



NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA

Pursuant to Article 47 paragraph 1 item 6 of the Law on the National Bank of the Republic of North Macedonia (Official Gazette of the Republic of Macedonia No. 158/10, 123/12, 43/14, 153/15, 6/16 and 83/18 and Official Gazette of the Republic of North Macedonia No. 110/21) and Article 16 paragraph 1 item 6 and Article 17 paragraph 3 of the Law on Financial Stability (Official Gazette of the Republic of North Macedonia No. 173/22), the National Bank of the Republic of North Macedonia Council has adopted the following

DECISION amending the

Decision on borrower-based macroprudential instruments

(Official Gazette of the Republic of North Macedonia No. 96/23)

1. In the Decision on borrower-based macroprudential instruments (Official Gazette of the Republic of North Macedonia No. 2/23), in item 1, the wording: "banks" shall be followed by the wording: "and macroprudential measures related to those instruments".

2. In item 2 subitem 2.5 after the wording: "additional amount of loan is approved" shall be followed by the wording: "and if shorten the maturity period whereby increasing the total monthly liability".

Sub-item 2.7 shall be amended and read as follows: "Housing loan shall denote credit exposure to borrower intended for purchase/construction of residential property. Credit exposure to a borrower, which is intended for closing a home loan with the bank or with another bank shall also be considered a housing loan."

In subitem 2.9, the wording: "item 4" shall be replaced by the wording: "-item 14-d".

3. In item 6 paragraph 2, the wording: "total liabilities" shall be replaced by the wording: "total monthly liabilities".

Paragraph 2 shall be followed by a new paragraph 3 that reads as follows:

"When determining the total monthly liabilities under item 5 of this decision, the bank may not take into account the part of the credit exposure that is secured by a cash deposit which meets the conditions for a first-class security instrument in accordance with the regulation of the National Bank of the Republic of North Macedonia on the credit risk management methodology."

Paragraph 3 shall become paragraph 4.

In paragraph 3, which becomes paragraph 4, the wording: "method of" shall be followed by the wording: "implementation of the provisions of paragraphs 1 and 3 of this item, as well as the method of", while the wording: "total liabilities" shall be replaced by the wording: "total monthly liabilities".

4. In item 7, paragraph 2 shall be followed by a new paragraph 3 that reads as follows:

"The bank may reduce the total income from paragraph 1 of this item by the amount of significant and long-term salary withholdings (for example, a decision to enforce alimony, etc...)."

Paragraph 3 shall become paragraph 4 and it shall be amended and read as follows:

"The bank shall, in its internal acts, determine:

- method of determining the total monthly income under paragraph 1, paragraph 2 indent 1 and paragraph 3 of this item,
- other income earned referred to in paragraph 2 indent 2 of this item that will include in the calculations of the total monthly income, cases when such income is taken into account and the manner of calculating the amount of this income, taking account of its regularity and sustainability. The amount of other income earned that is included in the calculation of the borrower's total monthly income may not exceed 80% of the other income earned."

5. In item 8 paragraph 1, the wording: "also take into account" shall be deleted.

In indent 1, before the wording: „total monthly liabilities“, the following wording shall be added: "also take into account ".

Indent 2 shall be amended and read as follows:

"- to take proportionally into account the total monthly liabilities of a borrower that is co-borrower on other credit exposure in the bank or in other banks and savings houses."

6. In item 10 paragraph 3, the wording: "with a first-class instrument" shall be replaced by the wording: "with a cash deposit which fulfills the conditions for a first-class instrument".

7. In item 12 paragraph 1, the wording: "replaced" shall be replaced by the wording: "change / replacement".

Paragraph 1 shall be followed by a new paragraph 2 that reads as follows:

"In its internal acts, the bank shall specify the manner of determining the LTV ratio."

8. In item 13, paragraphs 2 and 3 shall be amended and read as follows:

"When determining the amount of the total credit exposure of all banks and savings houses to a borrower and the borrower's total liabilities to other financial institutions from paragraph 1 of this item the provisions of items 6 and 8 of this

Decision shall adequately apply to this item, while taking into account the total credit exposure based on credit cards and overdrafts.

When determining the amount of total income from paragraph 1 of this item, the provisions of items 7 and 8 of this Decision shall apply accordingly."

After paragraph 3, new paragraph 4 shall be added that shall read:

"In its internal acts, the bank shall specify the method of determining the significant TDTI."

9. After item 14 a new section shall be added and read as follows:

"IV-a BORROWER-BASED MEASURES

14-a. The DSTI indicator must not exceed:

- 55%, if the bank approves credit exposure in denars;
- 50%, if the bank approves credit exposure in foreign currency or in denars with currency clause.

14-b. The total housing loan maturity must not exceed 30 years.

The total maturity of the credit exposure referred to item 10 paragraph 2 indent 2 of this decision must not exceed 20 years.

14-c. The LTV ratio must not exceed 85%.

14-d. The bank may approve credit exposures where the DSTI and LTV ratios exceeds the limits under item 14-a, i.e. under item 14-a of this decision and/or when the total maturity period exceeds the period under item 14-b of this decision, while the amount of credit exposures approved by exception relative to at least one of these limitations in the current quarter may not exceed 10% of the total average quarterly amount of the bank's credit exposures approved to borrowers determined for the last 12 months."

10. In item 17, a new paragraph 2 shall follow that reads as follows:

"By way of derogation from paragraph 1 of this item, the limitations from item IV-a of this decision shall not apply in approving credit exposure according to the legal framework for subsidizing housing loan, nor borrower's credit exposures treated as restructured credit exposures, in accordance with the regulation of the National Bank of the Republic North Macedonia on credit risk management methodology."

11. This decision shall enter into force on the eighth day from the date of its publication in the Official Gazette of the Republic of North Macedonia and shall apply from 1 July 2023.

**D No. 02-15923/5
28 April 2023
Skopje**

**Governor
and Chairperson
of the Council of the National Bank
of the Republic of North Macedonia
Anita Angelovska Bezhoska**