



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 64 paragraph 3 of the Banking Law (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 and 122/21), the National Bank of the Republic of North Macedonia Council has adopted the following

DECISION

on amending the Decision on the methodology for determining capital adequacy

(Official Gazette of the Republic of North Macedonia No. 27/24)

1. In the Decision on the methodology for determining capital adequacy (Official Gazette of the Republic of Macedonia No. 47/12, 50/13, 71/14, 223/15, 218/16 and 221/18 and Official Gazette of the Republic of North Macedonia No. 181/19, 116/20 and 167/20), in item 7, the words: "the Banking Law" shall be followed by the words: "and in the bylaws adopted on the basis of this law".

2. In item 70, paragraph 1 shall be amended and read as follows:

The bank shall apply 35% risk weight on claims collateralized by mortgage on a residential property, if the claim collateralized by mortgage on a residential property meets the criteria referred to in item 71 paragraph 1 of this Decision."

3. In item 71, paragraph 1 indents 4 and 5 shall be amended and read as follows:

- "- the bank shall be obliged to provide an assessment of the current market value of the residential property in accordance with paragraphs 2 and 3 of this item;
- The bank holds duly documentation for the pledged residential property that consists of notary act with annexes on mortgage on the property, including an executive clause, property deed or other evidence from a public book for established pledge issued by a competent institution, valid insurance policy on the residential property restrictively endorsed for the benefit of the bank and other similar documentation; and"

Paragraph 1 shall be followed by two new paragraphs 2 and 3 that read as follows:

"In the entire period of duration of the contract on the basis of which the claim occurred, collateralized by mortgage on a residential property, the bank shall be obliged to monitor the market value of the residential property (e.g. by applying

statistical methods), at least once a year and to provide an assessment of the current market value of the residential property, at least once every three years, in accordance with the law.

As an exception to paragraph 2 of this item, the bank shall be obliged to provide an assessment of the current market value of the residential property at least once a year, for a claim that:

- exceeds 5% of the bank's own funds;
- is collateralized by mortgage on a residential property that witnessed a significant decrease in the market prices of similar residential properties, or
- is collateralized by mortgage on an unbuilt residential property for which a construction license has been issued by a competent institution, including the construction land for which a construction license has been issued by a competent institution, whereby the assessment of the market value should reflect the current value of the collateral, in accordance with the construction phase of the residential property."

4. This decision shall enter into force on the eighth day of its publication in the Official Gazette of the Republic of North Macedonia.

D. No. 02-3972/3
2 February 2024
Skopje

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