macedonia, the purchase of a server for the purpose of connecting to the National Interoperability Platform worth 62 thousand denars and the purchase of new computers worth 60 thousand denars, printers worth 12 thousand denars and office furniture worth 80 thousands of denars for the new jobs that are planned in the Deposit Insurance Fund in 2022, as well as the purchase of two new air conditioners worth 60 thousand denars and a photocopier worth 60 thousand denars.

### 1.3 Investments in held-to-maturity securities

In the structure of the Balance Sheet, on the side of the assets and during the year 2022, it is planned to have a dominant participation of 97.08% in the category of assets "investments in securities" (projection for 31.12.2021: 96.77%) . For the same, it is planned to increase the volume by 848,626 thousand denars or 5.76% in relation to the projected volume at the end of 2021 as a result of the determined investment policy of 99%.

### 1.4 Cash, receivables, allocations

The second largest category of assets on the assets side is "Cash assets, receivables and accruals". This category in the balance in 2022 is expected to amount to MKD 439,901 thousand.

Within this category, the highest percentage of representation belongs to the item "Cash assets, earmarked funds" which indicates earmarked cash assets in the amount of 361,000 thousand denars (projection for 31.12.2021: 400,000 thousand denars) intended for the payment of compensation to depositors from Eurostandard Bank ad Skopje in bankruptcy, distributed among 4 commercial banks - payers.

The item - demand deposit in NBRSM from this category at the end of 2022 will amount to MKD 75,332 thousand.

The remaining funds of the Fund are 1,503 thousand denars for deposits in commercial banks, a business card 50 thousand denars, 5 thousand denars treasury and 15 thousand denars foreign exchange treasury and advance payments of profit tax of 1,996 thousand denars.

## **2. Structure of capital and reserves and liabilities in terms of the Balance Sheet as of 12/31/2022**

Structure of capital and reserves and liabilities in terms of the Balance Sheet on 31.12.2022, it consists of two categories:

### 2.1 Capital and reserves

This group includes the capital of the Deposit Insurance Fund, the security reserves and the undistributed profit realized in the previous year, which according to the annual account in full amount according to legal obligation, is distributed to the security fund of the Fund.

### 2.2 Current liabilities

This group includes obligations to suppliers.

The structure and planned value of these categories is presented in table number 6.

Table No. 6 Structure of capital and reserves and liabilities in terms of the Balance Sheet

*in thousands of denars*

Description	Plan 31.12.2021	%	Status 30.11.2021	%	Projection 31.12.2021	%	Plan 31.12.2022	%	Index 8/6
1	2	3	4	5	6	7	8	9	10

<b>CAPITAL AND RESERVES AND LIABILITIES</b>	<b>15,078,036</b>	<b>100.00</b>	<b>15,177,319</b>	<b>100.00</b>	<b>15,222,929</b>	<b>100.00</b>	<b>16,040,519</b>	<b>100.00</b>	<b>105.37</b>
<i>Capital and reserves</i>	<i>14,827,201</i>	<i>98.34</i>	<i>14,753,458</i>	<i>97.21</i>	<i>14,821,315</i>	<i>97.36</i>	<i>15,676,519</i>	<i>97.73</i>	<i>105.77</i>
Paid up capital	10,300	0.07	10,300	0.07	10,300	0.07	10,300	0.06	100.00
Security Fund	14,781,434	98.03	14,703,929	96.88	14,768,533	97.02	15,619,251	97.37	105.76
Profit for the year	35,467	0.24	39,229	0.26	42,482	0.28	46,968	0.29	110.56
<i>Current liabilities</i>	<i>250,835</i>	<i>1.66</i>	<i>423,861</i>	<i>2.79</i>	<i>401,614</i>	<i>2.64</i>	<i>364,000</i>	<i>2.27</i>	<i>90.63</i>
Liability for damages	250,835	1.66	423,861	2.79	401,614	2.64	364,000	2.27	90.63
Other obligations	0	0.00	0	0.00	0	0.00	0	0.00	
1. Others short-term liabilities	0	0.00	0	0.00	0	0.00	0	0.00	
2. PVR	0	0.00	0	0.00	0	0.00	0	0.00	

## 2.1 Capital and reserves

### 2.1.1 Capital

The capital of the Fund in the amount of 10.3 million denars is owned by the Republic of North Macedonia and in 2022 it is planned to maintain the level of previous years. In the structure of capital and reserves and liabilities, it is expected to participate with 0.06%.

### 2.1.2 Security Fund

The item - "security fund" is expected to reach the amount of MKD 15,619 million, or an increase of 5.76%, i.e. by MKD 850.7 million, it will exceed the level projected for December 31, 2021.

### 2.1.3 Accumulated Profit

The profit from the business activity in 2022 will result in a profit of 46,968 thousand denars (projection for 2021: 42.482 thousand denars) or an increase of 10.56%.

The profit realized by the Fund is the result of the interest earned from investing in securities.

## 2.2 Current liabilities

### 2.2.1 Liability for Damages

Liability for damages in 2022 will reach an amount of 364,000 thousand denars based on the compensation of depositors from Eurostandard Bank ad Skopje in bankruptcy (projection for 31.12.2021: 401,614 thousand denars).

## III .2 Plan of Income Statement for the period from 01.01 to 31.12.2022

The effects of the actual planning and realization of the business activity for 2022 are expected to be effected in income from the Income Statement, and especially in the realization of profit. Based on the predicted parameters in all segments of the Fund's operations with the 2022 plan, it is expected:

- Total revenues to be realized in the amount of 77,445 thousand denars (projection for 2021: 62,907 thousand denars) or an increase of 23.11%. The income generated by the Fund derives from the interest on government bills, which in 2022 is expected to be 0.5%.
- Total expenses to reach an amount of 25,236 thousand denars (projection for 2021: 15.700 thousand denars), or an increase of 60.74%, while the positive effect would result in:

- Profit tax of 5,240 thousand denars (projection for 2021: 4. 725 thousand denars) or an increase of 10.91% and
- Net profit of 46,968 thousand denars (projection for 2021: 42.4 82 thousand denars).

According to the determined values of all positions from the planned profit and loss account for 2022, the income is generated from the interest earned on the basis of investing in twelve-month treasury bills, and the expenses are realized due to the smooth execution of the activity.

## 1. Income

The structure of the revenues that the Fund will achieve in 2022 are presented in table no. 7.

Table No. 7 Structure of income in terms of the Income Statement  
*in thousands of denars*

Description	Plan 01.01.2021 - 31.12.2021	%	01.01.2021 - 30.11.2021	%	Projection 01.01. 2021 - 31.12.2021	%	Plan 01.01.2022 - 31.12.2022	%	Index 8/6
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
<b>INCOME</b>	<b>60,279</b>	<b>100.00</b>	<b>56,845</b>	<b>100.00</b>	<b>62,907</b>	<b>100.00</b>	<b>77,445</b>	<b>100.00</b>	<b>123.11</b>
1. State records - six months	0	0.00	0	0.00	0	0.00	0	0.00	
1. State records - twelve months	60,269	99.98	56,807	99.93	62,869	99.94	77,445	100.00	123.18
3. Demand deposits - NBRM	0	0.00	0	0.00	0	0.00	0	0.00	
3. Demand deposits - commercial banks	0	0.00	0	0.00	0	0.00	0	0.00	
5. Penal interest based on premiums	10	0.02	38	0.07	38	0.06	0	0.00	0.00
6. Interest from paying banks	0	0.00	0	0.00	0	0.00	0	0.00	

In 2022, the revenues from interest on treasury bills in the planned amount of 77,445 thousand denars, participate with 100% in the structure of total revenues. The total revenues are expected to be higher by 23.11% compared to the revenues projected in 2021, that is, to increase by 14,538 thousand denars. In 2022, it is planned to buy twelve-month government bills with an annual interest rate of 0.5%.

## 2. Expenses

The expense side of the income statement consists of six categories of expenses.

The total expenses for 2022 will amount to MKD 25,237 thousand.

The expenses projected for 2021 in the amount of 15,700 thousand denars will increase by 60.75% of the expenses in 2022.

The increase in expenditures will not affect the safety reserves and the income of the Deposit Insurance Fund.

The funds needed to cover the newly planned expenses are provided from the liquid assets of the Fund and they do not exceed the minimum allowed threshold of 1% of the total cash assets of the Fund on an annual level, in accordance with the legal regulation.

Table No. 8 Structure of expenses in terms of the Income Statement

*in thousands of denars*

Description	Plan 01.01.2021 - 31.12.2021	%	01.01.2021 - 30.11.2021	%	Projection 01.01. - 31.12.2021	%	Plan 01.01.2022 - 31.12.2022	%	Index 8/6
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1	2	3	4	5	6	7	8	9	10
<b>EXPENSES</b>	<b>20,861</b>	<b>100.00</b>	<b>13,255</b>	<b>100.00</b>	<b>15,700</b>	<b>100.00</b>	<b>25,237</b>	<b>100.00</b>	<b>160.75</b>
1. Costs for services	2,466	11.82	760	5.73	871	5.55	5,777	22.89	663.26
2. Depreciation and depreciation	1,014	4.86	860	6.49	938	5.97	1,554	6.16	165.67
3. Material costs	864	4.14	484	3.65	630	4.01	959	3.80	152.22
4. Other expenses from work	1,747	8.37	1,262	9.52	1,331	8.48	1,933	7.66	145.23
5. Expenses for employees	14,315	68.62	9,455	71.33	11,401	72.62	14,489	57.41	127.09
6. Expenses based on financial investments	455	2.18	434	3.27	529	3.37	525	2.08	99.24

In 2022, the category - expenses for employees will amount to 14,489 thousand denars, or an increase from the plan for 2021 by 174 thousand denars.

The category of staff costs covers the already foreseen employments (foreseen in the 2021 plan) of one person responsible for ICT, one hygienist, as well as the employment of an accounting consultant as a replacement for a retiring colleague. In addition to these already planned employments, the employment of a junior associate is planned.

In the category of expenses for employees, expenses for the payment of severance pay for retirement, payment of jubilee award and annual leave are included.

The category "costs for services" will reach an amount of 5,801 thousand denars or 3,334 thousand denars more than the plan for 2021. In the Financial Plan for 2021, the value of this category was planned to be 2,466 thousand denars, but due to the global pandemic and the crisis caused by the infectious disease COVID-19, which continued in 2021, the largest percentage of the costs in this category were not realized and hence the realization at the end of 2021 it will amount to 871 thousand denars.

Most of the activities that were planned for 2021 are being planned again for 2022. Table No. 9 provides an analytical view of all service costs in the Deposit Insurance Fund.

Table No. 9 Structure of service costs  
in denars

Description	Plan 01.01.2021 - 31.12.2021	Total 01.01.2021 - 30.11.2021	Projection 01.01.2021 - 31.12.2021	Plan 01.01.2022 - 31.12.2022	Index 5/4
1	2	3	4	5	6
<b>Service charges</b>	<b>2,465,950</b>	<b>760,192</b>	<b>871,181</b>	<b>5,776,576</b>	<b>663.07</b>
Costs for services of natural persons	0	86,868	109,090	66,666	61,11
Commission for paid transaction - NBRM	24,000	17,000	22,000	24,000	109.09
Payment commission - NLB Bank	32,000	33,571	35,971	36,000	100.08
Bank commissions - commercial banks	2,000	2,674	8,227	10,000	121.55
Insurance premiums	60,000	23,743	23,743	30,000	126.35
Casco insurance	25,000	21,155	21,155	25,000	118,18
Expenses for telecommunication services-telephony	472,000	126,747	151,747	236,000	155.52
Charges for telecommunication services-postal	3,000	4,146	6,146	7,000	113.90

Taxi costs	3,000	514	2,014	6,000	297.91
Facilities/equipment maintenance services	354,000	18,010	19,210	100,000	520.56
Renovation of premises	70,800	0	0	3,701,070	
Software maintenance	177,000	162,250	177,000	177,000	100.00
Network and computer maintenance	177,000	0	0	177,000	
Web hosting has become	11,800	4,600	4,600	11,800	256.52
Marketing expenses	70,800	920	920	70,800	7,695.65
New WEB page	141,600	18,700	18,700	0	0.00
Representation expenses	30,000	21,411	30,000	81,000	270.00
Expenses for catering services	60,000	0	14,500	135,000	931.03
Organizing an event for a savings day	212,400	0	0	212,400	
Organizing promotional and educational events related to deposit insurance	141,600	0	0	215,000	
Stress test in a bank	141,600	0	0	0	
Team building	0	0	0	141,600	
ISO 9001 standard recertification costs	0	0	0	0	
Costs for supervisory inspection according to ISO 9001:2015	106,200	102,140	102,140	102,140	100.00
Servicing of PP devices	2,950	0	3,000	3,000	100.00
Motor vehicle registration	18,000	19,448	19,448	20,000	102.84
Toll charges	60,000	36,080	41,080	60,000	146.06
Parking costs	6,000	225	500	24,000	4,800.00
Other motor vehicle expenses	3,200	4,100	4,100	4,100	100.00
Vehicle servicing	60,000	46,902	46,902	60,000	127.93
Tire costs	0	8,988	8,988	40,000	445.04

\*the amounts in the table are presented with VAT included

In 2022, for the item Renovation of premises, expenses in the amount of 3,701 thousand denars are planned, of which 60 thousand are planned for the preparation of project documentation, and 3,075 thousand are planned for the realization of the renovation.

Other expenses from this category are the expenses for telecommunication services - 236 thousand denars. According to the Law on Public Procurement (as of April 1, 2019), the procurement of telecommunication services is carried out through the publication of a tender for the procurement of telecommunication services. The Fund needs: fixed telephony, mobile telephony, internet for the entire Fund and television. The packages of telecommunication services that are offered on the market, and which correspond to the needs of the Fund, are concluded for a period of 2 years. Hence, it is necessary to reserve funds worth a 2-year contract or 236 thousand denars per year in service costs.

During the year 2022, 100 thousand denars are reserved for the procurement of services for repairs and ongoing maintenance of the premises in the Fund (maintenance of plumbing, electrical and heating installations, whitewashing, etc.).

Regular software maintenance costs amount to MKD 177 thousand. The costs for network and computer maintenance are planned to amount to MKD 177 thousand.

During 2022, we plan to carry out promotional and educational activities worth: 1) organizing an event for Savings Day - 212.4 thousand denars, 2) organizing events for promotional and educational activities related to deposit insurance - 215 thousand denars and 3) " team building" event for the employees of the Deposit Insurance Fund - 141.6 thousand denars.

The cost of certification for the ISO standard of 102 thousand denars refers to ISO certification which is valid for 3 years, but is revised every year and accordingly is paid annually.

for hosting the website of FOD. Marketing expenses in the amount of 60 thousand denars are also planned.

In this category, costs for representation - 81 thousand denars and costs for catering services in the value of 135 thousand denars - are planned . If the epidemiological situation allows, these funds will be used to hold live meetings with guests - colleagues from the region and EU countries, as well as meetings with representatives of institutions from the financial sector, in order to strengthen cooperation and exchange experiences in the field of protection of the deposits.

Expenses for the parking of an official vehicle are planned in the amount of 24 thousand denars. The other costs from the " service costs" category refer to regular costs for registration 20 thousand denars, vehicle servicing 60 thousand denars and tires 40 thousand denars.

The "depreciation and depreciation" category in 2022 is expected to amount to 1,554 thousand denars.

In the " material costs" category, it is expected to amount to 959 thousand denars (projection 2021: 629 thousand denars).

In these costs, the costs for the purchase of office supplies 60 thousand, purchase of USB 5 thousand denars, toners 60 thousand denars, hygiene products 60 thousand denars have been calculated.

Electricity costs are planned to increase to 200 thousand denars.

In this category, the costs of heating, newspapers and magazines, fuel for the car, etc. are also planned.

Table No. 10 provides an analytical view of the material costs.

Table no. 10 Structure of material costs

*in denars*

Description	Plan	Total	Projection	Plan	Index 5/4
	01.01.2021 - 31.12.2021	01.01.2021 - 30.11.2021	01.01.2021 - 31.12.2021	01.01.2022 - 31.12.2022	
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Material costs</b>	864,000	483,464	629,359	959,060	152.39
Stationery costs	70,800	28,040	35,000	70,800	202.29
Stationery costs-USB	0	2,250	2,250	5,000	222.22
Expenses for stationery-toners	70,800	14,720	18,720	70,800	378.21
Expenses for stationery-sanitary products	70,800	24,012	32,012	70,800	221.17

Stationery expenses-other	0	180	180	0	0.00
Electricity costs	177,000	80,296	110,296	200,000	181.33
Water costs	12,000	11,050	13,050	15,000	114.94
Heating costs	300,000	189,631	256.155	300,000	117.12
Cost of printing forms	1,000	5,180	5,180	6,000	115.83
Expenses for newspapers and magazines	20,000	25,280	25,280	36,580	144.70
Electronic waste	0	0	0	7,080	
Fuel consumption costs	141,600	102,825	131,236	177,000	134.87

\*the amounts in the table are presented with VAT included

The category "other operating expenses" has a value of 1,933 thousand denars or an increase of 185 thousand denars from the planned for 2021. In this group of costs, the costs of membership in the European Forum of Deposit Insurers are calculated, which for the year 2022 amounts to 4000 euros for countries outside the European Union. The expenses for business trips to the EFDI annual meeting, regular meetings of the Regional Forum of EFDI member countries of the Balkans, regular meetings of the Public Relations Committee of EFDI, expenses for the accommodation of employees at the aforementioned meetings during 2021 were not realized due to the pandemic, but they are planned for 2022. Other costs from this category are costs for professional development, physical security of a business facility, disinfection and fees for members of the Management Board. Also, with the conclusion of the Government of the Republic of North Macedonia, the hiring of volunteers is planned, the cost of which is estimated to be 55.5 thousand denars. The projection for realization by the end of 2021 of this category is 1,331 thousand denars.

Table No. 11 shows an analytical view of other work costs .

Table no. 11 Structure of other expenses from work

*in denars*

	Plan 01.01.2021 - 31.12.2021	Total 01.01.2021 - 30.11.2021	Projection 01.01.2021 - 31.12.2021	Plan 01.01.2022 - 31.12.2022	Index 5/4
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Other expenses from work</b>	<b>1,747,524</b>	<b>1,262,049</b>	<b>1,331,294</b>	<b>1,932,839</b>	<b>145.18</b>
Membership fee in the European Forum of Deposit Insurers	247,200	247,200	247,200	247,200	100.00
Membership fee in the Institute of Chartered Accountants	0	2,400	2,400	2,400	100.00
Diaries for business travel in the country	0	0	0	0	
Diaries for a business trip abroad	100,000	14,438	14,438	100,000	692.62
Travel expenses for a business trip in the country	0	0	0	0	
Travel expenses for a business trip abroad	150,000	616	616	150,000	24,350.65
Travel expenses-taxes for transportation abroad	6,000	0	0	12,000	
Expenses for using one's own vehicle for official purposes	0	19,743	19,743	0	0.00
Compensation for accommodation on a business trip in the country	0	0	0	0	

Compensation for accommodation on a business trip abroad	200,000	15,177	15,177	200,000	1,317.78
Compensation of members of the Board of Directors	693,324	635,548	693,325	693,324	100.00
Professional training costs	60,000	45,140	50,000	200,000	400.00
Audit costs	188,800	188,800	188,800	188,800	100.00
24 hour facility monitoring	41,300	32,450	38,350	41,300	107.69
Non-production services - using a safe	0	6,962	6,962	2,360	33.90
Other intangible costs - travel insurance	2,000	400	400	3,000	750.00
Other expenses from the operation - commission CR, CDHV	6,000	3,891	3,891	6,000	154.20
Other operating costs - electronic signature	5,000	9,220	9,220	15,000	162.69
Non-production services-publishing costs	0	5,664	6,372	8,000	125.55
Other operating expenses - notary services	2,000	0	0	2,000	
Other costs from operation - disinfection	5,900	0	0	5,900	
Other operating costs - systematic review	40,000	34,000	34,000	0	0.00
Other operating expenses		400	400	55,555	13,888.75

The value of the category "Expenditures based on financial investments" will amount to 525 thousand denars by the end of 2022.

### 3. Net profit for 2022

According to the planned income and expenses from the operation of the Deposit Insurance Fund in 2022, it is expected to realize a net profit in the amount of MKD 60,494 thousand or an increase of 42.49%.

Table 12. Net profit  
in denars

Description	Plan 01.1.2021 - 31.12.2021	Total 01.01.2021 - 30.11.2021	Projection 01.01.2021 - 31.12.2021	Plan 01.01.2022 - 31.12.2022	Plan 2022 / Projection 2021 (%)	Plan 2022 / Plan 2021 (%)	Difference in absolute amounts 5/4
1	2	3	4	5	6	7	8
TOTAL INCOME	60,278,621	56,844,884	62,906,660	77,444,725	123.11	128.48	14,538,065
TOTAL EXPENDITURE	20,861,141	13,249,572	15,699,873	25,236,384	160.74	120.97	9,536,511
Gross profit	39,417,480	43,590,312	47,206,787	52,208,341	110.59	132.45	5,001,554
Profit tax	3,949,848	4,360,958	4,724,684	5,240,274	110.91	132.67	515,590
NET PROFIT	35,467,632	39,229,354	42,482,103	46,968,067	110.56	132.43	4,485,964

According to the Law and the Statute of the Deposit Insurance Fund, the net profit that is expected to be realized in 2022 will be distributed in the "security reserves" of the Fund in order to increase

the financial strength of the Fund, which enables greater security and confidence among the depositors.

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All projected segments and positions in the balance sheets of the Financial Plan of the Deposit Insurance Fund for 2022 are based on a concise analysis and realistic parameters. From there, expectations are also realistic that they will be fully accepted in the manner and according to the values implemented and presented in the material in question.

Наш број 02 – 141/1  
Скопје, 03.03.2022 година

