



Skopje, 30 April 2024

**List of systemically important banks
– data as of 31.12.2023**

Pursuant to the [Banking Law](#) and the National Bank regulation concerning the methodology for identifying systemically important banks¹, the National Bank conducts annual assessments to identify systemically important banks in the Republic of North Macedonia and to determine capital buffer for systemically important banks. Pursuant to law, the National Bank shall publish the List of systemically important banks on its website.

The capital buffer for systemically important banks aims to increase the resilience of systemically important banks to unexpected shocks or losses which may occur during their operation. The additional capital to be maintained by systemically important banks is not an indicator of higher risk compared to other banks of the system, but of their importance for the overall banking system. The higher solvency of systemically important banks and their higher resilience contributes to strengthening the safety and soundness of the entire banking system, and the economy in general. According to the regulation, the capital buffer for systemically important banks may range from 1% to 3.5% of risk weighted assets.

In assessing the systemic importance, the National Bank applies the quantitative approach, i.e. the criteria and the quantitative indicators specified in Section II of the Decision, as well as the qualitative supervisory assessment of Section IV of the Decision.

The quantitative approach relies on four criteria of systemic importance: size, substitutability, interconnectedness and complexity:

Systemic importance criteria (weight of importance)	Quantitative indicator (calculated for each bank, as a ratio of individual position of each bank and same position at a bank level)
Size (25%)	Balance sheet and off-balance sheet activities
Substitutability (25%)	Credit exposure towards non-financial entities
	Deposits of non-financial entities
	Credit exposure towards twenty largest debtors - non-financial entities at a bank level
	Intrabank payment operations
Interconnectedness (25%)	Interbank market operations
	Foreign exchange market operations
	Payment operations through payment systems
Complexity (25%)	Placements in and liabilities to foreign financial institutions
	International payment operations

¹ [Decision on the methodology for determining systemically important banks](#) (Official Gazette of the Republic of Macedonia No. 26/17 and Official Gazette of the Republic of North Macedonia No. 88/21 and 102/22) and [Instructions on implementing the Decision on the methodology for identifying systemically important banks](#) (Official Gazette of the Republic of Macedonia No. 34/17 and Official Gazette of the Republic of North Macedonia No. 110/20, 112/21 and 77/23).

Each criterion consists of one or more indicators calculated as a share of the bank in the overall banking system. The average value of all systemic importance criteria represents the aggregate assessment for that bank.

The applied qualitative supervisory assessment is mainly based on the uncertainty arising from the external environment that still exists and that can affect the banks' risk profile, then certain specific bank activities, as well as the priority for maintaining the capital position which will absorb possible faster growth of credit losses and further credit support.

By applying the quantitative and qualitative approach based on the data as of 31 December 2023, seven banks are identified as systemically important banks (shown in alphabetical order):

- Komercijalna Bank AD Skopje,
- NLB Bank AD Skopje,
- ProCredit Bank AD Skopje,
- Stopanska Bank AD Skopje,
- Universal Investment Bank AD Skopje
- Halkbank AD Skopje,
- Sparkasse Bank AD Skopje.

The National Bank Executive Board shall issue a decision indicating the capital buffer to be maintained by each systemically important bank and shall submit this decision to the bank no later than 30 April each year. Systemically important banks should comply with the capital buffer rate for systemic importance by 31 March 2025.

National Bank of the Republic of North Macedonia