



## NATIONAL BANK OF THE REPUBLIC OF MACEDONIA

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Pursuant to Article 64 paragraph 1 item 22 of the Law on the National Bank of the Republic of Macedonia (“Official Gazette of the Republic of Macedonia” no. 3/02, 51/03, 85/03, 40/04, 61/06 and 129/06) and Article 172 paragraphs 1 and 8 of the Banking Law (“Official Gazette of the Republic of Macedonia” no. 67/07) the National Bank of the Republic of Macedonia Council adopted the following

### DECISION

#### **on the terms and the manner of operating savings houses (“Official Gazette of the Republic of Macedonia” no. 79/2007)**

#### **I. GENERAL PROVISIONS**

1. This Decision sets forth the terms and the manner of operating savings houses in the Republic of Macedonia with respect to:
  - the application of the supervisory standards that apply to exposure limits,
  - the performing of banking activities - lending and accepting deposits and
  - investments.

#### **II. LENDING AND EXPOSURE OF A SAVING HOUSE**

2. The exposure to a person and persons connected thereto shall not exceed 10% of the savings house's own funds.

The exposure to a shareholder, i.e. member with qualified participation in the savings house and persons connected thereto shall not exceed 5% of the savings house's own funds.

The exposure to a person with special rights and responsibilities and persons connected thereto shall not exceed 3% of the savings house's own funds.

The total exposure to persons referred to in paragraphs 2 and 3 of this item shall not exceed 65% of the savings house's own funds.

The total exposure to banks and savings houses shall not exceed 30% of the savings house's own funds.

3. The total exposure to persons referred to in item 2 paragraphs 2 and 3 of this Decision shall be approved on the basis of a decision of a supervisory body or Meeting of Shareholders, i.e. Meeting of Members of the savings house.

The terms of lending, accepting deposits and performing other financial transactions with the persons referred to in item 2 paragraphs 2 and 3 of this Decision, at equal risk level defined under the supervisory standards shall not be more favorable than the terms that apply to other savings house's clients.

4. The savings houses shall have written credit risk management policy and lending procedures in place which are to include provisions at least for the following:
  - client's creditworthiness analysis,
  - interest calculation method,
  - credit and interest records,
  - monitoring the credits,
  - assigning responsibilities to persons who perform this activity, observing the segregation of duty principle,
  - monitoring of connected persons,
  - description of the basic features of each product,
  - definition of acceptable level of exposure concentration (by client, client category, activity, type of collateral, etc.),
  - types of collateral considered acceptable for covering credit risk.

### **III. INVESTMENTS OF SAVINGS HOUSE**

5. The savings house shall not acquire land, buildings and equipment not used for the purposes of performing its activities, as well as capital holdings in other entities, other than those acquired on the basis of foreclosures.

The savings house's property in land, buildings and equipment shall not exceed 30% of the savings house's own funds.

The limit under paragraph 2 of this item shall not include the property in land, buildings and equipment acquired on the basis of foreclosures, not used for the purposes of performing its activities and capital holdings acquired on the basis of foreclosures.

The savings house shall sell the property and the capital holdings acquired on the basis of foreclosures within 3 years from the acquisition. Otherwise, they shall be included in the limit referred to in paragraph 2 of this item.

6. The savings house shall have written policies and procedures in place that apply to the process of assuming and selling the property acquired on the basis of foreclosures.

### **IV. ACCEPTING DEPOSITS**

7. The savings house may accept savings deposits from natural persons in the amount not exceeding 2 times of its own funds.

The savings house shall display, at each its teller premise, a list of the accepted savings deposits by deposit number, the deposited amount, the deposit date, maturity and interest rate.

The savings house shall display the list referred to in paragraph 2 of this item by the 5<sup>th</sup> in the current month as of the end of the previous month.

The heading of this list shall include the following text:

"This is a single list of savings deposits in this savings house, reported to the Deposit Insurance Fund and the National Bank of the Republic of Macedonia."

The savings house shall display, at each its teller premise, a notification that it does not accept foreign currency saving deposits.

Entering false data in the list referred to in paragraph 1 of this item or failure to enter data on the savings deposit shall be considered a felony- forging an official document.

8. The savings house shall have written policies and procedures in place governing at least the method of accepting, recording and payment of the deposits, calculating the interest and segregation of duties.

#### **V. PROVISIONAL AND CLOSING PROVISIONS**

9. The savings houses shall comply with the provisions of this Decision within 12 months after the date of its effectiveness.
10. This Decision shall enter into force on the eighth day after its publishing in the "Official Gazette of the Republic of Macedonia".
11. Once this Decision enters into force, the Decision on determining the scope and the manner of operating the savings houses ("Official Gazette of the Republic of Macedonia" no. 111/00, 80/02 and 66/03) shall become void.

**D. no. 02-15/VI-2/2007**

June 27, 2007

Skopje

**Petar Goshev, MSc.**  
Governor

President of the  
National Bank of the  
Republic of Macedonia Council