



## 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. 3/2002, 51/2003, 85/2003, 40/2004, 61/2005 and 129/2006), and Article 70 paragraph 2 of the Banking Law ("Official Gazette of the Republic of Macedonia" No. 67/2007), the National Bank of the Republic of Macedonia Council adopted the following

### DECISION

#### **on the methodology for determining net debtor of a bank ("Official Gazette of the Republic of Macedonia" No. 134/2007)**

1. This Decision shall prescribe the methodology for determining net debtor of a bank.

2. Net debtor, with regard to this Decision, shall denote natural person whose average liabilities to the bank are larger than his/her average claims and investments on/in the bank, and/or natural person who is representative of the bank's Supervisory Board, or in any other way connected to the legal entity to which the net exposure of the bank exceeds 1% of its own funds.

When determining net debtor and net exposure, also the claims, liabilities and the investments on/in the entities connected to the natural person, i.e. legal entity under paragraph 1 of this item shall be taken into account.

The connection under paragraphs 1 and 2 of this item shall be determined in accordance with the Banking Law and the respective by-law.

3. The net exposure of the bank to a legal entity, with regard to item 2 of this Decision, exists when the average claims and investments of the bank on/in the legal entity exceeds the average liabilities of the bank towards that legal entity, including also the invested funds in the bank's own funds.

4. When determining the liabilities, the claims and the investments due to determining net debtor and net exposure in accordance with items 2 and 3 of this Decision, all on-balance sheet items of the bank pertaining to that natural person, or legal entity, as well as the off-balance sheet claims of the bank on that person/entity, recorded in line with item 27 of the Decision on the supervisory standards for regulating banks' past due claims shall be taken into account.

By exception to item 4 of this Decision, when determining the net debtor and the net exposure, according to this Decision, the on-balance sheet items, referring to the investments in securities issued by the Government, shall not be included.

5. The average liabilities and claims of the bank, including also the investments of/in the bank, shall be obtained by dividing the sum of the stock of the liabilities,

claims and investments at the end of each month during the previous twelve months, by twelve.

The bank may set the average liabilities, claims and investments also on the basis of the daily average of the stock of these items during one year.

6. The bank shall be required to set a list of net debtors among the persons/entities having liabilities to the bank, before the regular or extraordinary Meeting of Shareholders, at which that list is reviewed.

By exception to paragraph 1 of this item, the bank shall not be required to include to the list a natural person whose average liabilities to the bank, including also the liabilities of the natural persons connected thereto, fails to exceed Denar 1,000,000.

7. The bank shall be required to submit the list of net debtors under item 6 of this Decision, as of December 31, to the National Bank of the Republic of Macedonia within five working days after the annual Meeting of Shareholders.

8. As of June 30, the bank shall be required to apply the Methodology for determining net debtor defined with this Decision relating the members of the Supervisory Board and to submit the obtained results to the National Bank of the Republic of Macedonia till August 15 in the respective year, at the latest.

9. Everything prescribed in this Decision shall also be applied to the savings houses in the Republic of Macedonia, with exception to paragraph 2 of item 6.

10. This Decision shall enter into force the eighth day from its publishing in the "Official Gazette of the Republic of Macedonia".

11. With the implementation of this Decision, the Decision on the methodology for determining net debtor of the banks ("Official Gazette of the Republic of Macedonia" No. 41/2006) shall become void.

**D.No. 02-15-/X-2/2007**  
October 31, 2007  
Skopje

Petar Goshev, MSc.  
Governor  
and President of the National Bank  
of the Republic of Macedonia  
Council