



**List of Systemically Important Banks
- data as of 31.12.2020**

Pursuant to the Banking Law¹ and the National Bank regulation on the systemically important bank identification methodology², the National Bank conducts annual calculations for the purposes of identifying systemically important banks in the Republic of North Macedonia and determining capital buffer for systemically important banks. In accordance with the law, the National Bank publishes a List of Systemically Important Banks on its website.

The systemic importance of individual banks is an indicator of their importance for the banking system and the economy and is not associated with the risk profile of individual banks. Capital buffer for systemically important banks strengthens their capital position, thus increasing their stability and resistance to shocks, which contributes in strengthening the stability of the overall banking system. According to the regulation, the capital buffer for systemically important banks can range from 1% to 3.5% of the risk weighted assets.

In assessing systemic importance, the National Bank applies a quantitative approach, which is based on four systemic importance criteria: size, substitutability, interconnectedness, and complexity:

Systemic importance criteria (importance weight)	Quantitative indicator (calculated for each bank, as a ratio between a position for each bank and the same position of the banking system)
Size (25%)	On-balance and off-balance sheet activities
Substitutability (25%)	Credit exposure to non-financial entities
	Deposits of non-financial entities
	Credit exposure to the 20 largest debtors - non-financial entities of the banking system
	Intrabank payment operations
Interconnectedness (25%)	Interbank market turnover
	Foreign exchange market turnover
	Payment operations through payment systems
Complexity (25%)	Placements in and liabilities to foreign financial institutions
	International payment operations

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

¹ Official Gazette of the Republic of Macedonia No. 67/07, 90/09, 67/10, 26/13, 15/15, 153/15, 190/16 and 7/19 and Official Gazette of the Republic of North Macedonia No. 101/19.

² Decision on the methodology for determining systemically important banks (Official Gazette of the Republic of Macedonia 26/17 and Official Gazette of the Republic of North Macedonia No. 88/21), Instructions for implementation of the Decision on the methodology for determining 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).

According to the calculations using data as of 31 December 2020, systemically important banks are the same seven banks as in the previous calculation (in alphabetical order):

- Komercijalna Banka AD Skopje
- NLB Banka AD Skopje
- Ohridska Banka AD Skopje
- ProCredit Bank AD Skopje
- Stopanska Banka AD Skopje
- Halk Bank AD Skopje
- Sparkasse Bank Macedonia AD Skopje.

By 31 March 2022, these systemically important banks should achieve and maintain a systemic importance buffer from 1% to 2.5% of the risk-weighted assets.

For each identified systemically important bank, the National Bank Governor issues a decision stating the level of systemic importance buffer that the systemically important bank should maintain, explaining the manner of determining such level, and submits this decision to the bank, no later than 30 April each year.

National Bank of the Republic of North Macedonia