

Mission Statement

Our Mission is to supervise institutions that NBRM has licensed, aiming at maintenance of a safe and sound banking system and protection of depositors. Rather than applying a zero bank failure approach, we focus on preventing a systemic banking crisis. We apply risk based supervision approach in line with the international best practices and standards, while employing the principles of independence, integrity, professionalism, efficiency and transparency.

Read more.....

The banking supervisory and regulatory function is exercised by National Bank of the Republic of Macedonia (here after NBRM), according to the Law on the National Bank of the Republic of Macedonia (Official Gazette No.3/2002, 51/2003, 40/2004, 61/2005 and 129/2006).

Banking supervision mission means exercising a careful, continuous and independent supervision on all institutions licensed by the NBRM. The NBRM has established supervisory standards that are in compliance with the international standards and practices set by the Basel Committee. Banking supervision has crucial and anticipatory role with regard to the weaknesses and problems that may emerge within the institutions licensed by the NBRM in order to prevent them from becoming a potential threat to the financial industry and banking system stability. Occurrence like that can damage the public image and the reputation of institutions licensed by the NBRM, as well as NBRM reputation, bearing negative impacts not only on the soundness and stability of the banking system, but also global consequences related to the growth of the Macedonian economy. However, it is not the intention of banking supervision to prevent the failure of individual banks. The managing bodies of the banks are responsible for bank risk management, compliance with the regulations and for realization of financial targets set up by the shareholders. All other boards and general meeting of shareholders exercise supervisory and control functions. The statutory bodies are responsible for ensuring that the internal control mechanisms and risk management in the bank are functioning properly. The NBRM task is to carry out subsequent examinations focusing on risks to which banks are exposed, their risk management and internal control systems as well as compliance with prudential regulations. This by itself cannot prevent banks from entering into loss-making transactions. If the supervisory authority uncovers any shortcomings, however, it is obliged to apply its remedial instruments, which can include revoking the bank's license or imposing a conservatorship.

Pursuant to the legal responsibilities as the supervisory and regulatory authority of banks and savings houses in Republic of Macedonia, the NBRM:

- Provides a sound banking environment in compliance with and pursuant to the respective legal and regulatory framework, with a view to preventing financial crisis and protecting depositors;

- Maintains the banking system stability, monitoring the market development and making recommendations on the necessary measures, in order for banks to adapt themselves to these developments and be administered according to the best principles;
- Builds public trust in the banking system and boosts market discipline, aiming at increasing the banking system transparency;
- Sets prudential rules and standards enabling level playing field on the banking market i.e. equal opportunities to all licensed institutions and their clients; and
- Supervises the banks and savings houses regarding compliance with the relevant regulation for consumer protection.

The NBRM carries out its supervisory and regulatory function through:

- Continuously building and improvement of prudential regulation and supervisory framework, in accordance with best international practices and principles and guidelines set by the Basel Committee;
- Ensuring proper market access, by performing extensive fit and proper tests and other licensing procedures related to potential bank applicants, shareholders and members of bank executive bodies based on sound and verifiable sources of information;
- Conducting effective and efficient supervision using, an ongoing risk based supervision approach that employs meaningful on-site examinations and continuous off-site monitoring of the licensed institutions on individual and consolidated basis, as well as through the undertaking of a wide range of corrective measures in cases where problems and weaknesses in corporate governance, risk management and internal control systems, and/or non-compliance with prudential regulation have been identified;
- Monitoring not only the banking system but the whole financial system stability in line with best international practices and IMF guidelines on financial stability issues;
- Creating policies, which are aimed at orienting the banking system towards desired developments;
- Cooperating with licensed institutions, other domestic financial market participants as well as other domestic and foreign supervisory authorities;
- Ongoing building of its supervisory capacities following best international practices as an answer to the growing complexity the banking business and risks to which the banks are exposed.

In implementing the supervisory function requirements, the NBRM aims at high levels of integrity, professionalism, efficiency and transparency.