



NATIONAL BANK OF THE REPUBLIC OF MACEDONIA

Pursuant to Article 69 of the Law on the National Bank of the Republic of Macedonia ("Official Gazette of RM" no. 3/2002, 51/2003, 85/2003, 40/2004, 61/2005 and 129/2006), Article 68 paragraph 1 item 3 of the Banking Law ("Official Gazette of RM" no. 67/2007) and item 43 of the Decision on the liquidity management of banks ("Official Gazette of RM" no. 163/2008), the Governor of the National Bank of the Republic of Macedonia adopted the following

INSTRUCTIONS

on enforcing the Decision on the liquidity risk management of banks ("Official Gazette of RM" no. 15/2009)

I. GENERAL PROVISIONS

1. These Instructions shall set forth the enforcement of the Decision on the liquidity risk management of banks (hereinafter referred to as: the Decision).

2. For the purpose of uniform implementation of the Decision, the bank shall be required to fill in and to submit to the National Bank of the Republic of Macedonia (hereinafter referred to as: the National Bank) the following reports:

- Report on the contractual maturity structure of the assets and the liabilities;
- Report on the expected maturity structure of the assets and the liabilities;
- Report on the largest depositors and the concentration level;
- Report on the liquidity ratios; and
- Report on the internal liquidity indicators.

The reports under this item shall be an integral part of these Instructions.

II. REPORT ON THE CONTRACTUAL MATURITY STRUCTURE OF THE ASSETS AND THE LIABILITIES

3. The Report on the contractual maturity structure of the assets and the liabilities shall consist of three parts:

- Form RSD - Denars;
- Form RSD - foreign exchange; and
- Form RSD - total.

4. For the purpose of filling in of this Report, the following rules shall be applied:

- the individual asset and liabilities items shall be entered for five time frames: up to 7 days, from 8 to 30 days, from 31 to 90 days, from 91 to 180 days and from 181 to 365 days;

- the time frames shall be determined according to the contractual residual maturity of the individual asset and liabilities items, as a residual period from the reporting day until their factual contractual maturity;
- all asset items shall be presented on a gross basis, i.e. the accumulated amortization, the impairment and the allocated reserve shall not be taken into regard;
- all on-balance sheet asset items having nonperforming status shall not be presented in the Report;
- the reserve requirement in foreign currency shall not be included in the Report, while the column denoting the period up to seven days shall state only the amount of the Denar reserve requirement the bank may use, while the remaining amount shall not be included in the Report.

Form RSD - Denars

5. The Form RSD - Denars shall state the contractual maturity structure of the assets and the liabilities in Denars and in Denars with FX clause on the last day of the reporting month.

Besides the rules from item 4 of these Instructions, the Form RSD - Denars shall be filled in by applying the rules under items 6, 7, 8, 9 and 10 of these Instructions.

6. Columns from no. 3 to no. 7 shall state the amount of the individual asset and liabilities items in Denars and in Denars with FX clause, in conformity with their contractual residual maturity.

7. Columns no. 8 - "total" shall state the sum of the asset and liabilities items in Denars and in Denars with FX clause from all time frames of the contractual residual maturity, i.e. the sum of the amounts under columns no. 3-7.

Assets

8. The assets' positions shall be filled in as follows:

1) Cash, cash equivalents, gold and precious metals

These positions in the bank's accounting are recorded on the adequate part of the accounts 10, 131 and 14.

2) Financial instruments held for trading

This position shall state separately the Money Market instruments, other debt instruments and equity instruments in Denars and in Denars with FX clause, held for trading. In the bank's accounting, the Money Market instruments are recorded on the accounts: 40000, 40010, 40100, 40110, 40120, 40500, 40510, 40520, 40530, 40540, 40550, 40800, 40810, 40850, 46000, 46010, 46100, 46110, 46120, 46500, 46510, 46520, 46530, 46540, 46550, 46800, 46810 and 46850. The other debt instruments are recorded on the accounts: 40001, 40011, 40101, 40111, 40121, 40501, 40511, 40521, 40531, 40541, 40551, 40801, 40811, 40851, 46001, 46011, 46101, 46111, 46121, 46501, 46511, 46521, 46531, 46541, 46551, 46801, 46811 and 46851, while the equity instruments on the accounts: 40002, 40012, 40512, 40522, 40532, 40542, 40552, 40802, 40852, 46002, 46012, 46512, 46522, 46532, 46542, 46552, 46802 and 46852.

3) Derivatives for trading

This position in the bank's accounting is recorded on the accounts 450 and 453.

4) Embedded derivatives and derivatives held for hedging

This position shall include the derivatives shown on the accounts 451, 452, 454 and 455.

5) Financial instruments at fair value through profit and loss identified as such at initial recognition

This position shall state separately the Money Market instruments, other debt instruments, equity instruments and credits in Denars and in Denars with FX clause at fair value through profit and loss identified as such at initial recognition. In the bank's accounting, the Money Market instruments are recorded on the following accounts: 43000, 43010, 43100, 43110, 43120, 43500, 43510, 43520, 43530, 43540, 43550, 43800, 43810, 43850, 49000, 49010, 49100, 49110, 49120, 49500, 49510, 49520, 49530, 49540, 49550, 49800, 49810, 49850, while the other debt instruments on the following accounts: 43001, 43011, 43101, 43111, 43121, 43501, 43511, 43521, 43531, 43541, 43551, 43801, 43811, 43851, 49001, 49011, 49101, 49111, 49121, 49501, 49511, 49521, 49531, 49541, 49551, 49801, 49811, 49851. The equity instruments are recorded on the accounts: 43002, 43012, 43512, 43522, 43532, 43542, 43552, 43802, 43852, 49002, 49012, 49512, 49522, 49532, 49542, 49552, 49802, 49852, while the credits on the accounts 439 and 499.

6) Financial instruments held to maturity

This position shall show separately the Money Market instruments and other debt instruments in Denars and in Denars with FX clause held to maturity. In the bank's accounting, the Money Market instruments are recorded on the adequate part of the accounts: 42000, 42010, 42100, 42110, 42120, 42500, 42510, 42520, 42530, 42540, 42550, 42800, 42810, 42850, 48000, 48010, 48100, 48110, 48120, 48500, 48510, 48520, 48530, 48540, 48550, 48800, 48810, 48850, while the other debt instruments on the adequate part of the accounts: 42001, 42011, 42101, 42111, 42121, 42501, 42511, 42521, 42531, 42541, 42551, 42801, 42811, 42851, 48001, 48011, 48101, 48111, 48121, 48501, 48511, 48521, 48531, 48541, 48551, 48801, 48811 and 48851.

7) Financial instruments available for sale

This position shall show separately the Money Market instruments and other debt instruments, equity securities and other instruments in Denars and in Denars with FX clause available for sale. In the bank's accounting, the Money Market instruments are recorded on the adequate part of the accounts: 41000, 41010, 41100, 41110, 41120, 41500, 41510, 41520, 41530, 41540, 41550, 41800, 41810, 41850, 47000, 47010, 47100, 47110, 47120, 47500, 47510, 47520, 47530, 47540, 47550, 47800, 47810, 47850. The other debt instruments are recorded on the adequate part of the accounts: 41001, 41011, 41101, 41111, 41121, 41501, 41511, 41521, 41531, 41541, 41551, 41801, 41811, 41851, 47001, 47011, 47101, 47111, 47121, 47501, 47511, 47521, 47531, 47541, 47551, 47801, 47811, 47851, while the equity instruments on the adequate part of the accounts: 41002, 41012, 41512, 41522, 41532, 41542, 41552, 41802, 41852, 47002, 47012, 47512, 47522, 47532, 47542, 47552, 47802 and 47852. The other instruments are recorded on the adequate part of the accounts 419 and 479.

8) Credits and claims

This position shall include the interbank transactions in Denars and in Denars with FX clause recorded on the adequate part of the account 13 (except to the account 131), deposits in Denars and in Denars with FX clause recorded on the adequate part of the accounts 53 and 55, financial leasing in Denars and in Denars with FX clause recorded on the accounts 58 (adequate part) and 599 (adequate part), as well as the credits in Denars and in Denars with FX clause recorded on the adequate part of the accounts 50 and 52. This position shall include also other claims in Denars and in Denars with FX clause, i.e. claims for payments based on issued backing guarantees on securities and guarantees and claims based on claims redemption (factoring and forfeiting) in Denars and in Denars with FX clause, which are recorded on the adequate part of the accounts 56 and 57.

9) Interest receivables

This position shall state the interest receivables in Denars and in Denars with FX clause, recorded on the adequate part of the account 15.

10) Commissions and fees receivables

This position shall include the commissions and fees receivables in Denars and in Denars with FX clause recorded on the adequate part of the account 16.

11) Other on-balance sheet assets

This position shall include the accounts of the bank's assets that can not be distributed to the previous asset positions, and that are cash inflow for the bank in Denars and in Denars with FX clause (adequate part of the accounts 12, 19 and other asset accounts).

12) Total assets

This position shall state the total assets in Denars and in Denars with FX clause obtained as a sum of the amounts from line no. 1 to line no. 11 for each position from columns no. 3 - 8.

Liabilities

9. The liabilities' positions shall be filled in as follows:

13) Transaction accounts

This position shall include the transaction accounts in Denars recorded on the adequate part of the account 80.

14) Financial liabilities at fair value through profit and loss

This position shall state the financial liabilities in Denars and in Denars with FX clause measured at fair value through profit and loss, with the liabilities from Money Market instruments, other debt instruments, equity instruments, deposits, liabilities from credits and subordinated instruments being presented separately. In the bank's accounting, these positions are recorded on the adequate accounts 89.

15) Derivatives for trading

In the bank's accounting, this position is recorded on the accounts 850 and 853.

16) Embedded derivatives and derivatives held for hedging

In the bank's accounting, this position is recorded on the accounts 851, 852, 854 and 855.

17) Deposits

This position shall state separately the sight deposits and term deposits in Denars and in Denars with FX clause recorded on the adequate part of the accounts 81, 82 and 86.

18) Liabilities from credits

In the bank's accounting, the liabilities from credits in Denars and in Denars with FX clause are recorded on the adequate part of the accounts 84 and 87. This position shall also cover the outflows from subordinated and hybrid capital instruments that mature within the following 365 days, and which are recorded on the adequate part of the accounts 908, 9100, 9102, 9110 and 9112.

19) Issued debt securities

This position shall state the liabilities from issued securities in Denars and in Denars with FX clause recorded on the adequate part of the account 83.

20) Interest payable

This position shall state the interest payable in Denars and in Denars with FX clause recorded on the adequate part of the account 25.

21) Commissions and fees payable

This position shall include the commissions and fees payable in Denars and in Denars with FX clause recorded on the adequate part of the account 26.

22) Financial leasing

In the bank's accounting, the liabilities from financial leasing in Denars and in Denars with FX clause are recorded on the adequate part of the account 88.

23) Other on-balance sheet liabilities

This item shall encompass the bank's liabilities accounts that can not be distributed to the previous liabilities positions, and which are cash outflow for the bank. It shall cover the adequate part of the accounts 20, 21, 22, 23, 29 and other liabilities accounts.

24) Total liabilities

This position shall state the total liabilities in Denars and in Denars with FX clause obtained as a sum of the amounts from no. 13 to no. 23 for each position from the columns no. 3 - 8.

Off-balance sheet items

10. The off-balance sheet items which are potential claim (cash inflow), or potential liability (cash outflow) for the bank shall be presented on the following positions in the Form:

25) Off-balance sheet assets

This position shall state the off-balance sheet items in Denars and in Denars with FX clause representing potential claim for the bank on the basis of the obtained guarantees, letters of credit, lines of credit and other off-balance sheet items which are recorded on the adequate part of the account 990. This item shall not include the off-balance sheet items that are connected to items already shown as part of the on-balance sheet asset side of this Report.

26) Off-balance sheet liabilities

This position shall state the off-balance sheet items in Denars and in Denars with FX clause representing potential liability for the bank on the basis of issued guarantees, letters of credit, lines of credit, undrawn credit limits and other off-balance sheet items, with exception to the covered off-balance sheet items. This position shall state the adequate part of the account 998.

27) Net off-balance sheet items

It shall state the difference between the off-balance sheet assets and the off-balance sheet liabilities shown under no. 25 and no. 26. The possible negative difference shall be stated with negative sign.

28) Gap

This position shall be obtained as a gap between the total assets and the total liabilities (gap between the amounts under no. 12 and no. 24), increased, i.e. reduced by the amount of the net off-balance sheet items.

29) Cumulative gap

This position shall state the cumulative gap under no. 28.

Form RSD - foreign exchange

11. The Form RSD - foreign exchange shall state the contractual maturity structure of the assets and the liabilities in foreign exchange on the last day of the reporting month.

Besides the rules under item 4 of these Instructions, the Form RSD - foreign exchange shall be filled in by applying the rules from items 12, 13, 14, 15 and 16.

12. Columns from no. 3 to no. 7 shall state the amount of individual asset and liabilities items in foreign exchange, in accordance with their contractual residual maturity.

13. The column no. 8 - "total", shall state the sum of the asset and liabilities items in foreign exchange from all time frames of the contractual residual maturity, i.e. the sum of the amounts from columns no. 3 - 7.

Assets

14. The assets' positions shall be filled in as follows:

1) Cash, cash equivalents, gold and precious metals

This position shall state the cash, cash equivalents and transaction accounts in foreign exchange, which in the bank's accounting is recorded on the adequate part of the accounts 10, 300, 301, 307, 308, 31, as well as on other adequate accounts.

2) Financial instruments held for trading

This position shall state separately the Money Market instruments, other debt instruments and equity instruments in foreign currency held for trading. In the bank's accounting, the Money Market instruments are recorded on the accounts: 36000, 36010, 36100, 36110, 36120, 36500, 36510, 36530, 36540, 36550, 36800, 36810, 36850. Other debt securities are recorded on the accounts: 36001, 36011, 36101, 36111, 36121, 36501, 36511, 36531, 36541, 36551, 36801, 36811, 36851, while the equity instruments on the accounts: 36002, 36012, 36512, 36532, 36542, 36552, 36802, 36852.

3) Derivatives for trading

In the bank's accounting, this position is recorded on the account 350.

4) Embedded derivatives and derivatives held for hedging

In the bank's accounting, this position is recorded on the accounts 351 and 352.

5) Financial instruments at fair value through profit and loss, identified as such at initial recognition

This position shall state separately the Money Market instruments, other debt instruments, equity instruments and credits in foreign currency at fair value through profit and loss, identified as such at initial recognition. In the bank's accounting, the Money Market instruments are recorded on the accounts: 39000, 39010, 39100, 39110, 39120, 39500, 39510, 39530, 39540, 39550, 39800, 39810, 39850. The other debt instruments are recorded on the accounts: 39001, 39011, 39101, 39111, 39121, 39501, 39511, 39531, 39541, 39551, 39801, 39811, 39851. The equity instruments are recorded on the accounts: 39002, 39012, 39512, 39532, 39542, 39552, 39802, 39852, while the credits on the account 399.

6) Financial assets held to maturity

This position shall state separately the Money Market instruments and other debt instruments in foreign currency held to maturity. In the bank's accounting, the Money Market instruments are recorded on the adequate part of the accounts: 38000, 38010, 38100, 38110, 38120, 38500, 38510, 38530, 38540, 38550, 38800, 38810, 38850, while the other debt instruments, on the adequate part of the accounts: 38001, 38011, 38101, 38111, 38121, 38501, 38511, 38531, 38541, 38551, 38801, 38811, 38851.

7) Financial instruments available for sale

This item shall state separately the Money Market instruments, other debt instruments, equity securities and other instruments in foreign currency available for sale. In the bank's accounting, the Money Market instruments are recorded on the adequate part of the accounts: 37000, 37010, 37100, 37110, 37120, 37500, 37510, 37530, 37540, 37550, 37800, 37810, 37850. The other debt instruments are recorded

on the adequate part of the accounts: 37001, 37011, 37101, 37111, 37121, 37501, 37511, 37531, 37541, 37551, 37801, 37811, 37851, while the equity instruments on the adequate part of the accounts: 37002, 37012, 37512, 37532, 37542, 37552, 37802, 37852. The other instruments are recorded on the adequate part of the account 379.

8) Credits and claims

This position shall include the interbank transactions in foreign currency recorded on the account 33, foreign currency deposits recorded on the adequate part of the account 54, financial leasing in foreign currency recorded on the adequate part of the account 59 (except the account 599), as well as the credits in foreign currency recorded on the adequate part of the account 51. This position shall also include other claims in foreign currency, i.e. claims for payment made on backing guarantees on securities and guarantees and claims based on claims redemption (factoring and forfeiting), which in the bank's accounting are recorded on the adequate part of the accounts 56 and 57.

9) Interest receivables

This position shall state the interest receivables in foreign currency recorded on the adequate part of the account 15.

10) Commissions and fees receivables

This position shall include the commissions and fees receivables in foreign currency recorded on the adequate part of the account 16.

11) Other on-balance sheet assets

This position shall include the accounts of the bank's assets that can not be distributed to the previous asset positions, and which are cash outflow in foreign currency for the bank (adequate part of the accounts 12, 19 and other).

12) Total assets

This position shall state the total assets in foreign currency obtained as sum of the amounts from no.1 to no.11 for each position of the columns no. 3 - 8.

Liabilities

15. The liabilities' positions shall be filled in as follows:

13) Transaction accounts

This position shall include the transaction accounts in foreign currency recorded on the accounts 700, 702, 705, 707, 708, 709 and 71.

14) Financial liabilities at fair value through profit and loss

This item shall state the financial liabilities in foreign currency identified at fair value through profit and loss, i.e. liabilities from Money Market instruments, for other debt instruments, equity instruments, deposits, liabilities from credits and subordinated instruments, which in the bank's accounting are recorded on the adequate part of the account 79.

15) Derivatives for trading

In the bank's accounting, this position is recorded on the account 750.

16) Embedded derivatives and derivatives held for hedging

In the bank's accounting, this position is recorded on the accounts 751 and 752.

17) Deposits

This position shall include the sight deposits and term deposits in foreign currency recorded on the adequate part of the account 72.

18) Liabilities from credits

In the bank's accounting, the liabilities from credits in foreign currency are recorded on the adequate part of the account 74. This position shall also cover the outflows from subordinated and hybrid capital instruments that mature in the next 365 days, and which are recorded on the adequate part of the accounts 908, 9101 and 9111.

19) Issued debt securities

This position shall state the liabilities from issued securities in foreign currency recorded on the adequate part of the account 73.

20) Interest payable

This position shall state the interest payable in foreign currency recorded on the adequate part of the account 25.

21) Commissions and fees payable

This position shall state the commissions and fees payable in foreign currency recorded on the adequate part of the account 26.

22) Financial leasing

This position shall state the liabilities from financial leasing in foreign currency recorded on the adequate part of the account 78.

23) Other on-balance sheet liabilities

This position shall state the accounts of the bank's liabilities that can not be distributed to the previous liabilities positions, and which are cash outflow for the bank (adequate part of the accounts 22, 23, 29, 77 and other).

24) Total liabilities

This position shall state the total liabilities in foreign currency obtained as a sum of the amounts from no. 13 to no. 23 for each position from the columns no. 3 - 8.

Off-balance sheet items

16. The off-balance sheet items representing potential claim (cash inflow), or potential loss (cash outflow) for the bank shall be shown on the following items in the Form:

25) Off-balance sheet assets

This position shall state the off-balance sheet items in foreign currency representing potential claim for the bank on the basis of obtained guarantees, letters of credit, lines of credit and other off-balance sheet items which are recorded on the adequate part of the accounts 990 and 991. This position shall not include the off-balance sheet items which are related to the items that are already shown as part of the on-balance sheet asset side of this Report.

26) Off-balance sheet liabilities

This position shall state the off-balance sheet items in foreign currency representing potential liability for the bank on the basis of issued guarantees, letters of credit, lines of credit, undrawn credit limits and other off-balance sheet items, with exception to the covered off-balance sheet items. This position shall state the adequate part of the account 998.

27) Net off-balance sheet items

This position shall state the difference between the off-balance sheet assets and the off-balance sheet liabilities in foreign currency, stated under no. 25 and no. 26. The possible negative difference shall be stated with negative sign.

28) Gap

This position shall be obtained as a gap between the total assets and the total liabilities (gap between the amounts no. 12 and no. 24), increased, i.e. reduced by the amount of the net off-balance sheet items.

29) Cumulative gap

This position shall state the cumulative gap from no. 28.

Form RSD - total

17. The Form RSD - total shall represent a summary review of the positions in Form RSD - Denars and Form RSD - foreign exchange.

III. REPORT ON THE EXPECTED MATURITY STRUCTURE OF THE ASSETS AND THE LIABILITIES

18. The Report on the expected maturity structure of the assets and the liabilities (Form RSO) shall be filled in by applying the following rules:

- the individual asset and liabilities items shall be shown in three time frames: up to 7 days, from 8 to 30 days, from 31 to 90 days;
- all asset and liabilities items shall be presented on aggregate level, regardless of the currency in which they are, or they are going to be denominated;
- all asset items shall be stated on a gross basis, i.e. the amount of the accumulated amortization, the impairment and the allocated special reserve are not taken into regard;

- all active on-balance sheet items having nonperforming status shall not be presented in the Report;
- the reserve requirement in foreign currency shall not be included in the Report, while the Report may state only the amount of the Denar reserve requirement that the bank may use;
- the rules for filling in of the Report on the contractual maturity structure of the assets and the liabilities, envisaged in items 6, 7, 8, 9, 10, 12, 13, 14, 15, 16 and 17 of these Instructions, shall be adequately implemented to this Report.

19. The Form RSO shall consist of two parts:

- **Expected maturity (on-balance sheet and off-balance sheet record)** - the three time frames shall be filled in in line with the expected inflows and outflows from the individual on-balance sheet and off-balance sheet asset and liabilities items which are part of the bank's on-balance sheet and off-balance sheet record on the last day of the reporting month. When determining the expected residual maturity of these positions, the bank shall take into consideration the probability for certain inflow or outflow (for ex. probability for collection of the bank's claims within the maturity deadlines, probability for the level of the deposits to be withdrawn within their maturity deadline, probability for using lines of credit approved by the bank, etc.). The expected residual maturity of the balance sheet positions shall be stated in columns no. 3, 4 and 5;

- **Expected maturity (future activities)** - the three time frames shall be filled in in line with the expected inflows and outflows arising from the future activities of the bank. Future activities shall be deemed those activities the bank expects to perform in future, i.e. activities which are not part of the bank's on-balance sheet and off-balance sheet record on the day of preparation of the this Report. The bank shall determine the expected maturity of the future activities according to the estimations and the assumptions for the size of the future cash inflows and outflows in certain time frames, that take into regard the probability for their occurrence (for ex. the probability for approving new credits, utilization of new borrowings, investment of new deposits in the bank etc.). The expected residual maturity of the future activities shall be recorded in columns no. 6, 7 and 8, with the net inflow, or net outflow being stated (the inflows shall be entered with positive sign, while the outflows with negative sign). The bank shall fill in only those positions from columns no. 6, 7 and 8 which are expected to register inflows or outflows based on future activities.

IV. REPORT ON THE LARGEST DEPOSITORS AND THE CONCENTRATION LEVEL

20. The Report on the largest depositors and the concentration level of the bank shall consist of two parts:

- Form ND - it shall state the share of the largest depositors in the bank's deposit base;
- Form NK - it shall state the concentration level of the bank in Denars and foreign exchange.

21. The Form ND shall contain data on the participation of the largest depositors, determined in line with item 33 paragraph 2 of the Decision, in the total bank's average deposit base.

The Form ND shall be prepared on a monthly basis, as an average of the balance of the deposits at the end of all 10-day periods (10th, 20th and the last day) of the reporting month, by applying the following rules:

a) Column no. 2 - "depositor", shall state the name, i.e. the title of the 20 largest depositors that invested funds in the bank in form of deposit. The column shall be filled in by stating the depositor, together with all legal entities and natural persons which, in conformity with the Banking Law and the regulations adopted thereon, shall be considered connected. Thus the deposits of the depositors and the deposits of the connected persons shall be shown separately, while the total amount of the depositor's deposits and the persons/entities connected thereto shall be shown in separate line.

b) Column no. 3 - "main office", shall state the main office of the depositor and the persons/entities connected thereto.

c) Column no. 4 - "average deposit amount" shall state the average deposit amount of each depositor and persons/entities connected thereto, as an average of the amount of their total bank deposits at the end of the 10-day period of the reporting month.

d) Column no. 5 - "% of the average deposit base" shall state the percentage share of the depositor's average amount and the persons/entities connected thereto, in the bank's average deposit base stated under line no. 22.

e) No. 21 - "total", column no. 4 shall state the sum of the amounts under lines from no.1 to no. 20, while column no. 5 shall state the correlation between the sum of the column no. 4 of this line and the amount of the average deposit base shown in line no. 22, column no. 4.

f) No. 22 - "average deposit base" shall state the average amount of the deposit base as of the end of all 10-day periods of the reporting period, with the deposit base for each 10-day period being determined on the basis of the balance on the accounts from sub-items 13) and 17) of items 9 and 15 of these Instructions. Column no. 5 of this line shall not be filled in.

22. Form NK shall contain data on the concentration level of the bank in Denars and in foreign exchange set forth in accordance with item 33 paragraph 3 of the Decision.

Form NK shall be prepared on a monthly basis, as an average of the balance of sight deposits and transaction accounts in Denars (including also the sight deposits in Denars with FX clause) and in foreign exchange at the end of all 10-day periods (10th, 20th and on the last day) of the reporting month and it shall consist of two parts: Form NK (Denars) and Form NK (foreign exchange).

23. Form NK (Denars) shall be filled in by applying the following rules:

a) Column no. 2 - "depositor", shall state the name, i.e. the title of the bank's 20 depositors with the largest share in the average amount of the total sight deposits and transaction accounts in Denars. When filling in of this Form, the rules pertaining to the filling in of the column no. 2 of the Form ND shall be applied.

b) Column no. 3 - "main office" shall state the main office of the depositor and the persons/entities connected thereto.

c) Column no. 4 - "average amount of sight deposits and transaction accounts (Denars)" shall state the average amount of sight deposits and transaction accounts in Denars of each depositor and the persons/entities connected thereto, as an average of the balance of their total sight deposits and transaction accounts in Denars with the bank at the end of the 10-day periods of the reporting month.

d) Column no. 5 - "concentration level (Denars)", shall state the percentage share of the average amount of sight deposits and the transactions accounts in Denars of the depositor and the persons/entities connected thereto, in the total average amount of the sight deposits and the transaction accounts of the bank in Denars, stated under line no. 22.

e) No. 21 - "total", column no. 4 shall state the sum of the amounts under lines from no. 1 to no. 20 while column no. 5 shall show the correlation between the sum of column no. 4 of this line and the total average amount of the sight deposits and the transaction accounts of the bank in Denars shown under line no. 22, column no. 4.

f) No. 22 - "total average amount on the transaction accounts and sight deposits in Denars and in Denars with FX clause" shall state the average of the amount of the sight deposits and transaction accounts of the bank in Denars as of the end of all 10-day periods of the reporting month, with the sight deposits and the transaction deposits in Denars for each 10-day period being determined on the basis of the balance on the positions from item 9 sub-item 13) and 17) (only the part referring to the sight deposits in Denars and in Denars with FX clause) of these Instructions. Column no. 5 of this line shall not be filled in.

24. Form NK (foreign exchange) shall be filled in by applying the following rules:

a) Column no. 2 - "depositor", shall state the name, i.e. the title of the bank's twenty depositors with the largest share in the average amount of the total sight deposits and transaction accounts in foreign exchange. For filling in of this column, the rules pertaining to filling in of column no. 2 of the Form ND 1 shall appropriately be applied.

b) Column no. 3 - "main office" shall state the main office of the depositor and the persons/entities connected thereto.

c) Column no. 4 - "average amount of sight deposits and transaction accounts (foreign exchange)", shall state the average amount of the sight deposits and transaction accounts in foreign currency for each depositor and the persons/entities connected thereto, as an average of the balance of their total sight deposits and transaction accounts in foreign currency with the bank at the end of the 10-day periods of the reporting month.

d) Column no. 5 - "concentration level (foreign exchange)", shall state the percentage share of the average amount of sight deposits and transaction accounts in foreign exchange and the persons/accounts connected thereto, in the total average amount of sight deposits and transaction accounts of the bank in foreign exchange, shown under line no. 22.

e) No. 21 - "total", column no. 4 shall state the sum of the amounts under lines from no. 1 to no. 20, while the column no. 5 shall state the correlation between the sum of the column no. 4 of this line and the total average amount of sight deposits and transaction accounts of the bank in foreign exchange shown under line no. 22, column no. 4.

f) No. 22 - "total average amount of sight deposits and transaction accounts in foreign exchange" shall state the average of the amount of the bank's sight deposits and the transaction accounts in foreign exchange as of the end of all 10-day periods of the reporting month, with the sight deposits and the transaction accounts in foreign exchange being determined on the basis of the balance under positions from item 15 sub-items 13) and 17) (only the part pertaining to the sight deposits in foreign exchange) of these Instructions. Column no. 5 of this line shall not be filled in.

V. REPORT ON THE LIQUIDITY RATIOS

25. The Report on the liquidity ratios shall state the liquidity ratios under item 34 of the Decision, with the Report containing data on the balance on the positions that are included in determining the ratios only for the working days of the reporting month.

The Report on the liquidity ratios shall consist of two parts:

- Form SL 30 - it shall state the liquidity ratios in Denars and in foreign exchange up to 30 days;
- Form SL 180 - it shall state the liquidity ratios in Denars and in foreign exchange up to 180 days.

In determining the liquidity ratios in Denars, the asset and liabilities items in Denars with FX clause shall also be included.

Forms RSD - Denars and RSD - foreign exchange shall be adequately used as a guideline for filling in the Forms SL 30 and SL 180.

26. Form SL 30 shall be filled in by applying the following rules:

a) Column no. 2 - "assets with maturity of up to 30 days (Denars)" shall include all assets' positions in Denars which, according to the Decision, shall be taken into consideration when determining the liquidity ratio up to 30 days. This position shall represent a sum of the following positions:

- items that in line with Chapter II of these Instructions are stated in line no. 12 of columns no. 3 and no. 4 of the Form RSD - Denars, reduced by the credits, interest, commissions and other Denar claims on households and nonfinancial institutions classified in the risk category C (if they are regular claims), falling due in the following 30 days, as well as for the credits, interest, commissions and other Denar claims on households and nonfinancial institutions classified in the risk categories A and B, the maturity of which is extended two or several times;
- the instruments, debt instruments and other claims in Denars with/from the National Bank and other cash and cash equivalents in Denars, regardless of their contractual residual maturity (with exception to those items which are already included in the previous position). This position shall encompass the part of the reserve requirement with the National Bank the bank may use, but not the balances with the National Bank, which can not be freely used by the bank (for ex. reserve requirement that can not be used, compulsory deposits etc.);
- securities or Denar assets which the National Bank accepts as collateral in conducting the monetary operations, regardless of their contractual residual maturity (except to those items that are already encompassed in the previous positions);
- guarantees, letters of credit and forward transactions which are potential Denar inflow for the bank and which fall due in the following 30 days, with exception to the off-balance sheet items connected to certain on-balance sheet asset items (adequate part of the items presented under no. 25, columns no. 3 and no. 4 of the Form RSD - Denars).

The bank may not take into account the items on the assets side that are not freely at bank's disposal (e.g. items used as pledge upon obligations of other parties items used as coverage upon obligation undertaken by the bank, when the item subject to the pledge and the item serving as pledge are with different maturity, items for which court dispute is underway, etc.).

b) Column no. 3 - "transaction accounts and sight deposits (Denars)" shall state the amount of the transaction accounts and sight deposits in Denars which, in line with Chapter II

of these Instructions are presented in lines no. 13 and no. 17 (only the part referring to the sight deposits in Denars and in Denars with FX clause) of the Form RSD - Denars, which is included in the calculation of the liquidity ratio up to 30 days, in accordance with item 38 of the Decision. The percentage of the inclusion of the outstanding balance of the transaction accounts and the sight deposits in Denars (30%, 35%, or 40%) for the reporting month shall be set forth on the basis of the concentration level in Denars, determined in the previous month - percentage under no. 21 column no. 5 of the Form NK (Denars) for the month preceding the reporting month.

c) Column no. 4 - "other liabilities with maturity of up to 30 days (Denars)" shall state all other liabilities items in Denars which in line with the Decision are included in the calculation of the liquidity ratio up to 30 days, as follows:

- all other on-balance sheet liabilities items in Denars falling due in the following 30 days and which, in line with Chapter II of these Instructions are shown in lines no. 14, 17 (the part referring to the term deposits), 18, 19, 20, 21, 22 and 23 of the columns no. 3 and no. 4 of Form RSD - Denars;
- 15% of the approved overdrafts on the transaction accounts and credit cards in Denars (adequate part of the items shown under line no. 25 of the Form RSD - Denars);
- all forward transactions, open uncovered letters of credit, irrevocable lines of credit, guarantees and other off-balance sheet items in Denars classified in the risk categories C, D and E (adequate part of the items stated under line no. 26 of the Form RSD - Denar), falling due in the following 30 days. The covered guarantees and letters of credit, revocable lines of credit and items covered in the previous position shall not be considered as other off-balance sheet items.

d) Column no. 5 - "total liabilities with maturity of up to 30 days (Denars)" shall state the sum of the columns no. 3 and no. 4.

e) Column no. 6 - "liquidity ratio (Denars)" shall state the ratio between the columns no. 2 and no. 5 of this Form.

f) Column no. 7 - "assets with maturity of up to 30 days (foreign exchange)" shall include all asset items in foreign exchange which, in line with the Decision, shall be taken into account when determining the liquidity ratios up to 30 days. This position shall represent a sum of the following positions:

- the items which in line with Chapter II of these Instructions are stated in line no. 12 of the columns no. 3 and no. 4 of the Form RSD - foreign exchange, reduced by the credits, interest, commissions and other claims in foreign currency on households and nonfinancial institutions classified in the risk category C (if they are regular claims), falling due in the next 30 days, as well as for credits, interest, commissions and other claims in foreign currency on households and nonfinancial institutions classified in the risk categories A and B, the maturity of which is extended two or several times;
- the instruments, debt instruments and other claims in foreign exchange with/from the National Bank and other cash and cash equivalents in foreign exchange regardless of their contractual residual maturity (with exception to those items which are already included in the previous item). This position shall not state the balances with the National Bank which can not be freely used by the bank (for ex. the compulsory reserve in foreign exchange);
- securities or assets in foreign currency which the National Bank accepts as collateral in conducting the monetary operations, regardless of their contractual residual maturity (except to those items that are already encompassed in the previous positions);

- guarantees, letters of credit and forward transactions that are potential inflow of foreign exchange for the bank and which fall due in the following 30 days, except to the off-balance sheet items which are related to certain on-balance sheet asset items (adequate part of the items stated under no. 25, columns no. 3 and no. 4 of the Form RSD - foreign exchange).

The bank may not take into account the items on the assets side that are not freely at bank's disposal (e.g. items used as pledge upon obligations of other parties items used as coverage upon obligation undertaken by the bank, when the item subject to the pledge and the item serving as pledge are with different maturity, items for which court dispute is underway, etc.)

g) Column no. 8 - "transaction accounts and sight deposits (foreign exchange)" shall state the amount on the transaction accounts and sight deposits, which in accordance with Chapter II of these Instructions, are presented in lines no. 13 and no. 17 (only the part referring to the sight deposits in Denars and in Denars with FX clause) of the Form RSD - foreign exchange, which is included in the calculation of the liquidity ratio up to 30 days, in line with item 38 of the Decision. The percentage of the inclusion of the transaction accounts and sight deposits in foreign exchange (30%, 35% and 40%) for the reporting month shall be set forth on the basis of the concentration level in foreign exchange, determined during the preceding month - percentage stated under no. 21, column no. 5 of the Form NK (foreign exchange) for the month preceding the reporting month.

h) Column no. 9 - "liabilities with maturity of up to 30 days (foreign exchange)" shall state all other liabilities items in foreign exchange which in line with the Decision are included in the calculation of the liquidity ratio up to 30 days as follows:

- all other on-balance sheet liabilities items falling due in the following 30 days and which, in line with Chapter II of these Instructions are shown in lines no. 14, 17 (the part pertaining to the term deposits in foreign currency), 18, 19, 20, 21, 22 and 23 of the columns no. 3 and no. 4 of the Form RSD - foreign exchange;
- 15% of the approved overdrafts on the transaction accounts and credit cards (adequate part of the items shown under line no. 26 of the Form RSD - foreign exchange);
- all forward transactions, open uncovered letters of credit, irrevocable lines of credit, guarantees and other off-balance sheet items classified in the risk categories C, D and E (adequate part of the items presented under line no. 26 of the Form RSD - foreign exchange), falling due in the following 30 days. The covered guarantees and letters of credit, the irrevocable lines of credit and items not included in the previous position shall not be considered other off-balance sheet items.

i) Column no. 10 - "total liabilities with maturity of up to 30 days (foreign exchange)" shall state the sum of the columns no. 8 and no. 9.

j) Column no. 11 - "liquidity ratio (foreign exchange)" shall state the ration between the columns no. 7 and no. 10 of this Form.

k) The line - "total" shall state the sum of the daily balances on the positions from the adequate columns. The columns no. 6 and no. 11 shall not be filled in;

l) The line - "total - average" shall state the average amount of the daily balances on the positions of the Form, which is obtained when the amount under the line "total" is divided by the number of working days in the reporting month. The columns no. 3, 4, 8 and 9 shall not be filled in.

By exception to paragraph 1 of this sub-item, the line - "total-average" for the columns no. 6 and no. 11 shall be filled in in line with the sub-items e) and j) of this item, i.e. as a ratio between the average of the total asset items (column no. 2, i.e. column no. 7 of this line) and the average of the total liabilities positions (column no. 5, i.e. column no. 10 of this line) and it shall show the average liquidity ratio of the bank up to 30 days in both Denars and foreign exchange.

m) The line - "necessary level of liquidity ratio" shall state the level of the liquidity ratio in Denars and in foreign exchange, determined in accordance with:

- item 46 of the Decision, until the realization of the compliance dynamics set forth by the National Bank, or until reaching the minimal level of the liquidity ratio (if the bank reaches the minimal level before the realization of the compliance dynamics);
- item 34 of the Decision, after the realization of the compliance dynamics under item 46 of the Decision, or after reaching the minimal level of the liquidity ratio (if the bank reaches the minimal level before the termination of the compliance dynamics).

27. The Form SL 180 shall be filled in as follows:

- columns no. 2, 4, 7 and 9 shall be filled in by applying the rules under item 26 sub-items a), c), f) and h), with the positions under columns no. 3, 4, 5 and 6 of the Forms RSD - Denars and RSD - foreign exchange being taken into regard for those positions included in determining the liquidity ratio according to their residual maturity. Columns no. 4 and no. 9 of this Form, shall state the allowed overdrafts on the transaction accounts and credit cards in the amount of 20%;
- columns no. 3 and no. 8 shall state the amount of the transaction accounts and sight deposits in Denars, i.e. foreign exchange shown under lines no. 13 and no. 17 (the part pertaining to the sight deposits in Denars, i.e. in foreign exchange) of the Form RSD - Denars, i.e. of the Form RSD - foreign exchange, which can be included in the calculation of the liquidity ratio up to 180 days, in conformity with item 39 of the Decision. The percentage of the inclusion of the transaction accounts and sight deposits in Denars, i.e. foreign exchange (40%, 45% or 50%) for the reporting month, shall be determined on the basis of the concentration level in Denars, i.e. in foreign exchange, determined during the preceding month - percentage presented under no. 21, column no.5 of the Form NK (Denars), i.e. of the Form NK (foreign exchange) for the month preceding the reporting month;
- the rules under item 26 sub-items d), e), i), j), k), l) and m) of these Instructions shall adequately pertain to the other positions (columns and lines).

VI. REPORT ON THE INTERNAL LIQUIDITY INDICATORS

28. The Report on the internal liquidity indicators (Form LP) shall state the internal liquidity indicators set forth by the bank, in conformity with item 42 of the Decision. The Form LP shall be filled in by applying the following rules:

a) Column no. 2 - "description of the liquidity indicator" shall state the description of the liquidity indicator, enabling to determine the positions on the basis of which it is calculated;

b) Column no. 3 - "internal limit of the bank", shall contain the limits within which the appropriate liquidity indicator can range, i.e. the internal limit over/below this indicator must not vary;

c) Column no. 4 - "period for monitoring the indicator ", shall state the time period within which the appropriate liquidity indicator is monitored (for ex. daily, weekly, ten-day, monthly basis etc.);

d) Column no. 5 - "range during the month" shall state the range in which the liquidity indicator ranged during the month the Report pertains to, depending on the determined period for monitoring the indicator.

VI. DEADLINES FOR REPORTING TO THE NATIONAL BANK

29. The bank shall be required to prepare the reports under item 2 of these Instructions (Form RSD - Denars, RSD - foreign exchange, RSD - total, RSO, SL, ND, NK and LP) on a monthly basis.

The bank shall submit the reports under item 2 of these Instructions to the National Bank within 15 days after the expiration of the reporting month.

The bank shall be obliged to prepare the first reports as of January 31, 2009 and to submit them to the National Bank within the deadline under paragraph 2 of this item.

By exception to paragraph 3 of this Item, the bank shall be required to prepare and to submit to the National Bank the first report on the liquidity ratios up to 30 and 180 days (Forms SL 30 and SL 180), as of February 28, 2009, within the deadline under paragraph 2 of this item.

VI. TRANSITIONAL AND CLOSING PROVISIONS

30. The provisions of these Instructions referring to banks shall apply to the savings houses, as well.

31. These Instructions shall enter into force on the eighth day from the day it is published in the "Official Gazette of the Republic of Macedonia".

32. With the enforcement of these Instructions, the Instructions for implementing the Decision on the methodology for determining, estimating and managing liquidity risk of the banks no. 432 from January 27, 2004 ("Official Gazette of RM" no. 4/2004) shall become void.

No. 16-1
Skopje, January 28, 2009

Petar Goshev, M.Sc.
Governor