NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA

PLAN
of Activities for 2025

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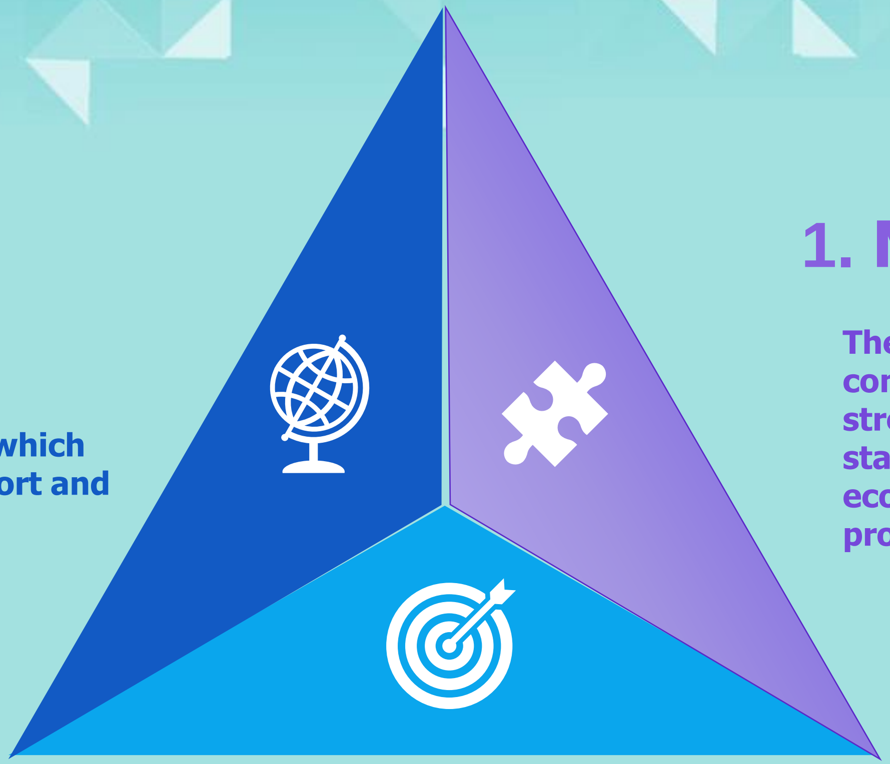
Contents

MISSION, VISION AND VALUES

"A central bank that contributes to building a stable, sustainable and green economy"

2. Vision

The National Bank is recognized as an independent, accountable, professional, innovative and transparent institution, which uses its integrity and credibility to support and build public confidence



1. Mission

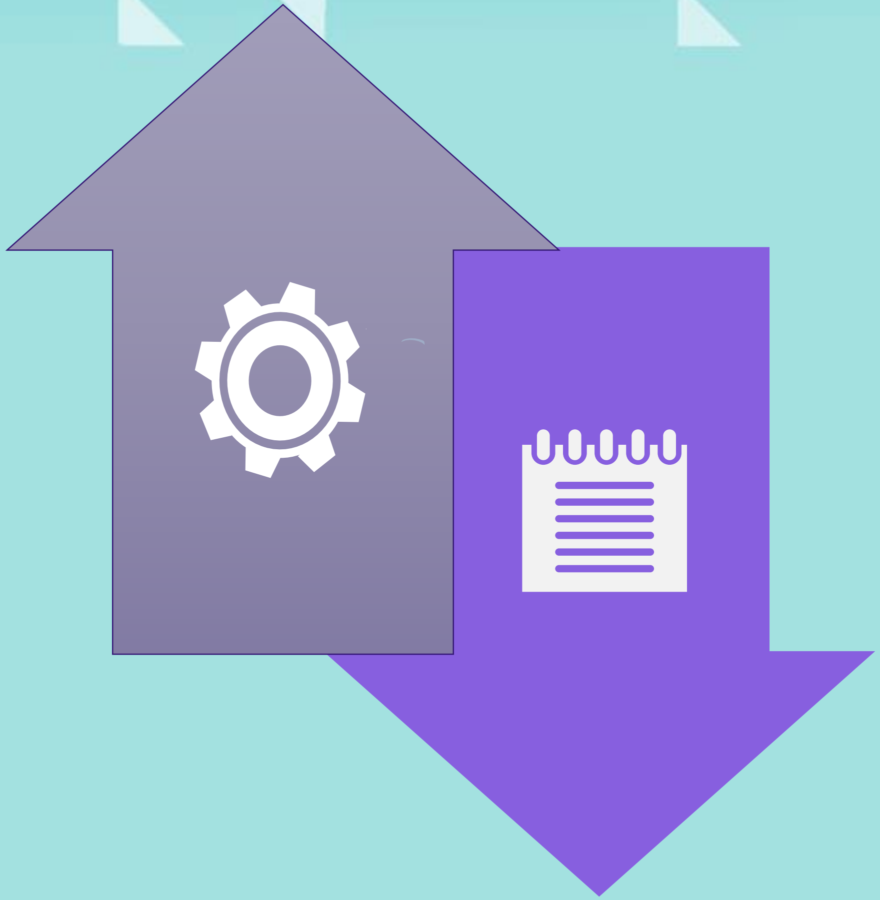
The National Bank deploys its competences and activities to strengthen financial and price stability, contributes to domestic economic growth and economic progress of all citizens

3. Values

Dedicated to quality, integrity, loyalty, transparency, leadership, innovation, flexibility, professionalism and nurturing a strong sense of team spirit

INTRODUCTION

The Plan of Activities consists of program activities for realization of the **Strategic Plan of the National Bank of the Republic of North Macedonia for 2025 – 2027** by optimal dedication of available resources to priority areas, strengthening of all work capacities, improvement of the quality of operations and to ensure monitoring and evaluation of the results and effectiveness of the measures and activities taken.



Program activities include implementation of regular work processes and activities related to projects that introduce changes to the operations such as increasing efficiency, quality, transparency and reliability, compliance with the new legal requirements and international standards.

LEGAL COMPETENCES

Legal competence 1
Price stability

Legal competence 2
Financial stability, supervision and bank resolution

Legal competence 3
Foreign reserves management

Legal competence 4
Payment systems and cash provision

Legal competence 5
Economic research and statistics

Legal competence 6
Good governance and cooperation

Legal competence 1 – **Price stability**

MAIN ACTIVITIES:

Improving analytical skills and strengthening of capacities for preparation of macroeconomic analyses and forecasts

Preparation of analyses of the sustainability of public and external debt, balanced real exchange rate and monetary transmission

Supporting the development of domestic foreign exchange market and domestic financial markets

Maintenance of the denar exchange rate stability

Expected results:

- ✓ Strengthened capacities and improved tools for macroeconomic analysis and forecasting in line with the best practices of international financial institutions.
- ✓ Efficient and transparent monetary policy conduct, maintaining the stability of the nominal exchange rate of the denar against the euro and price stability in the medium term.
- ✓ Developed domestic foreign exchange and financial market.

Legal competence 2 – **Financial stability supervision and bank resolution**

Ensuring financial stability, supervision and bank resolution are prerequisites for maintaining financial system integrity and stability. The National Bank, as the sole supervisor of banks and savings houses, will continue to apply efficient and prudent supervision as a basis for stable and reliable banking system and protection of interests of depositors and other creditors who have invested funds in the banks.

MAIN ACTIVITIES:

Improving banking regulations and bank resolution

Strengthening of off-site and on-site supervision, IT risk assessment and cyber security

Strengthening the consumer protection system in the banking system

Execution of the macroprudential authority of the National Bank, monitoring of developments and risks in the financial system, assessment of the resilience of the banking system to shocks

Expected results:

- ✓ Sound banking system resilient to external and internal risks
- ✓ Regulatory framework that encourages modern, competitive and market-oriented banking system in accordance with the best international practices
- ✓ Independent, prudential and efficient supervision that effectively protects the users of financial services

Legal competence 3 - Foreign reserves management

Main activities:

The National Bank manages the foreign reserves of the Republic of North Macedonia, thus ensuring:

- support of the implementation of monetary policy and the exchange rate regime;
- protection of the domestic economy from external shocks;
- regular servicing of external public debt; and
- maintenance of the credibility of the domestic economy worldwide.

- Adjustment of the investment decisions to volatile developments on the domestic foreign exchange market and international financial markets;
- Implementation of business models by portfolio for greater flexibility;
- Development of methodologies and draft project activities for introducing new instruments and/or counterparties.

Expected results:

✓ Efficient foreign reserves management, optimally balancing between the principles of safety, liquidity and return on management.

Legal competence 4 – **Payment systems and cash provision**

The National Bank plays a key role in the payment systems development and oversight and cash provision to ensure seamless functioning of the economy. The focus will be on activities for safeguarding the integrity and trust in the national monetary unit through the established functionality, stability, efficiency and effectiveness of the cash supply system and ensuring high quality of banknotes and coins in circulation.

Main activities:

Payment System Development Strategy of the Republic of North Macedonia

Oversight of payment system operators for safe and efficient execution of payments

Monitoring the implementation of the new legal framework in the payment area and introduction of new technologies and innovations to support payments

Execution of international payment operations on behalf of the government and administrative bodies

Manufacturing/purchasing banknotes and coins, coin blanks, commemorative coins and collector coins

Improvement of the back office operations in line with the ECB operating practices and standards and anti-money laundering and terrorist financing procedures

Expected results:

- ✓ High level of integrity and trust in the national monetary unit;
- ✓ Safe, sound and efficient payment system; and
- ✓ Greater involvement and better protection of payment service users

Legal competence 5 - **Economic research and statistics**

The National Bank will be dedicated to research activities and statistical data management in order to make timely and quality decisions in the monetary and macroprudential policy area.

Main activities:

Developing a large and diverse statistical data base, as well as potential for data collection, analysis, processing and dissemination. Full compliance with the European standards for quality and timeliness of statistical data, dissemination of new data sets and increased efficiency through greater digitalization of processes

Development of economic research and modeling techniques, advancement of the macroeconomic analysis area, enhancing the of scientific research activity at the domestic and international level. Research activities reflect in several publications: regular reports, analytical boxes within reports, working papers, analyses and other publications

Disseminating monetary and external statistics, financial accounts and securities statistics, and reporting as an obligation arising from membership in international organizations

Organizing regular quarterly sessions of the Research Club, as an opportunity to exchange experience with the public in the field of macroeconomics and other central banking topics

Expected results:

- ✓ Availability of internationally comparable, high-quality, timely and easily accessible statistical data.
- ✓ Modern research techniques, ample scientific research in various economic areas and fruitful academic debate to support decision-making in monetary policy and financial stability.

Legal competence 6 - **Good governance and cooperation**

Main activities:

Effective risk management in all segments of its operations, adhering to the highest standards of corporate governance and financial reporting

Prudential management of legal risks, improving compliance and ethical norms to maintain the highest standards of integrity and accountability

Comprehensive audit procedures within the framework of internal audit

Implementation of a Strategic Plan:

Strengthening of information security, cyber resilience and ensuring business continuity, personal data protection and classified information security

Adjusting the operations and regulations to the European legislation, as well as according to the best world practices and standards

Regularly inform the public, ensuring availability and timely delivery of the necessary information and data

Ensuring competent human potential - attracting, retaining and motivating dedicated and professional staff

Implementation of planned activities and projects

Security and regular IT infrastructure maintenance and raising the quality of IT services by applying the latest and most appropriate systems, tools and procedures

Development of museum operations, library and historical and archival activities

Expected results:

- ✓ Smooth execution of the National Bank functions and tasks for the efficient and effective achievement of its strategic goals, mandate and vision

STRATEGIC AREAS

SA1 Stability and modern central bank

SA2 Digital transformation and new skills

SA3 Transparency and inclusion for constant success

SA4 Green sustainable economy and climate change awareness

SA5 Management and resilience in a changing environment

Strategic area 1
Stability and modern central bank

The National Bank will continue with activities to maintain price and financial stability and to advocate for the values of a modern central bank

Modernization of monetary instruments and liquidity planning for the purpose of more efficient transmission of monetary signals

Supporting the denarization process through change in the setup of the reserve requirement system

Upgrade of the established software solutions in the payment services and payment systems - larger transparency and comparability of services

Analysis of the possibilities and the need of issuing digital denar

Modernization and advancement of the electronic system for conducting government securities auctions on the domestic market

Strengthening of the regulatory framework for consumer protection in the banking sector - creating a network of contact persons for consumer protection

Participation in the Regional Cooperation Council

Supporting the development of domestic FinTech sector

Organization of the 16th Conference on payments and market infrastructure

Preparing banks to enable payments in the Single European Payments Area (SEPA), considering opportunities for introducing innovative FinTech solutions for executing payments, as well as for connecting to the Eurosystem's TARGET Instant Payments Settlement (TIPS) system

Strategic area 2

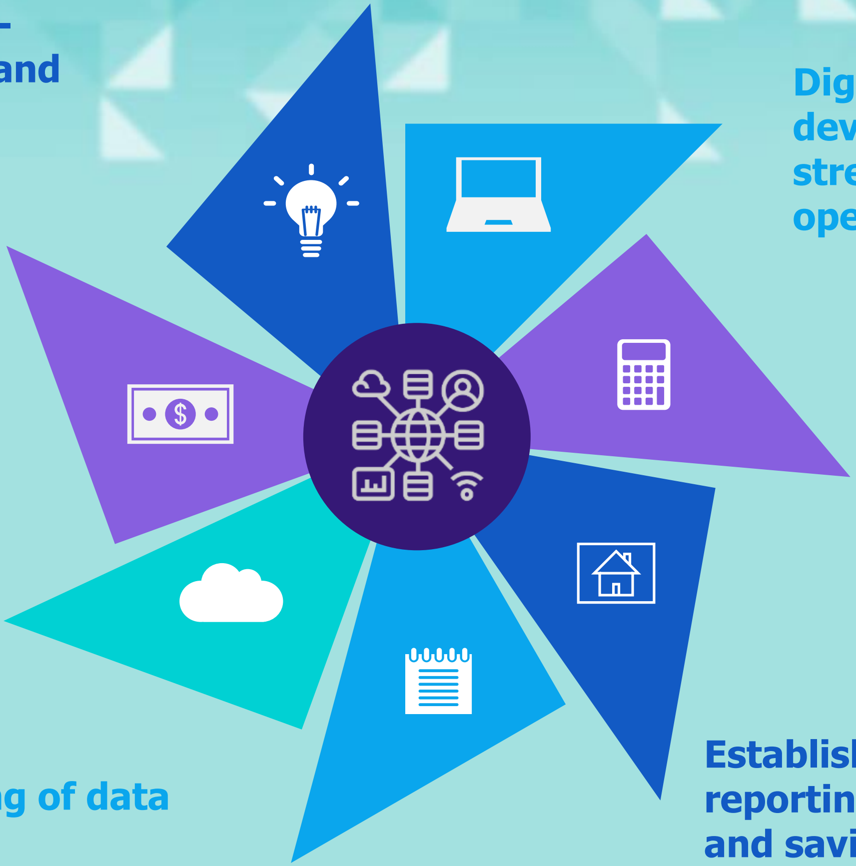
Digital transformation and new skills

Training employees to acquire new skills - improving data management knowledge and strengthening analytical abilities

Introduction of integrated cash management platform - establishing a modern cash supply system

Using cloud computing for employee productivity tools

Introduction of:
- **Contemporary method of digital signing of data files**
- **Artificial intelligence as a support to an everyday work**
- **Tools for security control of software code**



Digitalization and automation of work tasks - developing innovative software tools to streamline work processes and increase operational efficiency

New Integrated Accounting System ISS – general ledger and upgrade of several accounting application solutions

Establishing integrated, detailed and efficient reporting system by the National Bank, banks and savings houses for statistical and supervisory purposes (ISIDORA) and and building a single statistical data warehouse

Strategic area 3

Transparency and inclusion for constant success

- The National Bank will continue with the activities for improving transparency and access to information, encouraging communication and timely public information, as well as international and domestic cooperation.
- Simplifying and supplementing informational texts available on the web-site, as well as larger presence on social networks through contemporary forms of presentation.

Financial education

Global Money Week

European Money Quiz

Financial Literacy Days

World Savings Day

High-level conference, as a platform for addressing relevant topics

Open Day at the National Bank - Our National Bank.

Revision and upgrade of IT risk examination and assessment procedures during on-site supervision and their alignment with the ECB regulations

Introduction of legislation for ensuring digital resilience in the financial sector and alignment of domestic regulation with the EU Digital Operational Resilience Act

Audit of the Strategy for Financial Education and Financial Inclusion of RNM

Financial education for women entrepreneurs and persons with disability

Increased charity, donor and socially responsible activities

Museum education and museum research work - Contribution to the promotion of national and social values of our country

Strategic area 4

Green sustainable economy and climate change awareness

- Analysis of the impact of climate change risks on the operations of domestic banks and implementation of stress tests to assess the resilience of the banking system.
- Maintaining a balance between commitment to environmental sustainability and preserving financial stability.
- Identifying and analyzing nature-related risks in the process of managing foreign reserves portfolios
- Strengthening capacities for on-site and off-site supervision of climate-related risks

- ✓ Cooperation with international and domestic institutions to jointly address the global climate change
- ✓ Holding a conference dedicated to green finance
- ✓ Contribution to the Network for Greening the Financial System
- ✓ Adopting Sustainability Policy
- ✓ Encouraging green finance and sustainable development investments

Strategic area 5

Management and resilience in a changing environment

Improving the operating risk management framework in the National Bank

A high level of information security, integrating cyber resilience in the bank processes, strengthening the payment system's resilience to various crisis situations, and ensuring business continuity in a changing environment will be the areas of particular interest in 2025.

1. Drawing up a Cyber Resilience Strategy for 2026 - 2028 — Strengthening the information system security and resilience against cyber attacks
2. Improving the process of strategic planning — Qualitative and quantitative measurement of the National Bank's performance
3. Ensuring business continuity — Improving the monitoring of security events and incidents through establishing Security Operations Center

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