



MAPAS

Agency for Fully Funded Pension Insurance

**Report
On Developments in the Mandatory Fully Funded
Pension Insurance in 2006**

Skopje, May 2007

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Introduction

This is the first Report on the developments in the Mandatory Fully Funded Pension Insurance.

Pursuant to the Law on Mandatory Fully Funded Pension Insurance, the Agency has obligation to prepare and publish Report on developments in Fully Funded Pension Insurance on an annual basis. The Report should contain data on mandatory fully funded pension insurance, an appraisal on the performance of the legislation on fully funded pension insurance, data related to operations of the Agency and any other matters that the Agency considers important for the mandatory fully funded pension insurance, The report is published in “Official Gazette of the Republic of Macedonia”.

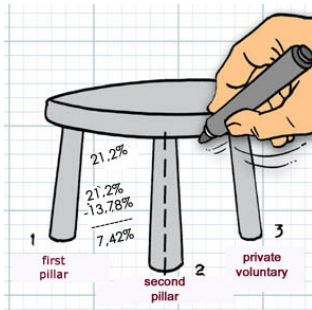
This Report reflects the developments in this insurance during 2006. At the beginning of 2006 the majority of the members had already been registered as members since December 31, 2005 was the deadline for signing membership contracts for voluntary members. Membership registration continues on an ongoing base for mandatory members and certain exceptions for persons that had employment gaps. First contribution payments into the mandatory fully funded pension insurance were done in January 2006, after which Pension Companies started with investment of the assets of the pension funds. Pension Companies mainly invested in Government securities, deposits and shares. At the end of the year, the pension funds achieved around 6% rate of return.

1. Structure of the Fully Funded Pension Insurance

1.1 Description of the pension system in the Republic of Macedonia

The pension system in the Republic of Macedonia is regulated with the Law on Pension and Disability Insurance (“Official Gazette of the Republic of Macedonia” No. 80/93, 3/94, 14/95, 32/96, 24/00, 96/00, 5/01, 50/01, 85/03, 40/04, 5/05, 101/05 and 20/06), the Law on Mandatory Fully Funded Pension Insurance (Official Gazette of the Republic of Macedonia” No. 29/02, 85/03, 40/04 and 113/05) and secondary regulations that regulate in detail relevant topics.

The basis of the reformed pension system as a three-pillar pension system which is part of social insurance in the Republic of Macedonia was set in the law in 2000.



The structure of the reformed pension system is as follows:

- **First pillar** – insurance based on generational solidarity
- **Second pillar** – mandatory fully funded pension insurance
- **Third pillar** – voluntary fully funded pension insurance

1.2 Role of the fully funded pension insurance in the pension system

Social and economic changes in the Republic of Macedonia at the beginning of the 90s had an influence on the pension system, as well. The pension system faced financial difficulties in its operations, particularly in the regular payment of pensions. The longevity of the population as a world trend did not bypass Macedonia. The analyses show that life expectancy is expected to increase by 5 years in the following 40 years. Increased number of elderly people in total population, at the same time means increased number of pensioners, while increased life expectancy means longer usage of pension benefits. Additionally, unfavorable developments in the economy influenced decrease of active contributors, on one hand, and increased number of pensioners, on the other hand. All these factors have strong impact on the long-term solvency of the Pension and Disability Insurance Fund of Macedonia and actuarial projections show that the system would function with deficit that would increase rapidly and extensively. In order to overcome and to prepare for these expected developments, a thorough reform of pension and disability insurance in our country was conducted. Multi-pillar pension system was established by the reform, with combined manner of financing and diversification of demographic and economic risks, which will at the same time enable long-term financial solvency of the pension system.

First pillar is financed on a pay-as-you-go basis, which means that contributions of current contributors are used to finance pension benefits of current pensioners. This pillar provides defined pensions according to predetermined formula, and shall provide one part of old age pension, disability pension, survivors' pension, as well as a minimal pension.

Second pillar means introduction of new, fully funded pension insurance, with defined contributions, on a mandatory basis, for contributors employed for the first time after January 1, 2003 (and voluntary for contributors employed before January 1, 2003). This pillar provides one part of old age pension.

Third pillar, which is in a process of establishment, is fully funded as the second pillar, but the difference is that it shall be open for membership on a voluntary basis.

It is expected that the pension system reform and the establishment of the multi-pillar pension system as combined system of public, pay-as-you-go financing and private, fully funded pension insurance in the Republic of Macedonia shall provide long-term stability of the system, which is important element of the social insurance. Consequently this will lead to safety in acquiring rights from the pension and disability insurance. The design of the reform is based on persistence of principles and maxims of the current pension system: compulsoriness of the pension and disability insurance, dependency of the rights on duration and scope of assets paid in, social justice, compliance with conventions and recommendations of ILO. At the same time, new system is compliant with the Constitution of the Republic of Macedonia according to which all citizens have the right to a social security and social insurance. It means persistence of the principle of insurance against all risks (longevity, death and disability).

Fulfilling these goals shall result in long-term advantages for individuals participating in the pension system, for the pension system itself, as well as in additional effects for the economy in general.

Expected advantages for the individuals	Expected advantages for the system
<ul style="list-style-type: none"> • Greater security • Risk diversification • Transparency of operations 	<ul style="list-style-type: none"> • Solvent pension system • Increase in national savings • Increased power of investment • Economy Growth • Increased efficiency of the Macedonian labor market

1.2 Role of the fully funded pension insurance in the overall pension system

Fully funded pension insurance radically differs from previously existing pay-as-you-go financing regarding the treatment and registration of paid contributions and pension benefit determination. Every member has individual account in which his assets are registered, which looks a lot like saving. This type of insurance provides close relation and dependency between the scope of asset paid into the system – contributions and future pensions that will be acquired by each person, based on market principles. This way of insurance is based on the principle of asset accumulation on individual accounts and their investment. Rate of return on investments, lowered for the costs of operations, is fully allocated to the assets accumulated in the individual accounts. The future pension shall depend on the accumulated assets and the life expectancy at retirement, i.e. the expected period of pension usage. It is important to emphasize that pension saving is a long term saving, during which, gradually, but continuously assets will increase. Due to this, while the contributor is young, savings are low, but in the future, when the contributor will reach the retirement age, savings will be substantially higher.

One important characteristic of the second pillar is that it is privately and competitively managed, and contributions paid are invested by pension management companies. This way, it is provided that economic goals determine investment strategy, creating possibility for maximizing the overall return in best interest of members. Diversification of investment risks (including international diversification) is also one of the important characteristic of the system.

Another important characteristic of the system is the right for individual choice and individual initiative. All the contributors employed before January 1, 2003 were given possibility to decide whether to enter the two-pillar pension system and to choose a pension fund in which they would like to be members. All newly employed contributors were given the possibility to choose one of the two pension funds. All contributors that shall enter two-pillar pension system will have the right to transfer from one to another pension fund. The reformed pension system is mainly designed for the young employees and employees with few years of service before entering the two-pillar pension system. For older employees and employees with lots of years of service there were strong reasons to remain in the mono-pillar system, taking into account that in the new system they will have less time for accumulating enough assets in their accounts before retirement.

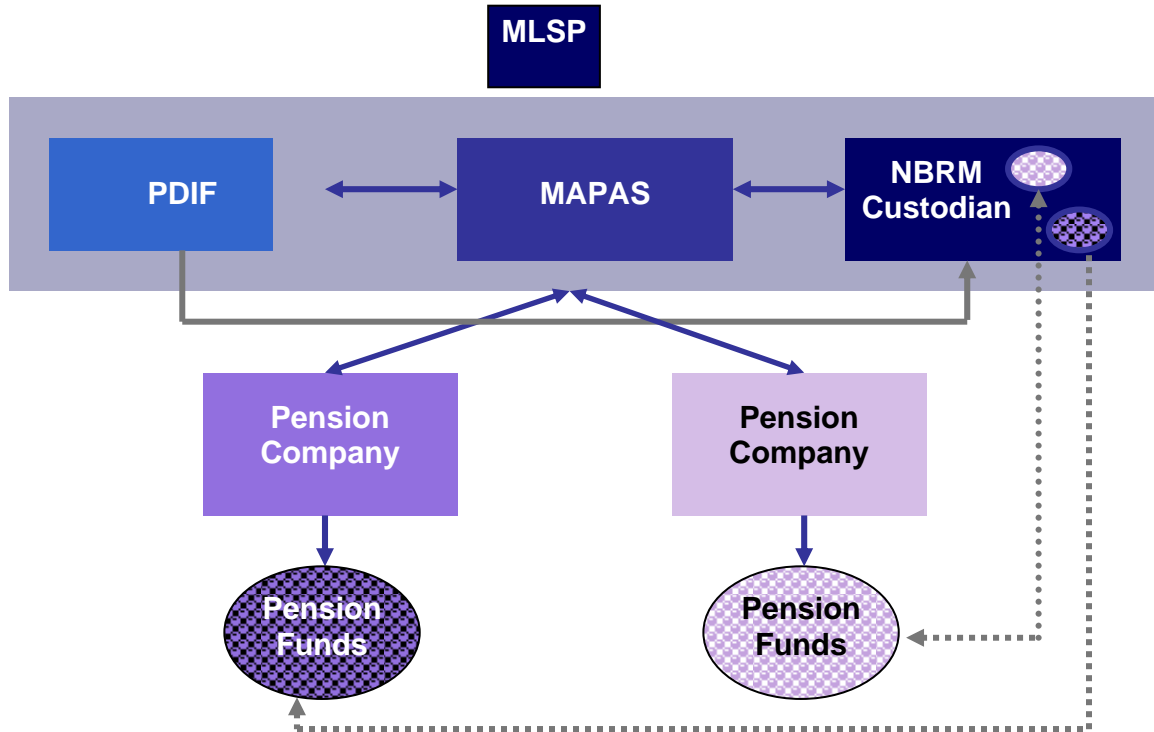
The fully funded pension insurance offers a great degree of transparency, which is one of its important characteristics and useful news in the pension system. Pension companies are legally obligated to regularly, at least once a year inform their members in written format, about their individual accounts, dates of contribution payments and transfers during the relevant time period, fees charged, conversion of contributions and transferred assets into accounting units and balance of the individual account. At least once a year, pension companies submit to their members data on the value and pension fund assets participation invested in each type of asset, including data on the issuers and brokerage fees. Pension companies also, once a year, publish informative prospectus which contains data on the fund and pension company that among other contains data about Supervisory and Management Board of the company, main principles of investment, fees they are charging, investment, net assets, realized return, etc.

1.3 Institutional infrastructure of the fully funded pension insurance

Institutions that comprise the reformed pension system are the following:

- *Ministry of Labor and Social Policy* – responsible for creating and implementing the policy on pension and disability insurance and for supervision of the legality of operations within this insurance
- *Agency for Supervision of Fully Funded Pension Insurance (MAPAS)* – regulatory and supervisory body that protects the interests of pension fund members and stimulates the development of fully funded pension insurance, which reports to the Government of the Republic of Macedonia for its operations
- *Pension Management Company* – joint stock company founded by financial institutions with big capital and experience, whose sole activity is management of pension fund assets
- *Custodian of pension assets* – safely keeps pension fund assets, in a separate account, separate from the assets of the pension company (for the first five years the National Bank of the Republic of Macedonia shall be the custodian)
- *Pension and Disability Insurance Fund of Macedonia (PDIF)* – undertakes centralized contribution collection and allocation of contributions and relevant data for the members in the elected pension funds and companies

Schematic representation of the institutional infrastructure



A pension company for managing pension funds shall be a joint stock company that manages a pension fund and shall be established and shall operate in accordance with the Trade Company Law and the Law on Mandatory Fully Funded Pension Insurance. The sole activity of the pension companies is the management of pension funds, representing them in front of third parties and other activities related to the pension fund’s management.

A pension fund shall be an open-end investment fund whose establishment and operation are in accordance with the Law on Investment Funds, unless this is regulated in a different manner by the Law on Mandatory Fully Funded Pension Insurance. A Pension Fund shall be comprised of assets derived from contributions made by pension fund members and the returns on investments of those contributions. A pension fund shall be owned by its members whose individual ownership rights shall be determined by the assets standing on their account. The assets of the pension fund shall be fully separated from those of its managing pension company. This asset segregation is of extreme importance in order to provide high level of security of the assets.

For a period of ten years one pension company can establish and manage only one pension fund. During the early stage of the system’s establishment it is envisaged only one pension fund per pension company to be allowed, and during later stages, if there are conditions for it, depending on the financial market development, it will be allowed bigger number and greatest variety of pension funds to exist.

Due to the size of the financial sector and expected number of members in the new pension system, for the Republic of Macedonia it was important to limit the number of participants in the pension market. The Agency for Supervision of Fully Funded Pension Insurance granted licenses for establishment of only two Pension Companies for a period of ten years.

Licenses for establishment of Pension Companies and approvals for pension fund management were granted through public tender. On April 4, 2005 licenses were granted to the following two Pension Management Companies:

Akcionersko društvo za upravljanje so penziskimi fondovi NOV PENZISKI FOND Skopje	KB Prvo društvo za upravljanje so penziskimi fondovi AD Skopje
<i>which manages with</i>	<i>which manages with</i>
NOV PENZISKI FOND – Otvoren penziski fond	KB Prv otvoren penziski fond – Skopje
Founders of Akcionersko društvo za upravljanje so penziskimi fondovi NOV PENZISKI FOND Skopje are Nova Ljubljanska Banka DD, Ljubljana, Republic of Slovenia, which represents a portion of 51% of the Pension Company capital and NLB Tutunska Banka AD, Skopje, Republic of Macedonia, which represents 49% of the Pension Company's capital. The founding capital of the Pension Company is 2.0 million Euros.	Founders of KB Prvo društvo za upravljanje so penziskimi fondovi AD Skopje are Prva pokojninska Družba DD, Ljubljana, Republic of Slovenia, which represents 51% of the Pension Company capital and Komercijalna Banka AD, Skopje, Republic of Macedonia, which represents 49% of the Pension Company's capital. The founding capital of the Pension Company is 1.5 million Euros.

2. Financial data regarding Pension Management Companies

2.1 Pension Companies Income for 2006

Basis:	NOV PENZISKI FOND AD Skopje		KB Prvo penzisko društvo AD Skopje	
Fees from contributions	50.699.420,00	87,24%	61.778.654,00	93,15%
Fees from assets	1.370.776,50	2,36%	1.702.277,00	2,57%
Interest and positive exchange rate differences	4.996.506,00	8,60%	2.488.915,00	3,75%
Other income of the Company	1.046.366,00	1,80%	346.401,00	0,52%
Total	58.113.068,50		66.319.246,00	

2.2 Pension Company Expenditures for 2006

Basis:	NOV PENZISKI FOND AD Skopje		KB Prvo penzisko društvo AD Skopje	
Expenditures for pension fund management				
Expenditures for agents of the Company	11.730.774,50	19,99%	10.841.941,00	15,69%
Expenditures for marketing	1.891.063,00	3,22%	2.431.927,00	3,52%
Expenditures for MAPAS	8.949.057,00	15,25%	10.932.218,00	15,82%
Expenditures for NBRM as custodian	4.175.798,50	7,12%	5.101.324,00	7,38%
Expenditures for PDIF	3.579.257,00	6,10%	4.372.563,00	6,33%
Other expenditures for pension fund management	120.500,00	0,21%	3.800.766,50	5,50%

Total (Subtotal)	30.446.450,00	51,89%	37.480.739,00	54,25%
Expenditures for Pension Company management				
Wages and allowances for the employees	14.716.652,00	25,08%	6.650.169,00	9,63%
Nonmaterial expenditures for operations	4.384.143,00	7,47%	17.315.751,00	25,06%
Material expenditures for operations	6.113.529,50	10,42%	4.484.993,00	6,49%
Amortization	1.993.473,00	3,40%	3.079.366,00	4,46%
Reservations for risks	76.356,00	0,13%		0,00%
Expenditures from interest, exchange rate differences and similar expenditures	140.326,00	0,24%	52.736,50	0,08%
Other expenditures for operations	803.745,00	1,37%	26.287,00	0,04%
Total (subtotal)	28.228.224,50		31.609.302,50	
Total	58.674.674,50		69.090.042,00	

2.3 Financial results of Pension Companies

Description	NOV PENZISKI FOND AD Skopje	KB Prvo penzisko drustvo AD Skopje
Loss (2006)	561.606,00	2.773.795,00
Accumulated losses (2005 and 2006)	39.464.441,00	27.018.454,00

2.4 Equity of the Pension Companies

Description	NOV PENZISKI FOND AD Skopje	KB Prvo penzisko drustvo AD Skopje
In denars	83.242.922,50	65.090.410,00
As % of legal minim founding capital	90,45%	70,67%

2.5 Indicators

Description	NOV PENZISKI FOND AD Skopje	KB Prvo penzisko drustvo AD Skopje
<i>Average income per member</i>	945,50	995,50
<i>Average expenditures per member</i>	954,50	1037,00
<i>Accumulated loss / Equity</i>	47,41%	41,51%

Desc.	Year	NOV PENZISKI FOND AD Skopje	KB Prvo penzisko drustvo AD Skopje
<i>ROA</i>	2005	-57,46%	-22,82%
	2006	-0,60%	-2,69%
<i>ROE</i>	2005	-72,42%	-35,73%
	2006	-0,67%	-4,26%

3. Information on pension funds

3.1 Membership

A contributor shall become a member of a pension fund by signing a membership contract or by allocation in a pension fund by MAPAS and PDIF in case of a mandatory member who did not sign a membership contract within the legal time period for choosing a pension fund.

The membership contract should be completed and signed in a standardized form personally by the contributor-member and the agent on behalf of the pension company. During the contract concluding, the pension company shall be represented exclusively by the agent registered in the Register of agents, maintained by MAPAS. If a contributor signs a contract for the first time and has not been a member of any pension fund before, he or she has a right to revoke such contract by written notice submitted to the pension company within eight working days of the date of signing membership contract. The agent, immediately after signing the contract, should give to the member two notices for contract termination, together with the membership contract.

The membership in one pension fund lasts until the person transfers into another pension fund or acquires pension entitlement. In case a member has employment lags and ceases to pay contributions, he or she shall remain to be a member of the pension fund and shall have the same rights as the members that regularly pay contributions in the pension fund.

There are two global categories of contributors for second pillar membership:

- Mandatory members – contributors who were employed, i.e. become subject to mandatory pension and disability insurance after January 1, 2003
- Voluntary members - contributors employed before January 1, 2003

All employees have right and obligation, depending on the category in which they belong, to participate in the second pillar. By exception, contributors from chapter IV – Acquisition and exercise of rights of certain categories of contributors under special conditions in the Law on Pension and Disability Insurance (employees with increased pension service in Ministry of Interior, Penitentiary-Corrective institutions, Macedonian Army and similar) and individual farmers cannot participate in the second pillar.

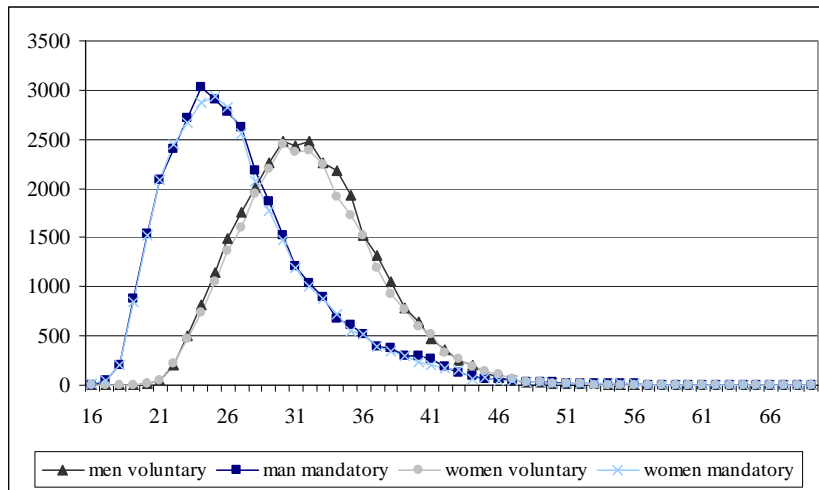
Actuarial projections for expected pensions of newly employed contributors that will participate in the two-pillar pension system during the whole working life show that future pension acquired from both pillars shall be higher than the pension they would acquire from the mono-pillar system. Also, for younger persons that already have certain years of pension service in the previous system, up to a certain age, it is more favorable to switch into the two-pillar system since they would acquire higher pension from such a system. For the contributors with higher age and higher service in the previous system, the pension that they acquire from the mono-pillar system would be higher than the pension acquired from both pillars in the new system. It is a very important fact that for the persons switching into the two-pillar system, for the years spent in the unreformed system, a replacement rate of only up to 11,65% for man and up to 13% for women shall be recognized in the pension calculation (which is corresponding to approximately 5 to 7 years of pension service). This outcome is due to the system's design, which makes it more favorable for younger workers, and aims to a gradual transfer of the labor force from the mono-pillar to the two-pillar pension system and to a financially viable and affordable transition costs. Special attention was paid to the category of mature people (women above 45 years of age and man above 50 years of age) which do not have enough years until retirement to accumulate appropriate amount of assets into the second pillar. Due to this reason, the law regulates that for persons belonging to these categories, it is necessary for the sales agent to demonstrate that it could not have been reasonably foreseen that the second pillar membership of that person is contrary to the his/her best interests i.e. that the person has not been misled while concluding the membership contract.

Second pillar membership process started on September 20, 2005. Voluntary members had the right to make their choice until December 31, 2005. Mandatory members are obligated to sign a

membership contract within three months from the date of their first employment. This means that the membership process for the mandatory members continues on a ongoing base pursuant to legal terms for pension fund election and concluding membership contracts. By exception, the contributors that did not work during the selection period (from September 20, 2005 to December 31, 2005) may conclude a membership contract after their reemployment. Mandatory members who did not conclude a membership contract during the period of pension fund election, after that period shall remain in the pension fund where they had been randomly allocated by MAPAS and PDIF.

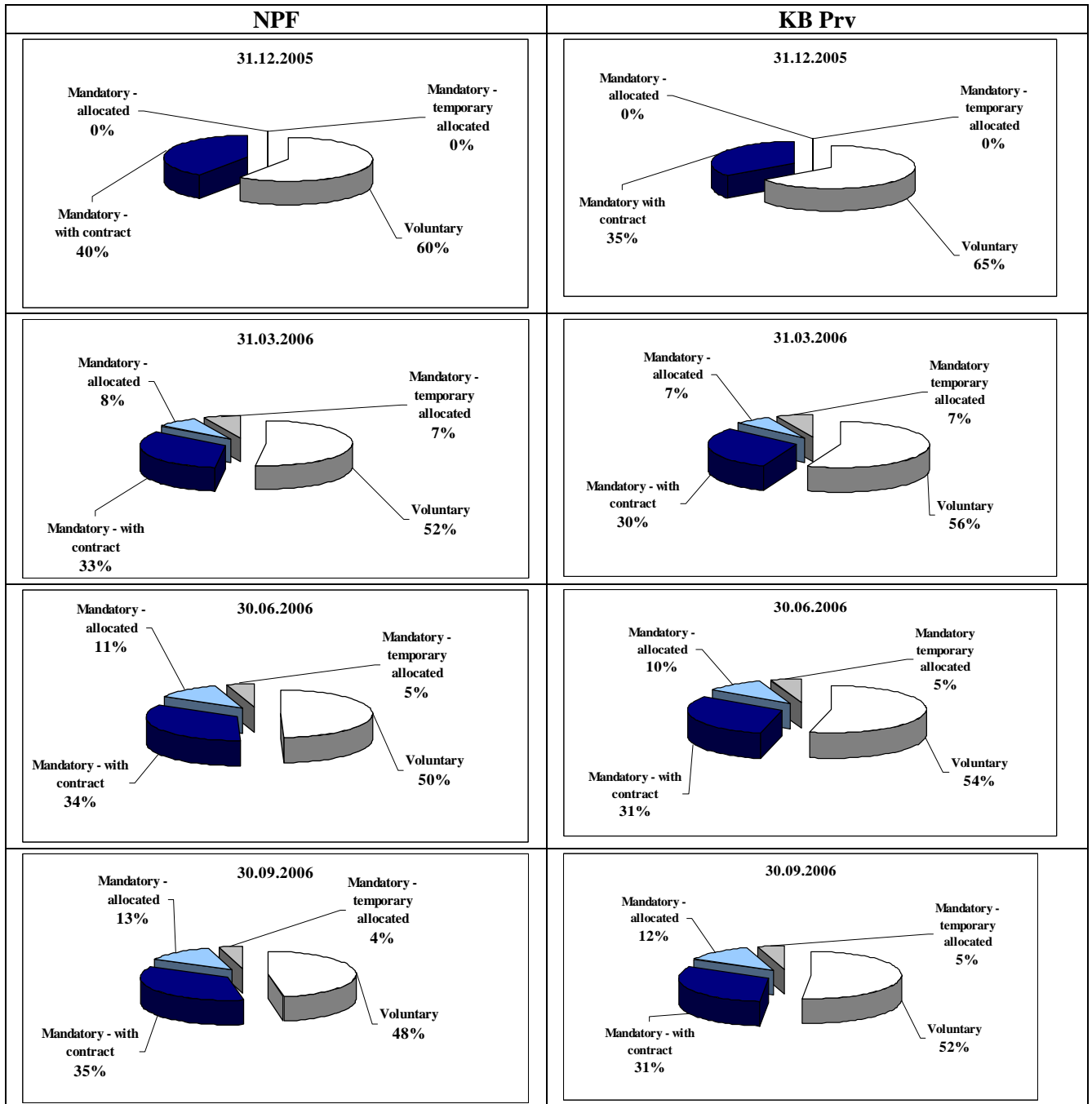
The total number of members and temporarily allocated members in the pension funds as of December 31, 2006 is 128,031. Out of them, 60,473 or 47.2% are voluntary members and 67,558 or 52.8% are mandatory members. Out of the mandatory members, 43,497 members had signed membership contracts, 17,207 did not sign membership contracts and were allocated by MAPAS, and 6,854 are temporarily allocated by MAPAS in order their assets to be invested immediately after the employment, but their period for election of a pension fund and signing a membership contract has not ended. It can be noticed that around 50% of the newly employed persons in 2006 had signed a contract, while the remaining 50% did not sign a contract and remained in the pension fund where they had been allocated by MAPAS and PDIF.

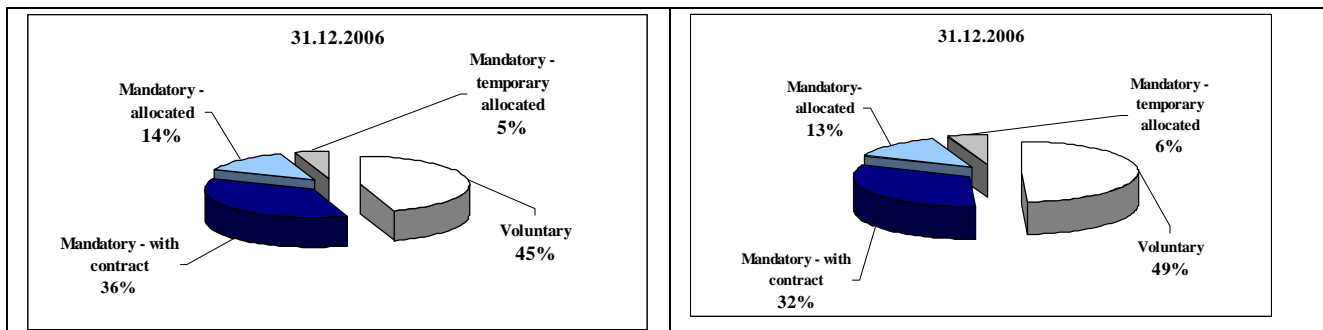
Membership structure, by age, gender and category is presented in the following graph:



This graph shows that the majority of the members are young persons, for which the two-pillar system is most suitable. Mandatory members are younger persons and they reach the pick at age 24 (men) and 25 (women). Voluntary members are a little bit older persons and they reach the pick at age 32 (men) and 30 (women).

Membership structure by pension fund and their membership status, quarterly, is presented in the following graphs:



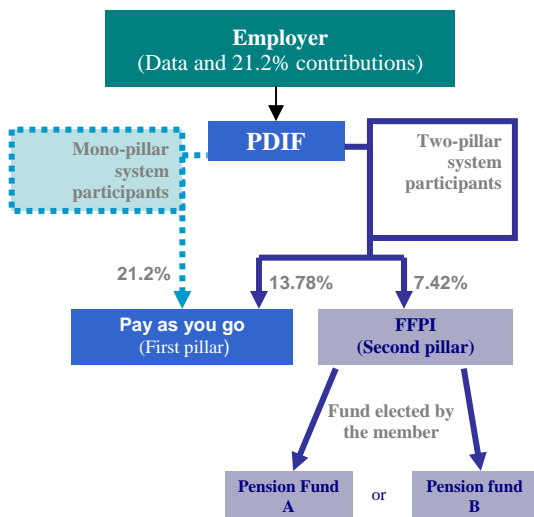


3.2 Contributions

The payment of contributions for the pension and disability insurance is done by the payer obligated to pay contributions, i.e. employer, in the PDIF, according to the Law on Pension and Disability Insurance.

For the contributors who will remain in the mono-pillar system, the full amount of contributions remains in PDIF. For the contributors that will enter the two-pillar system, PDIF shall allocate paid contributions, so that 65% of contributions paid (i.e. 13.78% of gross wage) remain in PDIF, and 35% of contributions paid (i.e. 7.42% of gross wage) are allocated into the pension fund, by the choice of the member.

Schema representing payment and allocation of contributions



PDIF allocates contributions of the pension fund members in the individual accounts, immediately, and no later than five working days after receipt of the contributions, only if adequate data has been received during that period, in accordance with the Law, that enables the Pension and Disability Insurance Fund of the Republic of Macedonia to fulfill such obligation. In case of inconsistencies between data and payments, such payments are resolved case by case and then allocated to individual accounts of members.

Immediately after the payment from PDIF, contributions are registered into individual accounts of the members. During 2006, around 1.3 billions of denars were transferred into the pension funds, or by months (in millions of denars), as shown in the following table:

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Avg.	Sep.	Oct.	Nov.	Dev.	Total
NPF	0,88	30,93	46,60	47,37	54,17	53,56	56,43	52,30	53,53	53,81	57,71	89,27	596,54
KB Prv	1,24	40,22	58,41	57,99	67,37	67,51	69,22	64,69	65,71	64,23	69,88	102,30	728,76
Total	2,1	71,1	105,0	105,4	121,5	121,1	125,6	117,0	119,2	118,0	127,6	191,6	1325,3

From the payments done during 2006 we can notice a certain trend in payment done by the employers, as well as certain delays in payments. Namely, around 70% from payments for certain month are done next month, and the remaining portion is paid in the following 2-3 months. As of December 21, 2006, approximately 11% of all individual accounts did not have any payment of contributions. According to PDIF, it is mainly due to uncompleted obligations of the employers (have not taken code for payment of pensions, have not submitted MPPP application for contribution payment or have not paid contributions), and only a small portion, although paid in PDIF, have not been allocated to the pension funds due to certain inconsistencies. These cases are solved on a case-by-case basis and a decrease in their number is expected in the future.

3.3 Investment, portfolio structure, net assets and rate of return

Usually, fully funded pension systems use proactive control and qualitative and quantitative limits of investments. Therefore, in the Law and in the secondary regulations are defined investment objectives and principles, the quality of instruments in which pension assets can be invested, the investment limits in regard to instruments and issuers, prohibited investments, excess of investment limits etc. The Law regulates the main principles of pension fund investment, which are security of assets, diversification of investment risk and maintenance of adequate liquidity with a purpose of maximizing the return in favor of the pension funds members. The Law and the secondary regulations prescribe that pension funds assets can be invested in bank deposits and certificates of deposit, bonds and other securities, shares, commercial notes in the Republic of Macedonia and in the countries of the EU, Japan, and the United States of America. The Law prescribes maximum proportions of any company or asset and any kind of instrument in which the pension fund assets can be invested in order to obtain adequate diversification among different types of investments. In order to prevent investments in instruments unsuitable for pension fund investing the Law prohibits investments in unlisted shares, bonds etc that cannot be immediately valued, several forms of commodities that have uncertain valuation, for example antiques and works of art.

Investment limits

Investments abroad (EU, Japan, USA)	20%
Securities guaranteed by RM or NBRM	80%
Bank deposits, certificates of deposit and other securities from domestic banks	60%
Shares issued by Macedonian joint stock companies	40%
Macedonian shares	30%
Participation units and shares of Macedonian investment funds	20%

According to the authorizations given in the Law, in 2006 the Agency has passed several decisions for increasing the investment limits in order to enable immediate investing of pension

funds assets with minimal or no costs, which are in the interest of the pension funds members. Namely, for the government securities the investment limit of 80% prescribed in the Law was raised to 100%. For the deposits and certificates of deposit the limit of 60% was raised to 100% for the first month and than it was decreased to 80% for the second and the third month so that in the forth month it was returned to the limit prescribed in the Law. These changes have been made due to fact that in the initial period the pension funds have limited assets and the investment of those assets according to the legal limits would impose higher transactional costs in regard to the return and to a certain extent would also lower the value of the pension funds assets.

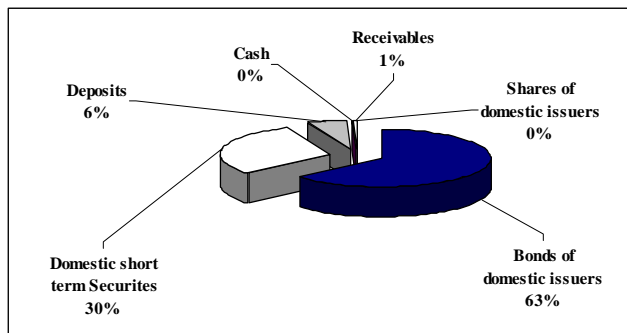
In the course of 2006, the pension companies have invested the assets of the pension funds mainly in government securities (government continuous bond, government bond for denationalization, government bond for settlement of claims by citizens on the bases of foreign currency deposits and 3, 6 and 12-month treasury bills) and bank deposits. Later on, they have gradually started with investments in shares and increased their participation in the pension funds portfolios.

The structure of the pension funds investments on quarterly bases is given in the following graphs:

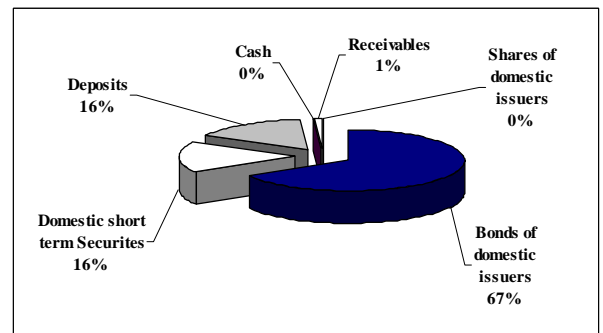
Структура на инвестициите на НПФ

Структура на инвестициите на КБ Прв

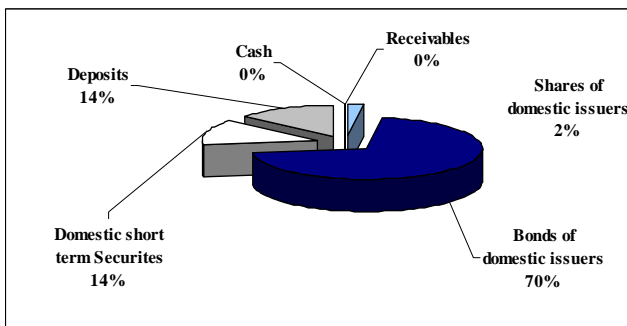
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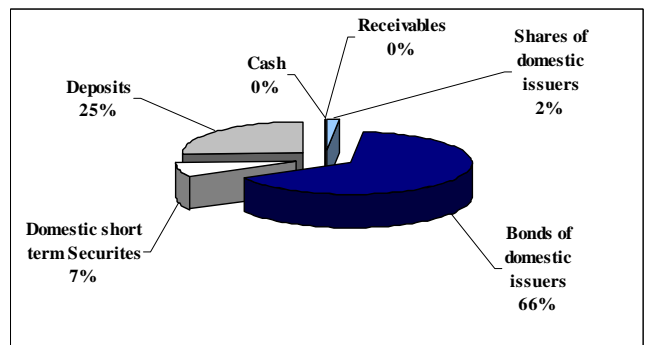
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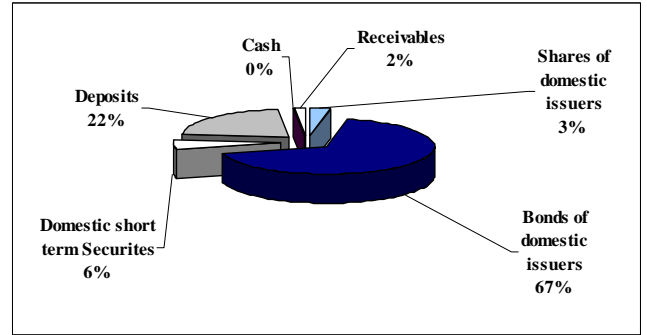
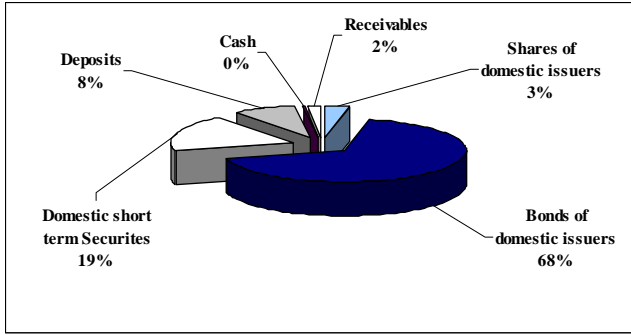


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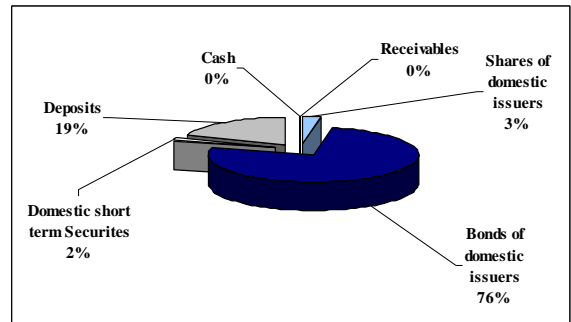
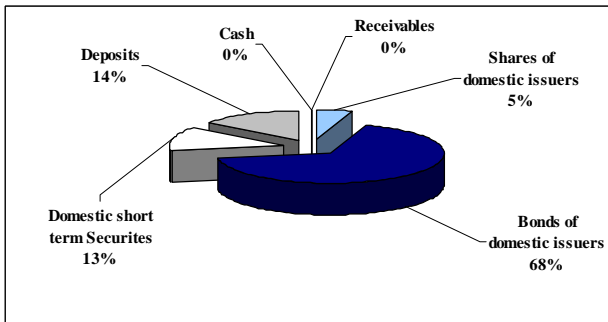
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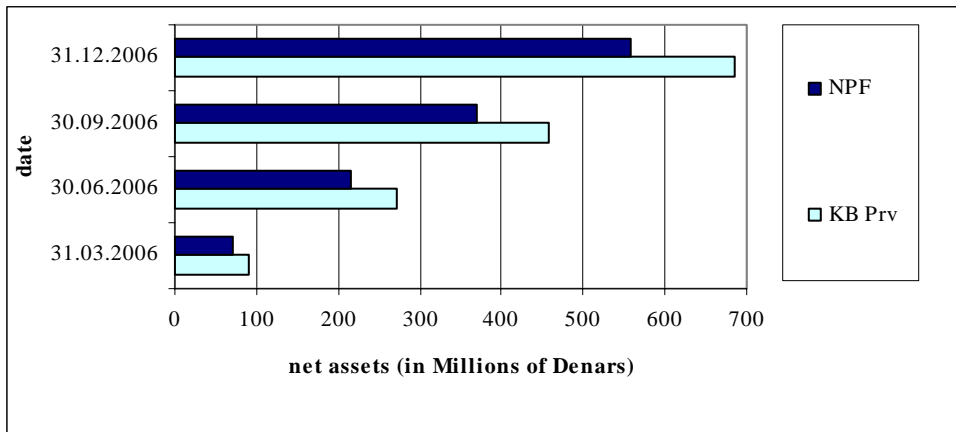
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The contributions paid in the pension funds, decreased for the fees, are immediately invested. The total return is assigned to the pension company i.e. to the individual accounts of pension funds members. Once a month the pension companies charge the management fee as a percentage of the total assets. In addition, the pension funds are charged with brokerage fees upon every transaction with the pension funds assets. The valuation of pension funds assets is performed on a daily basis. It is being determined based on the market value of each asset or on the basis of the depreciated value of the asset in case the instrument is kept until its maturity or in case its market value can not be determined. The value of the pension funds assets increases as a result of the accumulated contributions, the investment return and the increase of the asset value or it decreases as a consequence to contribution payment, decrease of the asset value or payout of pension benefits.

The changes of the value of the pension funds assets on a quarterly basis are given in the graph below:



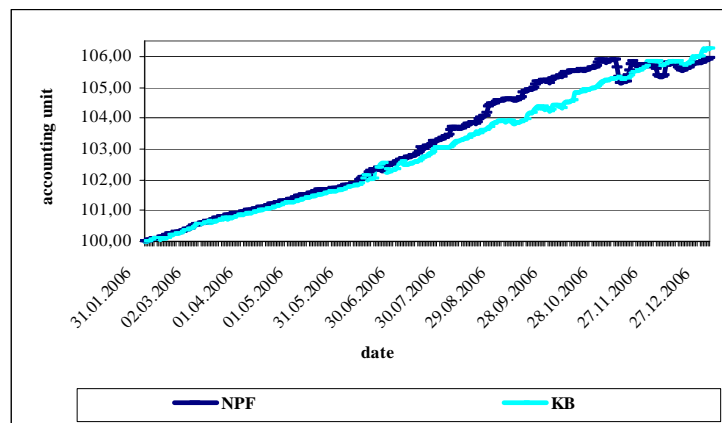
The changes in the pension funds assets from the beginning until the end of the year have occurred as a result of the flow of contributions, decrease of fees, inflows due to transfers from one to the other pension fund (for persons allocated to another pension fund), outflows as a consequence of transfers from one to the other pension fund (for persons allocated in one pension fund but who have signed membership agreement with the other pension fund), inflows as a result of investment yield, which together give the net assets at the end of the year (shown in the table below):

	in million denars	
	NPF	KB Prv
Net assets on January 1, 2006	0.00	0.00
Contributions	596,54	728,76
Contributions after fees from contributions	545.84	666.82
Fees	52,07	63,64
Transfer from the other fund	1.78	1.59
Transfer to the other fund	1.59	1.77
Transfer to PDIF	1.99	2.17
Investment yield	13.08	19,96
Net assets on December 31, 2006	557,12	684,42

For the record keeping of the pension funds assets is used the accounting unit. One accounting unit is a proportional share of the net assets of the pension fund. Its value is equal to the value of the net assets divided by the total number of accounting units of all individual accounts and sub-accounts. The initial value of the accounting unit was 100 denars and its value was continuously growing with respect to the investments and fees collected as well as commissions.

The changes of the value of the accounting unit in the course of 2006 are given in the graph below:

Date	Accounting unit value	
	NPF	KB Prv
31.01.2006	100,0000	100,000000
31.03.2006	100,958849	100,889807
30.06.2006	102,605429	102,530942
30.09.2006	105,292089	104,422759
31.12.2006	105,929336	106,265900



The return of the pension fund is the difference in percentage between the average value of the accounting unit on the last day of valuation in the month and the value of that accounting unit on the last working day of the month at the end of the 12, 24 or 36-month period, depending on every particular case. Usually the return is calculated for the last three years on annual basis.

Only for the first three years, when the pension funds have been in existence less than three years, the return is calculated for one i.e. for two years.

The pension funds return for the period January 1 – Decemeber 31, 2006 is:

Otvoren penziski fond Nov penziski fond – Skopje	KB Prv otvoren penziski fond - Skopje
5,93%	6,27%

The pension fund return varies and it does not mean that returns gained in the past period shall be accomplished in the future. The return on the individual account depends on the return of the pension fund and on the fees charged by the pension company.

3.4 Fees

For performing the functions of pension fund management, for valuation of assets, membership, record-keeping of individual accounts for informing the members, as well as for paying fees to MAPAS, PDIF and NBRM as custodian, according to the Law the pension companies charge the following fees: from contributions, from assets and for transfers.

This type of financing of the pension companies is very common for companies that operate in a pension systems similar to ours. The initial fee (percentage of contributions) is most frequently used. The fee from assets (percentage of assets on individual accounts) is the second most common type of fee charge on monthly basis. The third fee that is being used very often is the performance or return fee. In the world, pension companies usually charge all there types of fees or a combination of the three. These are so-called current fees that are continuously charged on the above-mentioned bases. Also, in some countries the pension companies charge entrance fee as a one-time fee or as a percentage of the contributions in the first year, as well as exit fee when transferring assets to another pension fund or upon withdrawal of assets for pension payout.

The pension companies in the Republic of Macedonia charge the following fees:

Fee	Akcionersko drustvo za upravuvanje so penziski fondovi NOV PENZISKI FOND - Skopje	KB Prvo drustvo za upravuvanje so penziski fondovi - Skopje
Fee from contributions	8,5%	8,5%
Monthly fee from the pension fund net assets value	0,05%	0,05%
Transfer fee	To be determined additionally (the maximum fee is prescribed by the Agency)	To be determined additionally (the maximum fee is prescribed by the Agency)

Brokerage fees that are charged from the pension funds assets in 2006:

NPF			KB Prv		
Brokerage company	Type of instrument		Brokerage company	Type of instrument	
	Shares	Bonds		Shares	Bonds
Tutunska Broker AD Skopje	0,09%	0,09%	Komercijalna banka AD Skopje	0,08%	0,08%
Alta Vista Broker AD Skopje		0,09%	Fersped broker Ad Skopje	0,09%	0,09%

The brokerage fees are calculated as a percentage of the value of each transaction. In addition, from the pension funds assets are paid fees for the Macedonian Stock Exchange and the Central Securities Depository.

The fee from contributions is charged once from the payment of the contribution and it is being invested until the assets are withdrawn, while the fee from assets is charged at the end of each month from the total assets under management. The fees based on contributions burden „the beginning” meaning that they are rather high in the initial years. The burden of the asset-based fees comes „at the end” because the accumulated assets are much higher as the retirement approaches.¹ Considering that the pension systems always have long-term perspective the existing fees work in favor of the members. Namely, on the long run, the fees from contributions will not affect significantly the pension benefit of the members and the asset management fee, which shall increase over the years, is limited by Law on a rather low rate. Still, at the beginning of the functioning of the system, in the first 2-3 years, the influence of the contribution fee is evident on the individual accounts. This is to be expected considering that in the first years of implementation the pension funds assets are very small and the pension companies have costs for establishing the necessary infrastructure and for their own operations, which are covered from their own capital and from the fees charged from the members. On a long run, as the system develops the pension funds assets will increase and larger gains can be expected on the individual accounts. Short-term results do not have substantial meaning considering that the system is designed for savings that will be accumulated in a period of 30 or 40 years. The members begin to save when they are young and retire at the age of 64 i.e. 62. Therefore, the results and the advantages of this system should be considered on a long run.

Collection of fees (in million denars) by the pension companies in 2006:

Month	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
NPF – total	0,07	2,64	3,99	4,07	4,67	4,65	4,92	4,59	4,72	4,77	5,54	7,44	52,07
From contributions	0,07	2,63	3,96	4,02	4,60	4,55	4,79	4,44	4,55	4,57	5,31	7,18	50,70
From assets	0,00	0,01	0,03	0,05	0,07	0,10	0,12	0,15	0,17	0,20	0,23	0,26	1,37
KB Prv - total	0,10	3,43	5,00	4,99	5,81	5,86	6,03	5,68	5,80	5,71	6,74	8,49	63,64
From contributions	0,10	3,42	4,96	4,93	5,72	5,74	5,88	5,50	5,59	5,46	6,46	8,18	61,94
From assets	0,00	0,01	0,03	0,06	0,09	0,12	0,15	0,18	0,21	0,25	0,28	0,32	1,70

Having in mind the actual situation where in the second pillar the number of members is much higher than the one expected, therefore the inflow of contributions is also higher than the one foreseen before the Bidders Conference, it can be concluded that there is a reasonable grounds for decreasing the fees charged by the pension companies. This will lead to greater satisfaction of the pension funds members at the very beginning of the fully funded pension insurance, which will enable building of the confidence in the system and enhance the development of the fully funded pension insurance.

3.5 Pension benefit payout

¹ Administrative Charges for Funded Pensions: An International Comparison and Assessment, Edward Whitehouse, June 2000

Retirement conditions are equal for the first as well as for the second pillar: the age limit is 64 for men and 62 for women with a minimum of 15 years of career. In September 2007 expires the transitional provision in the Law, which enables retirement with 40 years of career for men and 35 for women regardless of the age.

Part of the old-age pension, disability and survivor's pension as well as the minimum pension is paid from the first pillar. The first pillar pension is calculated as a DB by a previously determined formula (percentage according to the years of career multiplied by the pension base determined by the valorized salaries from the entire period of service).

The second pillar pays the rest of the old-age pension and the member may choose from the following options:

- pension annuity from the total amount of assets accumulated on the individual account; this is a life time annuity paid from a specially authorized institution; or
- programmed withdrawals provided by the pension company that manages the pension fund of the insured person where he/she is a member on the day of retirement.

The provision of the annuities and the programmed withdrawals shall be regulated with a separate law.

If an insured person meets the requirements for a disability pension and he/she is a member of the second pillar the total amount of assets on the account of the member is transferred to the PDIF and the payout of the total amount of the disability pension is realized through PDIF on the above-mentioned manner. On exceptional basis, if the amount of assets on the members account is higher than the legally prescribed amount for disability pension than the member can choose instead of the pension to have either annuity payment or programmed withdrawals. This exception shall not be applied in the first 5 years of the system's implementation i.e. in the first five years of the first payment of contributions in the second pillar, meaning until December 31, 2010.

In case a second pillar members dies and his/her family has the right to claim a survivors pension , the total amount of assets on the member's account is transferred to the PDIF and the payout of the total amount of the survivors pension is realized through PDIF on the above-mentioned manner. On exceptional basis, if the amount of assets on the members account is higher than the legally prescribed amount for survivors pension than the member can choose instead of the pension to have either annuity payment or programmed withdrawals. This exception shall not be applied in the first 5 years of the system's implementation i.e. in the first five years of the first payment of contributions in the second pillar, meaning until December 31, 2010.

The legislation foresees payouts of the assets on the individual account without acquiring the right to a pension, in the following cases:

- in case when the deceased pension fund member has no family members entitled to a survivor's pension the assets on that member's account shall form part of his/her estate and will be managed in accordance with the Law on Inheritance.
- when a pension fund member has not acquired the right to an old-age pension according to the Law on Pension and Disability Insurance, because he/ she does not have 15 years of service, he/she can buy monthly pension annuities equal or higher than 40% of the lowest pension, the pension fund shall pay a lump sum of the accumulated assets on his/her account.

4. Compliance with the Law and the secondary regulations

One of the main tasks of the Agency is to supervise on a daily basis the operations of the pension companies, by means of on-site and off-site control.

In order to assure compliance with the Law and the secondary regulations the Agency undertook preventive and subsequent activities and measures towards the pension companies, their responsible personnel and sales agents. Immediately upon noticing irregularities the Agency has sent the pension companies notices, warnings, orders, has set measures and decisions, as well as requests for starting torts and criminal proceedings. The largest number of measures referred to marketing activities (conclusion of membership contracts, sales agents operations and marketing materials). Having in mind that the control is mostly proactive the errors have been corrected in due time by the pension companies.

After performing the institutional control over the operations of the pension companies and the pension funds to KB Prvo drustvo za upravuvanje so penziski fondovi AD Skopje was submitted one decision for removal of irregularities.

From the control performed over the marketing and membership activities the following, more significant measures were undertaken:

Measure	Akcionersko drustvo za upravuvanje so penziski fondovi NOV PENZISKI FOND	KB Prvo drustvo za upravuvanje so penziski fondovi AD Skopje
Decisions for stopping marketing materials	1	0
Decision on removing a sales agent from the Sales Agent Register	8 decisions for 49 agents	11 decisions for 62 agents
Decision for removing irregularities	3	6
Request for starting a torts proceeding	15	10
Request for starting a criminal proceeding	2	0

Note: part of these measure are due to irregularities occurred in 2005 while for some of the irregularities discovered in 2006 measures shall be passed in 2007.

5. Information on the operations of the Agency for Supervision of Fully Funded Pension Insurance - MAPAS

The Agency for Supervision of Fully Funded Pension Insurance- MAPAS supervises the operations of the pension companies and pension funds in order to protect the interests of the pension funds members, to enhance the development of the fully funded pension insurance and to develop the public awareness on the characteristics of the fully funded pension insurance.

The Agency, for its operations, reports to the Government of the Republic of Macedonia. The State Audit Office of the Republic of Macedonia performs the audit of the Agency's operations and the Ministry of Labor and Social Policy supervises the legality of the operations of the Agency. Bodies of the Agency are the Management Board and the Director.

The Agency performs the following activities:

- (a) Performs the activities for collecting bids in the tender processes, grant, withdraw and abrogate licenses for establishment and approvals for managing Pension Funds;
- (b) Supervises the operation of pension companies and the pension funds under their management and especially control their legal operation;

- (c) Supervises the operation of legal entities acting as custodians or foreign asset managers of pension fund assets in relation to operating with such assets;
- (d) Promotes, organizes and enhances the development of the fully funded pension insurance in the Republic of Macedonia, in co-operation with the Ministry of Labor and Social Policy;
- (e) Develop public awareness of the purposes and operating principles of pension companies and the pension funds, on the benefits of pension fund membership, on the rights of pension fund members and other issues relating to the pension fund system;
- (f) Proposes torts and criminal proceedings before authorized bodies against pension companies, custodians, foreign asset managers, and other entities in case of breaking the provisions of Law on Mandatory Fully Funded Pension Insurance or other Laws;
- (g) Monitors and reviews the financial statements of Pension Funds and Pension Companies;
- (h) Maintains a register of sales agents;
- (i) Works in conjunction with the Ministry of Finance, the National Bank of the Republic of Macedonia, the Securities and Exchange Commission and other bodies and institutions in the country and abroad, to ensure an effective supervision and regulation of the fully funded pension insurance and the financial sector. The scope, content and the form of the cooperation shall be mutually regulated between the Agency and competent bodies and institutions;
- (j) Co-operates with the Pension and Disability Insurance Fund of Macedonia on the authorizations assigned to the Pension and Disability Insurance Fund of Macedonia in accordance with the Law on Mandatory Fully Funded Pension Insurance;
- (k) Issues regulations in accordance with the Law on Mandatory Fully Funded Pension Insurance;
- (l) Issues internal guidelines regarding its operation and prepares guides, manuals etc. related to the fully funded pension insurance;
- (m) Initiates passing of regulations and other acts relating to Pension Companies and Pension Funds;

- (n) Becomes a member and participates in domestic or international organizations, where such participation is in the interests of the Macedonian pension system; and
- (o) Performs other activities in accordance with the Law on Mandatory Fully Funded Pension Insurance.

If the Agency, during the inspection of the operations of the pension company and the management of pension funds, finds out that there are matters or acts subject to penalty by the Law, the Director or a person authorized by him/her shall submit a proposal for proceeding to the authorities. Pension fund members or former pension fund members may make a complaint to the Agency against a pension company for activities performed by that pension company, which are not in accordance with the Law and with that pension company's regulations. A complaint may be made to the Agency by a pension fund member against other entities which had a business or contractual relationship with a pension fund and a pension company, in case the pension fund member believes that his/her interests as a pension fund member have been damaged as a result of violation of the Law by those entities in terms of their business or contractual relationships.

6. Summary of 2006 and plans for 2007

The full implementation of the fully funded pension insurance started in 2006. The number of members was around 135.000,00 and the total amount of paid contributions was 1.3 billion denars. These numbers surpassed even the best-case scenario of the projections prepared for the Bidders Conference, which leads to the conclusion that the interest of the Macedonian citizens for the new type of pension insurance is significant and demonstrates the citizens' confidence in the pension reform. With the payment of the January's salaries started the flow of contributions in the pension funds and their investments. The pension companies started investing the pension funds assets in deposits and government securities and then gradually moved towards investing in shares.

On a daily basis MAPAS monitors the condition of the mandatory fully funded pension insurance and reacts according to every change in collaboration with the institutions included in the implementation of the second pillar as well as with other relevant institutions from the financial sector and the capital market. For this purpose, MAPAS initiates changes of the Law and the secondary regulations in order to enhance the development of the fully funded pension insurance and to protect the interests of the pension funds members.

In 2006 started the preparations for the introduction of the voluntary fully funded pension insurance (third pillar) which will lead to completion of the pension reform in the Republic of Macedonia.

Annex – Statistical data

Members and temporary allocated insured persons by status and pension funds on quarterly basis

Pension fund	Voluntary	Mandatory				Total
		With membership contract	Allocated	Temporary allocated	Total	
31.12.2005						
NPF	16.896	11.441			11.441	28.337
KB Prv	20.123	11.013			11.013	31.136
Total	37.019	22.454			22.454	59.473
31.03.2006						
NPF	25.784	16.477	4.001	3.466	23.944	49.728
KB Prv	31.481	16.966	3.983	3.713	24.662	56.143
Total	57.265	33.443	7.984	7.179	48.606	105.871
30.06.2006						
NPF	26.454	18.301	6.079	2.619	26.999	53.453
KB Prv	32.017	18.599	6.068	3.138	27.805	59.822
Total	58.471	36.900	12.147	5.757	54.804	113.275
30.09.2006						
NPF	27.008	20.210	7.478	2.499	30.187	57.195
KB Prv	32.337	19.569	7.707	3.034	30.310	62.647
Total	59.345	39.779	15.185	5.533	60.497	119.842
31.12.2006						
NPF	27.638	22.205	8.437	3.127	33.769	61.407
KB Prv	32.835	21.292	8.770	3.727	33.789	66.624
Total	60.473	43.497	17.207	6.854	67.558	128.031

Members and temporary allocated insured persons by age, gender and pension fund (31.12.2006)

Age	NPF				KB Prv				Total
	Men		Women		Men		Women		
	Voluntary	Mandatory	Voluntary	Mandatory	Voluntary	Mandatory	Voluntary	Mandatory	
Up to 20	9	1.438	11	1.251	11	1.235	9	1.378	5.342
21 to 25	1.250	7.119	1.255	5.982	1.453	6.020	1.250	7.026	31.355
26 to 30.	4.767	5.814	4.479	5.017	5.248	5.156	5.087	5.688	41.256
31 to 35	5.304	2.363	4.513	1.938	5.988	2.060	6.100	2.407	30.673
36 to 40	2.401	896	2.132	927	2.928	972	2.882	871	14.009
41 to 45	624	405	645	332	789	340	794	350	4.279
46 and above	126	163	122	124	131	139	166	146	1.117
Total	14.481	18.198	13.157	15.571	16.548	15.922	16.288	17.866	128.031

Members and temporary allocated insured persons by years of service, gender and pension fund (31.12.2006)

Years of service	NPF		KB Prv		Total
	Men	Women	Men	Women	
Up to 5	26.070	23.283	25.510	24.427	99.290
6 to 7	2.970	2.608	3.645	3.633	12.856
8 to 10	2.391	1.978	3.089	2.973	10.431
11 to 12	652	485	927	754	2.818
13 to 14	396	272	636	495	1.799
15 and more	200	102	347	188	837
Total	32.679	28.728	34.154	32.470	128.031

Members by status, gender and time of signing the membership contract

Date	NPF		KB Prv		Total		Total
	Voluntary	Mandatory	Voluntary	Mandatory	Voluntary	Mandatory	
By 31.12.2005	25771	15797	31565	15784	57336	31581	88.917
1.01 - 31.01.2006	90	174	40	176	130	350	480
1.02 - 28.02.2006	152	446	121	724	273	1.170	1.443
1.03 - 31.03.2006	335	844	290	1339	625	2.183	2.808
1.04 - 30.04.2006	190	465	187	458	377	923	1.300
1.05 - 31.05.2006	217	648	115	318	332	966	1.298
1.06 - 30.06.2006	162	524	103	329	265	853	1.118
1.07 - 31.07.2006	122	485	90	245	212	730	942
1.08 - 31.08.2006	198	631	75	325	273	956	1.229
1.09 - 30.09.2006	309	1063	226	587	535	1.650	2.185
1.10 - 31.10.2006	224	726	157	662	381	1.388	1.769
1.11 - 30.11.2006	149	515	182	549	331	1.064	1.395
1.12 - 31.12.2006	107	430	98	437	205	867	1.072
TOTAL	28.026	22.748	33.249	21.933	61.275	44.681	105.956
TOTAL (by fund)	50.774		55.182		105.956		

Members and temporary allocated insured persons by municipality and pension fund (31.12.2006 god.)

	NPF			KB Prv			Total			Total (%)		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
BEROVO	86	98	184	206	236	442	292	334	626	0,5%	0,6%	0,6%
BITOLA	1517	1596	3113	898	1056	1954	2415	2652	5067	4,5%	5,1%	4,8%
BOGDANCI	116	111	227	129	240	369	245	351	596	0,5%	0,7%	0,6%
BOGOVINJE	154	30	184	48	14	62	202	44	246	0,4%	0,1%	0,2%
BOSILOVO	71	40	111	92	74	166	163	114	277	0,3%	0,2%	0,3%
BRVENICA	71	28	99	95	66	161	166	94	260	0,3%	0,2%	0,2%

VALANDOVO	232	387	619	49	90	139	281	477	758	0,5%	0,9%	0,7%
VASILEVO	60	49	109	67	81	148	127	130	257	0,2%	0,3%	0,2%
VEVCANI	40	35	75	15	21	36	55	56	111	0,1%	0,1%	0,1%
VELES	1040	1047	2087	614	655	1269	1654	1702	3356	3,1%	3,3%	3,2%
VINICA	259	248	507	293	407	700	552	655	1207	1,0%	1,3%	1,1%
VRANESTICA	7	1	8	9	2	11	16	3	19	0,0%	0,0%	0,0%
VRAPCISTE	137	36	173	74	31	105	211	67	278	0,4%	0,1%	0,3%
GEVGELIJA	584	643	1227	394	551	945	978	1194	2172	1,8%	2,3%	2,1%
GOSTIVAR	796	401	1197	812	392	1204	1608	793	2401	3,0%	1,5%	2,3%
GRADSKO	23	15	38	14	8	22	37	23	60	0,1%	0,0%	0,1%
DEBAR	80	51	131	81	26	107	161	77	238	0,3%	0,1%	0,2%
DEBARCA	41	12	53	19	15	34	60	27	87	0,1%	0,1%	0,1%
DELCEVO	196	196	392	271	563	834	467	759	1226	0,9%	1,5%	1,2%
DEMIR KAPIJA	29	42	71	46	58	104	75	100	175	0,1%	0,2%	0,2%
DEMIR HISAR	67	43	110	107	96	203	174	139	313	0,3%	0,3%	0,3%
DOLNENI	52	6	58	49	13	62	101	19	120	0,2%	0,0%	0,1%
DOJRAN	105	107	212	23	31	54	128	138	266	0,2%	0,3%	0,3%
DRUGOVO	7	12	19	31	29	60	38	41	79	0,1%	0,1%	0,1%
JEGUNOVCE	55	26	81	65	52	117	120	78	198	0,2%	0,2%	0,2%
ZELINO	126	21	147	34	12	46	160	33	193	0,3%	0,1%	0,2%
ZAJAS	9	2	11	58	18	76	67	20	87	0,1%	0,0%	0,1%
ZELENIKOVO	36	15	51	36	11	47	72	26	98	0,1%	0,1%	0,1%
ZRNOVCI	39	101	140	8	22	30	47	123	170	0,1%	0,2%	0,2%
ILINDEN	76	67	143	149	119	268	225	186	411	0,4%	0,4%	0,4%
KAVADARCI	229	222	451	1079	896	1975	1308	1118	2426	2,4%	2,2%	2,3%
KARBINCI	23	49	72	32	72	104	55	121	176	0,1%	0,2%	0,2%
KICEVO	190	219	409	544	438	982	734	657	1391	1,4%	1,3%	1,3%
KONCE	57	22	79	3	6	9	60	28	88	0,1%	0,1%	0,1%
KOCANI	827	1042	1869	576	802	1378	1403	1844	3247	2,6%	3,6%	3,1%
KRATOVO	56	51	107	106	153	259	162	204	366	0,3%	0,4%	0,3%
KRIVA PALANKA	134	142	276	213	320	533	347	462	809	0,6%	0,9%	0,8%
KRIVOGASTANI	17	10	27	31	23	54	48	33	81	0,1%	0,1%	0,1%
KRUSEVO	42	33	75	93	178	271	135	211	346	0,3%	0,4%	0,3%
KUMANOVO	977	883	1860	1051	1260	2311	2028	2143	4171	3,8%	4,2%	4,0%
LIPKOVO	144	23	167	79	38	117	223	61	284	0,4%	0,1%	0,3%
LOZOVO	41	7	48	31	16	47	72	23	95	0,1%	0,0%	0,1%
MAVROVO I ROSTUSA	28	5	33	59	15	74	87	20	107	0,2%	0,0%	0,1%
MAKEDONSKA KAMENICA	35	127	162	39	124	163	74	251	325	0,1%	0,5%	0,3%
MAKEDONSKI BROD	26	17	43	142	97	239	168	114	282	0,3%	0,2%	0,3%
MOGILA	49	20	69	8	6	14	57	26	83	0,1%	0,1%	0,1%
NEGOTINO	201	152	353	446	420	866	647	572	1219	1,2%	1,1%	1,2%
NOVACI	16	10	26	17	6	23	33	16	49	0,1%	0,0%	0,0%
NOVO SELO	72	66	138	64	54	118	136	120	256	0,3%	0,2%	0,2%
OSLOMEJ	11	9	20	60	18	78	71	27	98	0,1%	0,1%	0,1%
OHRID	1057	851	1908	1028	1002	2030	2085	1853	3938	3,9%	3,6%	3,7%

PETROVEC	25	23	48	53	37	90	78	60	138	0,1%	0,1%	0,1%
PEHCEVO	27	33	60	105	49	154	132	82	214	0,2%	0,2%	0,2%
PLASNICA	3	1	4	29	1	30	32	2	34	0,1%	0,0%	0,0%
PRILEP	966	933	1899	1268	1311	2579	2234	2244	4478	4,1%	4,4%	4,2%
PROBISTIP	115	115	230	108	326	434	223	441	664	0,4%	0,9%	0,6%
RADOVIS	817	979	1796	161	176	337	978	1155	2133	1,8%	2,2%	2,0%
RANKOVCE	14	8	22	6	2	8	20	10	30	0,0%	0,0%	0,0%
RESEN	68	72	140	234	244	478	302	316	618	0,6%	0,6%	0,6%
ROSOMAN	9	4	13	62	22	84	71	26	97	0,1%	0,1%	0,1%
SVETI NIKOLE	182	198	380	235	388	623	417	586	1003	0,8%	1,1%	1,0%
SKOPJE	9641	8730	18371	10727	9815	20542	20368	18545	38913	37,8%	36,0%	36,9%
SOPISTE	14	4	18	45	19	64	59	23	82	0,1%	0,0%	0,1%
STARO NAGORICANE	7	8	15	10	12	22	17	20	37	0,0%	0,0%	0,0%
STRUGA	950	645	1595	245	246	491	1195	891	2086	2,2%	1,7%	2,0%
STRUMICA	1086	959	2045	813	1094	1907	1899	2053	3952	3,5%	4,0%	3,8%
STUDENICANI	49	13	62	92	19	111	141	32	173	0,3%	0,1%	0,2%
TEARCE	122	53	175	80	42	122	202	95	297	0,4%	0,2%	0,3%
TETOVO	1163	624	1787	969	589	1558	2132	1213	3345	4,0%	2,4%	3,2%
CENTAR ZUPA	2	1	3	2	3	5	4	4	8	0,0%	0,0%	0,0%
CASKA	44	13	57	22	9	31	66	22	88	0,1%	0,0%	0,1%
CESINOVO - OBLESEVO	43	69	112	92	117	209	135	186	321	0,3%	0,4%	0,3%
CUCER - SANDEVO	21	8	29	68	27	95	89	35	124	0,2%	0,1%	0,1%
STIP	746	1045	1791	1502	2060	3562	2248	3105	5353	4,2%	6,0%	5,1%

Note: In the column: Total (%) is shown the participation in percentage by columns (from the total of men, from the total of women and from the total of members)

Members and temporary allocated by business activity and pension fund (31.12.2006)

Business activity		NPF	KB	Total	Total (%)
01000	Agriculture, hunting and forestry	840	1020	1860	1,46%
02000	Forestry, logging and related service activities	172	246	418	0,33%
05000	Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing	20	15	35	0,03%
11000	Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying	11	1	12	0,01%
13000	Mining of iron ores	11	119	130	0,10%
14000	Other mining and quarrying	102	177	279	0,22%
15000	Manufacture of food products and beverages	91	1886	1977	1,55%
16000	Manufacture of tobacco products	1777	393	2170	1,70%
17000	Manufacture of textiles	973	1435	2408	1,89%
18000	Manufacture of wearing apparel; dressing and dyeing of fur	738	8576	9314	7,32%
19000	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	5715	889	6604	5,19%
20000	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1425	454	1879	1,48%
21000	Manufacture of pulp, paper and paper products	633	264	897	0,70%

22000	Publishing, printing and reproduction of recorded media	283	653	936	0,74%
23000	Manufacture of coke, refined petroleum products and nuclear fuel	727	40	767	0,60%
24000	Manufacture of chemicals and chemical products	16	281	297	0,23%
25000	Manufacture of rubber and plastic products	182	490	672	0,53%
26000	Manufacture of other non-metallic mineral products	501	381	882	0,69%
27000	Manufacture of basic metals	451	660	1111	0,87%
28000	Manufacture of fabricated metal products, except machinery and equipment	313	867	1180	0,93%
29000	Manufacture of machinery and equipment n.e.c.	924	309	1233	0,97%
30000	Manufacture of office machinery and computers	229	194	423	0,33%
31000	Manufacture of electrical machinery and apparatus n.e.c.	225	438	663	0,52%
32000	Manufacture of radio, television and communication equipment and apparatus	324	75	399	0,31%
33000	Manufacture of medical, precision and optical instruments, watches and clocks	87	46	133	0,10%
34000	Manufacture of motor vehicles, trailers and semi-trailers	40	209	249	0,20%
35000	Manufacture of other transport equipment	46	22	68	0,05%
36000	Manufacture of furniture; manufacturing n.e.c.	49	677	726	0,57%
37000	Recycling	679	91	770	0,60%
40000	Electricity, gas, steam and hot water supply	76	387	463	0,36%
41000	Collection, purification and distribution of water	192	458	650	0,51%
45000	Construction	233	3438	3671	2,88%
50000	Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	3086	1092	4178	3,28%
51000	Wholesale trade and commission trade, except of motor vehicles and motorcycles	1032	1630	2662	2,09%
52000	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	2439	12665	15104	11,87%
55000	Hotels and restaurants	14351	2911	17262	13,56%
60000	Land transport; transport via pipelines	3463	2817	6280	4,93%
61000	Water transport	2700	6	2706	2,13%
62000	Air transport	5	22	27	0,02%
63000	Supporting and auxiliary transport activities; activities of travel agencies	31	658	689	0,54%
64000	Post and telecommunications	411	870	1281	1,01%
65000	Financial intermediation, except insurance and pension funding	656	1215	1871	1,47%
66000	Insurance and pension funding, except compulsory social security	1029	261	1290	1,01%
67000	Activities auxiliary to financial intermediation	95	12	107	0,08%
70000	Real estate activities	37	108	145	0,11%
71000	Renting of machinery and equipment without operator and of personal and household goods	119	78	197	0,15%
72000	Computer and related activities	92	444	536	0,42%
73000	Research and development	474	73	547	0,43%
74000	Other business activities	62	2604	2666	2,09%
75000	Public administration and defense; compulsory social security	3221	2589	5810	4,56%
80000	Education	1905	4793	6698	5,26%
85000	Health and social work	3050	3159	6209	4,88%
90000	Sewage and refuse disposal, sanitation and similar activities	2261	433	2694	2,12%

91000	Activities of membership organizations n.e.c.	128	537	665	0,52%
92000	Recreational, cultural and sporting activities	514	1388	1902	1,49%
93000	Other service activities	1253	540	1793	1,41%
99000	Extra-territorial organizations and bodies	466	232	698	0,55%

Members and temporary allocated insured persons by education (31.12.2006)

Level of education	Number	Percent
Unknown	1369	1,07%
Unqualified	5481	4,30%
Semi-qualified	800	0,63%
Qualified	2830	2,22%
Highly qualified	175	0,14%
Lower vocational training	10871	8,53%
Upper vocational training	76456	59,99%
Advanced vocational training	2015	1,58%
University graduates	27442	21,53%

Average salary by age, gender, status and pension fund (2006)

Age	NPF					KB Prv					Total
	Men		Women		Total	Men		Women		Total	
	Volunt.	Mandat.	Volunt.	Mandat.		Volunt.	Mandat.	Volunt.	Mandat.		
Up to 20	7060,00	7135,47	5256,62	5779,81	6453,78	6869,30	7179,57	5728,08	5796,46	6486,59	6504,97
21 to 25	8651,25	8833,49	7005,00	8118,04	8343,50	8980,76	8922,10	6836,35	8216,25	8412,37	8420,10
26 to 30	10869,62	10447,03	10427,59	9774,66	10384,17	11194,72	10548,32	9982,41	10021,85	10446,04	10435,17
31 to 35	12807,10	9444,48	11458,55	8154,50	11274,10	13312,78	10096,06	11241,12	8325,09	11608,22	11495,83
36 to 40	13167,87	9250,01	10616,14	7459,38	11062,92	13780,09	10156,10	10974,25	7596,93	11707,65	11405,46
41 to 45	11476,31	8574,51	9009,08	7771,67	9588,80	13639,98	10357,89	10101,02	8039,58	11208,34	10416,86
46 and above	11150,44	11519,19	8305,30	7395,11	9611,43	19336,25	23393,68	16898,59	6542,35	16588,35	13417,94
Total	12698,62	8161,54	7718,69	7955,49	9169,49	10557,14	9521,73	11550,80	8077,56	10584,48	9866,34

Structure of members by salary, pension fund and gender, salary for 2006

	NPF			KB			Total			Total (%)		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Nett up to 4000 den.	2511	4818	7329	2449	6021	8470	4960	10839	15799	8,2%	19,2%	13,5%
Nett from 4.001 den. to 6.000 den.	3253	4168	7421	3254	4282	7536	6507	8450	14957	10,8%	14,9%	12,8%
Nett from 6.001 den. to 8.000 den.	7792	5589	13381	7187	5523	12710	14979	11112	26091	24,8%	19,7%	22,3%
Nett from 8.001 den. to 10.000 den.	7157	5431	12588	7689	5923	13612	14846	11354	26200	24,6%	20,1%	22,4%
Nett from 10.001 den. to 12.000 den.	3143	2188	5331	3573	2901	6474	6716	5089	11805	11,1%	9,0%	10,1%
Nett from 12.001 den. to 14.000 den.	1454	1323	2777	2002	2189	4191	3456	3512	6968	5,7%	6,2%	6,0%
Nett from 14.001 den. to 16.000 den.	1217	653	1870	1484	854	2338	2701	1507	4208	4,5%	2,7%	3,6%
Nett from 16.001 den. to 18.000 den.	617	449	1066	834	641	1475	1451	1090	2541	2,4%	1,9%	2,2%
Nett from 18.001 den. to 20.000 den.	397	297	694	528	422	950	925	719	1644	1,5%	1,3%	1,4%
Nett 20.000 den. +	1716	1322	3038	2179	1553	3732	3895	2875	6770	6,4%	5,1%	5,8%

Note: In the column: Total (%) is shown the participation in percentage by columns (from the total of men, from the total of women and from the total of members)

Average contribution paid in the second pillar by municipality and pension fund for 2006

	NPF	KB Prv	Total
BEROVO	1211,42	1277,28	1255,37
BITOLA	1227,86	1356,35	1279,87
BOGDANCI	1140,88	1161,21	1153,41
BOGOVINJE	1230,65	1345,74	1265,08
BOSILOVO	998,57	1057,39	1032,74
BRVENICA	1182,97	1202,20	1195,34
VALANDOVO	1143,90	1192,23	1150,50
VASILEVO	1096,76	1074,02	1083,31
VEVCANI	1233,76	1227,98	1231,68
VELES	1195,62	1256,57	1219,12
VINICA	1116,77	1189,18	1162,78
VRANESTICA	1109,34	1309,22	1239,82
VRAPCISTE	1253,88	1188,08	1229,33
GEVGELIJA	1289,20	1408,10	1339,26
GOSTIVAR	1307,95	1375,36	1340,96
GRADSKO	1188,39	1300,46	1230,16
DEBAR	1575,51	1535,84	1557,31
DEBARCA	1122,26	1331,71	1209,40
DELCEVO	1225,48	1159,15	1179,46
DEMIR KAPIJA	1269,56	1198,34	1227,04
DEMIR HISAR	1270,87	1245,30	1252,62
DOLNENI	1296,74	1324,23	1311,47
DOJLAN	1258,05	1215,43	1249,27
DRUGOVO	1519,94	1176,73	1233,48
JEGUNOVCE	1322,09	1232,39	1267,91
ZELINO	1158,53	1170,41	1161,80
ZAJAS	1409,76	1414,49	1413,86
ZELENIKOVO	1121,23	1186,61	1152,60
ZRNOVCI	1076,03	1044,61	1070,51
ILINDEN	1162,37	1242,06	1217,01
KAVADARCI	1246,42	1327,55	1311,84
KARBINCI	1046,93	1040,85	1043,02
KICEVO	1388,61	1273,77	1305,34
KONCE	1070,53	980,49	1057,73
KOCANI	1158,21	1136,60	1148,54
KRATOVO	1116,93	1197,93	1173,17
KRIVA PALANKA	1201,68	1211,68	1207,77
KRIVOGASTANI	1444,29	1237,23	1311,27
KRUSEVO	1257,87	1185,58	1200,47
KUMANOVO	1248,06	1360,12	1310,19

LIPKOVO	1146,08	1355,30	1238,24
LOZOVO	1198,22	1235,60	1222,17
MAVROVO I ROSTUSA	1042,05	1249,52	1196,99
MAKEDONSKA KAMENICA	1055,41	1125,05	1080,59
MAKEDONSKI BROD	1076,03	1276,11	1244,53
MOGILA	1078,41	1188,50	1099,03
NEGOTINO	1285,67	1228,36	1247,22
NOVACI	1213,26	1155,88	1189,22
NOVO SELO	1050,54	1076,35	1061,20
OSLOMEJ	1308,87	1404,42	1383,97
OHRID	1277,70	1298,16	1288,47
PETROVEC	1185,23	1251,87	1230,15
PEHCEVO	1320,58	1209,11	1241,48
PLASNICA	1485,42	1400,53	1404,01
PRILEP	1217,18	1260,75	1244,64
PROBISTIP	1309,12	1123,31	1184,21
RADOVIS	1116,89	1183,52	1128,46
RANKOVCE	1234,20	1343,14	1260,29
RESEN	1403,71	1313,91	1333,83
ROSOMAN	1109,75	1416,22	1376,57
SVETI NIKOLE	1154,24	1272,25	1231,91
SKOPJE	1626,68	1662,23	1646,20
SOPISTE	1131,55	1512,29	1439,96
STARO NAGORICANE	1148,28	1203,34	1178,19
STRUGA	1152,01	1340,02	1194,11
STRUMICA	1095,63	1194,84	1143,92
STUDENICANI	1120,60	1322,64	1247,19
TEARCE	1326,59	1285,92	1309,61
TETOVO	1338,93	1357,91	1348,22
CENTAR ZUPA	1190,44	1062,81	1121,72
CASKA	1055,33	1171,96	1106,88
CESINOVO - OBLESEVO	1071,90	1075,18	1074,14
CUCER - SANDEVO	1141,26	1320,81	1285,26
STIP	1189,55	1172,55	1177,00
Total	1212,88	1248,66	1231,64

Average contribution paid in the second pillar by business activity and pension fund for 2006

Business activity		Men	Women
01000	Agriculture, hunting and forestry	1146	1105
02000	Forestry, logging and related service activities	1352	1448
05000	Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing	1121	1402
10000	Mining of coal and lignite; extraction of peat		1059
11000	Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying	1019	1064

13000	Mining of metal ores	1579	1644
14000	Other mining and quarrying	1598	1355
15000	Manufacture of food products and beverages	1478	1308
16000	Manufacture of tobacco products	1360	1192
17000	Manufacture of textiles	1083	1029
18000	Manufacture of wearing apparel; dressing and dyeing of fur	1053	1027
19000	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	1000	992
20000	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1024	1018
21000	Manufacture of pulp, paper and paper products	1137	894
22000	Publishing, printing and reproduction of recorded media	1425	1425
23000	Manufacture of coke, refined petroleum products and nuclear fuel	2841	2418
24000	Manufacture of chemicals and chemical products	2374	2299
25000	Manufacture of rubber and plastic products	1084	1108
26000	Manufacture of other non-metallic mineral products	1387	1815
27000	Manufacture of basic metals	1872	1805
28000	Manufacture of fabricated metal products, except machinery and equipment	1146	1117
29000	Manufacture of machinery and equipment n.e.c.	1201	1236
30000	Manufacture of office machinery and computers	1914	1830
31000	Manufacture of electrical machinery and apparatus n.e.c.	1253	1231
32000	Manufacture of radio, television and communication equipment and apparatus	1116	1109
33000	Manufacture of medical, precision and optical instruments, watches and clocks	1496	1296
34000	Manufacture of motor vehicles, trailers and semi-trailers	1126	1088
35000	Manufacture of other transport equipment	1401	1439
36000	Manufacture of furniture; manufacturing n.e.c.	1039	1043
37000	Recycling	1073	1064
40000	Electricity, gas, steam and hot water supply	2481	2493
41000	Collection, purification and distribution of water	1495	1616
45000	Construction	1137	1160
50000	Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	1713	1701
51000	Wholesale trade and commission trade, except of motor vehicles and motorcycles	1660	1668
52000	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	1074	1034
55000	Hotels and restaurants	1113	1092
60000	Land transport; transport via pipelines	1048	1064
61000	Water transport	1269	1655
62000	Air transport	3178	2677
63000	Supporting and auxiliary transport activities; activities of travel agencies	2012	1801
64000	Post and telecommunications	2930	2923
65000	Financial intermediation, except insurance and pension funding	3039	2816

66000	Insurance and pension funding, except compulsory social security	3353	2913
67000	Activities auxiliary to financial intermediation	3499	3562
70000	Real estate activities	2031	2217
71000	Renting of machinery and equipment without operator and of personal and household goods	1076	1054
72000	Computer and related activities	1757	1606
73000	Research and development	1612	1545
74000	Other business activities	1377	1410
75000	Public administration and defense; compulsory social security	1774	1445
80000	Education	1520	1452
85000	Health and social work	1432	1320
90000	Sewage and refuse disposal, sanitation and similar activities	1354	1335
91000	Activities of membership organizations n.e.c.	2349	2464
92000	Recreational, cultural and sporting activities	1150	1181
93000	Other service activities	1110	999
95000	Private households with employed persons		1075
99000	Extra-territorial organizations and bodies	4712	4689

Structure of investments of pension funds assets

In million denars

Investments	31.03.2006			30.06.2006			30.09.2006			31.12.2006		
	NPF	KB Prv	Total	NPF	KB Prv	Total	NPF	KB Prv	Total	NPF	KB Prv	Total
Shares from domestic issuers	0,00	0,00	0,00	4,90	4,89	9,79	12,18	14,06	26,25	27,84	19,45	47,29
Bonds from domestic issuers	49,01	60,97	109,98	154,73	182,67	337,40	250,91	313,48	564,39	376,64	525,28	901,92
Short-term securities from domestic issuers	23,18	15,10	38,28	29,84	20,76	50,60	72,19	26,23	98,42	73,75	11,89	85,64
Deposits	4,50	14,62	19,12	30,28	71,04	101,32	30,77	100,85	131,62	81,00	130,17	211,17
Cash	0,07	0,00	0,07	0,06	0,00	0,06	1,22	0,00	1,22	0,00	0,00	0,00
Receivables	0,46	1,08	1,54	0,08	0,13	0,21	6,27	7,35	13,62	0,08	0,22	0,30

In percent

Investments	31.03.2006			30.06.2006			30.09.2006			31.12.2006		
	NPF	KB Prv	Total	NPF	KB Prv	Total	NPF	KB Prv	Total	NPF	KB Prv	Total
Shares from domestic issuers	0,0%	0,0%	0,0%	2,2%	1,8%	2,0%	3,3%	3,0%	3,1%	5,0%	2,8%	3,8%
Bonds from domestic issuers	63,5%	66,4%	65,1%	70,4%	65,4%	67,6%	67,2%	67,9%	67,5%	67,3%	76,5%	72,4%
Short-term securities from domestic issuers	30,0%	16,5%	22,7%	13,6%	7,4%	10,1%	19,3%	5,7%	11,8%	13,2%	1,7%	6,9%
Deposits	5,8%	15,9%	11,3%	13,8%	25,4%	20,3%	8,2%	21,8%	15,8%	14,5%	18,9%	16,9%
Cash	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,3%	0,0%	0,1%	0,0%	0,0%	0,0%
Receivables	0,6%	1,2%	0,9%	0,0%	0,0%	0,0%	1,7%	1,6%	1,6%	0,0%	0,0%	0,0%

Pension funds portfolio (31.12.2006)

NPF - portfolio (31.12.2006)					
ISIN	Name	Currency	Nominal value / number of shares	Value in denars	% of total assets
MKMINF20G010	Continuous bond 01; RMOBV01; 10%; 28/11/07	MKD	22.660.000,00	23.007.090,89	4,11%
MKMINF20G028	Continuous bond 02; RMOBV02; 9%; 03/05/08	MKD	56.200.000,00	59.328.278,28	10,61%
MKMINF20G036	Continuous bond 03; RMOBV03; 9%; 30/10/08	MKD	20.000.000,00	20.181.281,42	3,61%
MKMINF20G044	Continuous bond 04; RMOBV03/1; 9%; 27/11/09	MKD	63.670.000,00	63.653.419,84	11,38%
MKMINF200D27	Bond for denationalization; RMDEN02; 2%;01/06/13	EUR	441.885,38	22.917.153,64	4,10%
MKMINF200D35	Bond for denationalization; RMDEN03; 2%;01/06/14	EUR	828.707,00	42.285.717,86	7,56%
MKMINF200D43	Bond for denationalization; RMDEN04; 2%;01/06/15	EUR	787.405,80	39.555.288,59	7,07%
MKMINF200Z13	Bond for settlement of claims by citizens on the bases of foreign currency deposits; RM01; 2%;01/10/11	EUR	968.642,71	52.383.171,14	9,37%
MKMINF200D50	Bond for denationalization; RMDEN05; 2%;01/06/16	EUR	1.078.324,00	53.318.641,82	9,53%
Total bonds					67,34%
MKMINFDY6010	Treasury bill; 12-month; DZ2006/01-364; 21/03/07	MKD	11.900.000,00	11.679.401,63	2,09%
MKMINFDY6028	Treasury bill; 12-month; DZ2006/02-364; 20/06/07	MKD	38.800.000,00	37.277.561,48	6,67%
MKMINFDY6036	Treasury bill; 12-month; DZ2006/03-364; 19/09/07	MKD	26.340.000,00	24.795.849,40	4,43%
Total treasury bills					13,19%
ProKredit banka AD Skopje	31/05/06-31/05/08	MKD	7.300.000,00	7.300.000,00	8,27%
	05/06/06-05/06/08	MKD	12.700.000,00	12.773.277,26	
	04/10/06-04/10/08	MKD	6.000.000,00	6.037.282,19	
	04/12/06-04/12/09	MKD	20.000.000,00	20.131.945,21	
Tutunska banka	02/10/06-02/10/07	MKD	15.000.000,00	15.297.646,85	4,72%
	13/11/06-13/11/09	MKD	7.300.000,00	7.391.140,00	
	04/12/06-04/12/09	MKD	1.700.000,00	1.712.128,22	
	18/12/06-18/12/09	MKD	2.000.000,00	2.007.134,25	
Komercijalna banka	29/12/06-04/01/07	MKD	8.350.000,00	8.350.926,51	1,49%
Total deposits					14,48%
Komercijalna banka	Common shares	MKD	3.000	16.800.000,00	3,00%
Alkaloid	Common shares	MKD	509	2.736.160,04	0,49%
Invest banka	Common shares	MKD	349	2.094.000,00	0,37%
Makpetrol	Common shares	MKD	50	2.400.000,00	0,43%
Stopanska banka AD Bitola	Common shares	MKD	370	3.811.000,00	0,68%
Total shares					4,98%
Total government securities					80,53%
Total investments					99,99%

KB Prv otvoren penziski fond - portfolio (31.12.2006)

ISIN	Name	Currency	Nominal value / number of shares	Value in denars	% of total assets
MKMINF20G028	Continuous bond 02; RMOBV02; 9%; 02/05/08	MKD	74.940.000,00	79.068.922,23	11,51%
MKMINF20G036	Continuous bond 03; RMOBV03; 9%; 30/10/08	MKD	62.180.000,00	62.723.856,68	9,13%
MKMINF20G044	Continuous bond 04; RMOBV03/1; 9%; 27/11/09	MKD	114.600.000,00	114.001.278,54	16,59%
MKMINF200D19	Bond for denationalization; RMDEN01; 2%; 01/06/12	EUR	35.808,71	1.909.395,45	0,28%
MKMINF200D27	Bond for denationalization; RMDEN02; 2%; 01/06/13	EUR	638.701,25	33.247.548,87	4,84%
MKMINF200D35	Bond for denationalization; RMDEN03; 2%; 01/06/14	EUR	881.592,22	45.219.390,87	6,58%
MKMINF200D43	Bond for denationalization; RMDEN04; 2%; 01/06/15	EUR	1.527.403,20	77.024.813,94	11,21%
MKMINF200D50	Bond for denationalization; RMDEN05; 2%; 01/06/16	EUR	1.062.111,00	52.631.314,74	7,66%
MKMINF200Z13	Bond for settlement of claims by citizens on the bases of foreign currency deposits; RM01; 2%; 01/10/11	EUR	1.100.402,03	59.442.013,96	8,65%
Total bonds					76,46%
MKMINFDY6028	Treasury bill; 12-month; DZ2006/02-364; 20/06/07	MKD	7.030.000,00	6.758.035,16	0,98%
MKMINFDY6036	Treasury bill; 12-month; DZ2006/03-364; 19/09/07	MKD	5.450.000,00	5.130.500,35	0,75%
Total treasury bills					1,73%
Stopanska banka Skopje	03/02/06-03/02/07	MKD	136.855,50	145.307,92	2,17%
	19/10/06-19/10/11	MKD	12.000.000,00	12.197.063,01	
	20/10/06-20/10/11	MKD	2.500.000,00	2.540.500,00	
	29/2/06-03/01/07	MKD	25.495,50	25.496,55	
Izvozna kreditna banka	03/02/06-03/02/07	MKD	136.855,50	136.855,50	2,28%
	16/05/06-16/05/11	MKD	8.000.000,00	8.000.000,00	
	24/05/06-24/06/11	MKD	4.500.000,00	4.500.000,00	
	25/05/06-25/06/11	MKD	3.000.000,00	3.000.000,00	
Pro Kredit banka	14/04/06-14/04/11	MKD	17.000.000,00	17.074.194,52	10,54%
	25/04/06-25/04/11	MKD	3.600.000,00	3.606.110,14	
	28/04/06-28/04/11	MKD	3.350.000,00	3.353.249,04	
	03/05/06-03/05/11	MKD	2.500.000,00	2.517.578,77	
	07/07/06-07/07/11	MKD	9.500.000,00	9.550.753,42	
	11/09/06-11/09/11	MKD	14.280.000,00	14.347.781,10	
	11/09/06-11/09/11	MKD	3.060.000,00	3.074.524,52	
	13/09/06-13/09/11	MKD	4.070.217,00	4.087.696,63	
	21/09/06-21/09/11	MKD	3.720.213,50	3.729.463,07	
	29/09/06-29/09/11	MKD	3.759.915,00	3.762.464,53	
Komerijalna banka	09/10/06-09/10/11	MKD	4.300.000,00	4.322.354,11	1,32%
	13/10/06-13/10/11	MKD	3.000.000,00	3.012.883,56	
	29/12/06-05/01/07	MKD	165.120,50	165.181,57	
	29/12/06-03/01/07	MKD	8.901.659,00	8.904.951,39	
Eurostandard banka	02/06/06-02/06/08	MKD	18.000.000,00	18.118.040,87	2,64%
Total deposits					18,97%
Stopanska banka AD Bitola	Common shares	MKD	1.569	16.160.700,00	2,35%

Ohridska banka AD Ohrid	Common shares	MKD	123	1.143.900,00	0,17%
Makedonija Turist A.D - Skopje	Common shares	MKD	240	659.760,00	0,10%
Stopanska banka AD Bitola	Priority shares	MKD	1	8.604,00	0,00%
Alkaloid AD Skopje	Common shares	MKD	275	1.478.279,00	0,22%
Total shares					2,83%
Total government securities					78,19%
Total investments					99,97%

Contributions and net assets by pension fund in 2006

Month	NPF		KB Prv		Total	
	Contributions	Net assets	Contributions	Net assets	Contributions	Net assets
01.2006	0,88	0,80	1,24	1,13	2,11	1,93
02.2006	30,93	29,15	40,22	38,00	71,15	67,15
03.2006	46,60	72,05	58,41	91,73	105,01	163,78
04.2006	47,37	115,82	57,99	145,27	105,36	261,09
05.2006	54,17	165,65	67,37	207,88	121,54	373,53
06.2006	53,56	216,16	67,51	271,34	121,07	487,50
07.2006	56,43	268,78	69,22	334,88	125,65	603,66
08.2006	52,30	319,40	64,69	396,69	116,99	716,09
09.2006	53,53	370,69	65,71	458,75	119,23	829,44
10.2006	53,81	421,80	64,23	521,05	118,04	942,85
11.2006	57,71	472,27	69,88	587,77	127,58	1.060,04
12.2006	89,27	557,12	102,30	684,42	191,57	1.241,54
Total	596,54		728,76		1.325,30	

Changes of the accounting unit in 2006

Date	NPF	KB
31.01.2006	100,000000	100,000000
15.02.2006	100,229729	100,196629
28.02.2006	100,442130	100,435298
15.03.2006	100,737958	100,670673
31.03.2006	100,958849	100,889807
15.04.2006	101,174620	101,091288
30.04.2006	101,412787	101,298907
15.05.2006	101,653883	101,526741
31.05.2006	101,834218	101,762952
15.06.2006	102,333059	102,043813
30.06.2006	102,605429	102,530942
15.07.2006	103,021298	102,742768
31.07.2006	103,590748	103,109236
15.08.2006	103,818014	103,549490
31.08.2006	104,589607	103,915208
15.09.2006	104,911417	104,148926
30.09.2006	105,292089	104,422759
15.10.2006	105,555204	104,843340
31.10.2006	105,798432	105,205822
15.11.2006	105,738059	105,459732
30.11.2006	105,367670	105,858715
31.12.2006	105,929336	106,265900