



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 the Republic of Macedonia" no. 3/2002, 51/2003, 85/2003, 40/2004, 61/2005 and 129/2006), Article 68 paragraph 1 and Article 69 paragraph 2 of the Banking Law ("Official Gazette of the Republic of Macedonia" no. 67/2007) and item 47 of the Decision on the credit risk management ("Official Gazette of the Republic of Macedonia" no. 17/2008 and 31/2009), the Governor of the National Bank of the Republic of Macedonia adopted the following

INSTRUCTIONS

on amending the Instructions for implementation of the Decision on the credit risk management

("Official Gazette of the Republic of Macedonia" no. 79/2009)

I. In the Instructions for implementation of the Decision on the credit risk management ("Official Gazette of the Republic of Macedonia" no. 130/2008), the following amendments shall be carried out:

1. In Section I item 1, after the words: "(Form KA)", the full stop shall be replaced with a comma and the following words shall be added: "which shall be an integral part of these Instructions."

2. In Section II item 3 new paragraph 2 shall be added and it shall read:

"Investments in securities available for sale shall be shown as separate positions within part I (row no. 7) and part II.C, showing their fair value (nominal value adjusted for the premium or the discount and the effects of the changes in the fair value)."

3. In Section II item 4 indent 1 shall be amended and it shall read:

"- Part I - "classification of the credit risk exposure on individual basis" shall be filled in accordance with the risk category the exposure is classified in (rows no. 2, 3, 4, 5 and 6 of this part). Row no. 1 of this part shall state the credit risk exposures, for which, in accordance with item 26 of the Decision, the bank is not obliged to estimate the possibility for loss due to credit risk on group basis. Row no. 7 shall state the investments in securities available for sale for which the bank, in accordance with the Decision, estimated a loss due to credit risk or for which it is not obliged to estimate the possibility for loss due to credit risk on group basis."

4. In Section II item 4 indent 2, the words: "(A. Retail credit portfolio) and all portfolios of group of similar financial instrument (B. Similar financial instruments) by stating the similarity according to which the credit risk exposures are grouped in separate homogeneous sub-portfolios" shall be replaced with the words: "(A. Retail credit portfolio), all portfolios of group of similar financial instruments, in line with item 26 of the Decision (B. Similar financial instruments) and all debt securities available for sale which, in accordance with the Decision, the bank may classify on group bases (C. Investments available for sale), by stating the similarity according to which the exposures to credit risk are grouped in separate homogeneous sub-portfolios".

5. In Section II item 5 indent 1, after the words: "in Denars", the words: "and in Denars with FX clause" shall be added, while the words: "contested claims", shall be followed by a comma and the words: "accumulated amortization".

After paragraph 1 new paragraph 2 shall be added which shall read:

"The demand deposits and the current accounts with other banks shall be presented in column no. 3, only if they can be collected on first call."

6. In Section II item 5 indent 2, after the words: "contested claims", a comma and the words: "accumulated amortization" shall be added.

7. In Section II item 5 indent 3, after the words: "contested claims", a comma and the words: "accumulated amortization" shall be added.

8. In Section II item 6, the words: " for recording " shall be replaced with the words: "where the bank records the accumulated depreciation and".

9. In Section II item 9 paragraph 3, the words: "for recording" shall be replaced with the words: "where the bank records the accumulated amortization and".

10. In Section II, after item 11 new item 12 shall be added which shall read:

"12. Column no. 11 - "accumulated amortization" shall include the amount of the accumulated amortization for each risk category, i.e. for each sub-portfolio. This column shall encompass the appropriate part of the accounts 13, 33, 37, 38, 41, 42, 47, 48 and of the class 5 at which the bank records the accumulated amortization of the individual claims."

11. Items 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23 shall become items 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24.

12. In Section II item 12, which becomes item 13, the number: "11" shall be replaced with the number: "12".

13. In Section II item 13, which becomes item 14, the number: "12" shall be replaced with the number: "13", while the words: "column no. 11 and column no. 10" shall be replaced with the words: "columns no. 12 and the difference in the amounts of the columns no. 10 and 11".

14. In Section II item 15, which becomes item 16, shall be amended and it shall read:

"Rows no. II, III and IV shall be equal to the sum of the individual retail credit sub-portfolios, of similar financial instruments and investments in securities available for sale, which are classified on group basis."

15. In Section II item 16, which becomes item 17, the ordinal number: "IV" shall be replaced with the ordinal number: "V", while the words: "all retail credit sub-portfolios and of similar financial instruments (sum of rows no. II and III)" shall be replaced with the words: "amounts of rows no. II, III and IV".

16. In Section II item 17, which becomes item 18, the ordinal number: "V" shall be replaced with the ordinal number: "VI", while the words: "rows no. I and IV" shall be replaced with the words: "rows no. I and V".

17. The Form KA shall be replaced with new Form KA.

II. These Instructions shall enter into force on the eighth day from the day of its publishing in the "Official Gazette of the Republic of Macedonia".

No. 10
June 17, 2009
Skopje

Petar Goshev, M.Sc.
Governor