



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 item 3 of the Banking Law ("Official Gazette of the Republic of Macedonia" no. 67/2007 and 90/2009) and item 43 of the Decision on the liquidity risk management of banks ("Official Gazette of the Republic of Macedonia" no. 163/2008, 66/2009, 144/2009 and 157/2009), the Governor of the National Bank of the Republic of Macedonia adopted the following

INSTRUCTIONS on amending the Instructions on enforcing the Decision on managing banks' liquidity risk ("Official Gazette of the Republic of Macedonia" no. 16/2010)

I. The Instructions on enforcing the Decision on managing banks' liquidity risk ("Official Gazette of the Republic of Macedonia" no. 15/2009 and 79/2009) shall be amended as follows:

1. In Section V, item 26 subitem a) shall be amended and read:

"a) Column 2a - "balances and debt instruments with/from the National Bank", shall include balances and debt instruments with/from the National Bank, regardless of their contractual residual maturity and currency. This position shall include the part of the reserve requirement with the National Bank the bank may use, but shall not include balances with the National Bank, which cannot be freely used by the bank (for example, reserve requirement that cannot be used, etc.). The bank may not include the amount of balances and debt instruments with/from the National Bank included in this position, in the assets maturing up to 30 days (foreign currency) (column 7a);

Column 2b - "credits, interests, commissions and compensations (Denars)" shall include items stated under rows 8, 9 and 10 of columns 3 and 4 of the RSD Form - Denars, in line with Section II of these Instructions, reduced by the credits, interest, commissions and other Denar claims on households and nonfinancial institutions classified in C risk category (in case of regular claims), falling due in the following 30 days, as well as by credits, interest, commissions and other Denar claims on households and nonfinancial institutions classified in A and B risk categories, the maturity of which has been extended for two times or more;

Column 2c - "other assets with maturity of up to 30 days (Denars)" shall include all other asset items in Denars which, according to the Decision, shall be taken into consideration when determining the liquidity ratio up to 30 days, as follows:

- items that, in line with Section II of these Instructions, are stated in row 12 of columns 3 and 4 of the RSD Form - Denars (except for those items that has already been included in the previous positions of this subitem);
- other cash and cash equivalents and other claims on the National Bank in Denars, regardless of their contractual residual maturity (except for those items that has already been included in the previous positions of this subitem);

- securities in Denars held for trading, including financial instruments in Denars measured at fair value through profit and loss, identified as such at the initial recognition, regardless of their contractual maturity (except for derivatives for trading, embedded derivatives and derivatives held for risk management and items already included in the previous positions of this subitem);
- securities or assets in Denars which the National Bank accepts as collateral in conducting the monetary operations, regardless of their contractual residual maturity (except for those items that has already been included in the previous positions of this subitem);
- 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 3 and 4 of the RSD Form - Denars).

Column 2 - "total assets with maturity of up to 30 days (Denars)", shall state the sum of columns 2a, 2b and 2c.

The bank shall not include in columns 2a, 2b and 2c any asset item that is not freely available to the bank (e.g. items used as collateral on third party's liabilities; positions used as coverage of bank's liability, when the collateralized item and the collateralizing item differ by their maturity; items subject to law suit, etc.)."

2. In Section V, item 26 subitem f) shall be amended and read:

"f) Column 7a - "balances and debt instruments with/from the National Bank", shall include balances and debt instruments with/from the National Bank, regardless of their contractual residual maturity and currency. This position shall include the part of the reserve requirement with the National Bank the bank may use, but shall not include balances with the National Bank, which cannot be freely used by the bank (for example, reserve requirement that cannot be used, etc.). The bank may not include the amount of balances and debt instruments with/from the National Bank included in this position, in the assets maturing up to 30 days (Denars) (column 2a);

Column 7b - "credits, interests, commissions and compensations (foreign currency)" shall include items stated under rows 8, 9 and 10 of columns 3 and 4 of the RSD Form - foreign currency, in line with Section II of these Instructions, reduced by the credits, interest, commissions and other foreign currency claims on households and nonfinancial institutions classified in C risk category (in case of regular claims), falling due in the following 30 days, as well as by credits, interest, commissions and other foreign currency claims on households and nonfinancial institutions classified in A and B risk categories, the maturity of which has been extended for two times or more;

Column 7c - "other assets with maturity of up to 30 days (foreign currency)" shall include all other asset items in foreign currency which, according to the Decision, shall be taken into consideration when determining the liquidity ratio up to 30 days, as follows:

- items that, in line with Section II of these Instructions, are stated in row 12 of columns 3 and 4 of the RSD Form - foreign currency (except for those items that has already been included in the previous positions of this subitem);

- other cash and cash equivalents and other claims on the National Bank in foreign currency, regardless of their contractual residual maturity (except for those items that has already been included in the previous positions of this subitem).
- securities in foreign currency held for trading, including financial assets in foreign currency measured at fair value through profit and loss, identified as such at the initial recognition, regardless of their contractual maturity (except for derivatives for trading, embedded derivatives and derivatives held for risk management and items already included in the previous positions of this subitem);
- securities or assets in foreign currency which the National Bank accepts as collateral when conducting monetary operations, regardless of their contractual residual maturity (except for those items that has already been included in the previous positions of this subitem);
- guarantees, letters of credit and forward transactions which are potential foreign currency 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 3 and 4 of the RSD Form - foreign currency).

Column 7 - "total assets with maturity of up to 30 days (foreign currency)", shall state the sum of columns 7a, 7b and 7c.

The bank shall not include in columns 7a, 7b and 7c any asset item that is not freely available to the bank (e.g. items used as collateral on third party's liabilities; positions used as coverage of bank's liability, when the collateralized item and the collateralizing item differ by their maturity; items subject to law suit, etc.)."

1. In Section V item 27 indent 1, the words: "columns 2, 4, 7 and 9" shall be replaced by words: "columns 2a, 2b, 2c, 2, 4, 7a, 7b, 7c, 7 and 9".

2. SL 30 and SL 180 Forms shall be replaced by new SL 30 and SL 180 Forms, which are an integral part of these Instructions.

II. These Instructions becomes effective on the eighth day of the date of its publishing in the "Official Gazette of the Republic of Macedonia", and shall start to be applied on April 1, 2010.

I. no. 2
February 1, 2010
Skopje

Petar Goshev, MSc.
Governor