

On the basis of Article 68 of the Law on the National Bank of the Republic of Macedonia ("Official Gazette of RM" no. 3/02, 51/03, 85/03, 40/04, 61/05 and 129/06), Article 57 and Article 193 paragraphs 2 and 3 of the Banking Law ("Official Gazette of RM" no. 67/07) and the Decision on issuing approvals ("Official Gazette of RM" no. 91/07 and 134/07), the Governor of the National Bank of the Republic of Macedonia passed a

DECISION

1. It is hereby ascertained that "Stopanska Banka" AD Skopje is in compliance with the criteria laid down in Item 13 of the Decision on issuing approvals, regarding the following financial activities referred to in Article 7 paragraph 1 Items 8, 13, 14, 15, 16, 17 and 18 of the Banking Law for which, according to Article 57 paragraph 1 Item 2, prior approval is required:

1. Domestic and international payment operations, including sale and purchase of foreign currency;
2. Trade in foreign assets, including trade in precious metals;
3. Trade in securities;
4. Trade in financial derivatives;
5. Assets and securities portfolio management on order and for account of clients;
6. Providing services of a custodian bank and
7. Purchasing and selling, underwriting and placement of securities issue.

2. "Stopanska Banka" AD Skopje will be able to start performing the other financial activities referred to in Article 7 paragraph 1 of the Banking Law, for which according to this Law, a prior approval is required, only after receiving prior approval from the Governor of the National Bank of the Republic of Macedonia.

3. Item 5 of the Decision of the Governor of the National Bank of the Republic of Macedonia on replacing the license for establishment and operations of "Stopanska Banka" AD Skopje, no. 02-14/65-2004 dated 06.02.2004, shall be amended as follows:

"The Bank can perform the following activities:

- Accept deposits and other repayable sources of financing;

- Lending in the country, including factoring and financing commercial transactions;
- Lending abroad, including factoring and financing commercial transactions;
- Issuing and administration of means of payment (payment cards, cheques, travelers cheques, bills of exchange);
- Financial leasing;
- Currency exchange operations;
- Domestic and international payment operations, including sale and purchase of foreign currency;
- Issuing payment guarantees, backing guarantees and other forms of collateral;
- Lease of safe deposit boxes, depositories and depots;
- Trade in instruments of the money market (bill of exchange, cheques, deposit certificates)
- Trade in foreign assets, including trade in precious metals;
- Trade in securities;
- Trade in financial derivatives;
- Assets and securities portfolio management on order and for account of clients;
- Providing services of custodian bank;
- Purchasing and selling, underwriting and placement of securities issue;
- Intermediation in sale of insurance policies;
- Intermediation in concluding credit and loan agreements;
- Processing and analyzing information on the creditworthiness of legal entities and
- Economic and financial consulting”.

4. The Governor shall withdraw the approval for performance of financial activities referred to in Item 1 of the purview of this Decision, in case of failure to meet any of the conditions listed in Article 57 paragraph 2 of the Banking Law and Item 13 of the Decision on issuing approvals.

5. As of the date of receiving this Decision, the decisions stated in Item 6 of the Decision of the Governor of the National Bank of the Republic of Macedonia on replacing the license for establishment and operations of “Stopanska Banka” AD Skopje, no. 02-14/65-2004 dated 06.02.2004 shall cease to be valid, as follows:

- the Decision of the Council of the National Bank of Yugoslavia no.22/1990 dated 01.02.1990, with which the Bank was authorized to perform international payment operations and credit operations, on its behalf and for its account, on its behalf and for the account of third parties, as well as on behalf and for the account of third parties.

- The Decision of the National Bank of the Republic of Macedonia no. 4289 dated 28.12.2008, with which the Bank was issued a license for performing domestic payment operations.

Explanatory note

On 07.12.2007, the National Bank of the Republic of Macedonia (hereinafter referred to as: National Bank) received a Request from "Stopanska Banka" AD Skopje (hereinafter referred to as: Bank), in accordance with Article 193, paragraphs 2 and 3 of the Banking Law ("Official Gazette of RM" no: 67/07) and Item 52 of the Decision on issuing approvals ("Official Gazette of RM" no. 91/07 and 134/07), for receiving approval for performing the following financial activities: domestic and international payment operations, including sale and purchase of foreign currency; trade in foreign assets, including trade in precious metals; trade in securities; trade in financial derivatives; assets and securities portfolio management on order and for account of clients; providing services of custodian bank and purchasing and selling, underwriting and placement of securities issue.

On 10.03.2008, the Request was completed with the required documents.

From the analysis of submitted documents and the available off-site data, and taking into account the criteria referred to in Item 13 of the Decision on issuing approvals, it was assessed that the Bank is organized and capable of operating in compliance with the regulations and prescribed supervisory standards. Namely,

- The Bank possesses the prescribed level of own assets required for performing the financial activities for which it submitted request for obtaining prior approval
- There is explanation about the economic justification for starting the performance of financial activities that the Bank has not performed before (assets and securities portfolio management on order and for account of clients, providing services of custodian bank and purchasing and selling, underwriting and placement of securities issue)
- The Bank has its adequate structure of employees for efficient and successful performance of financial activities, and appropriate organizational structure that provides functional differentiation in the performance of the financial activities
- Double control in the performance of financial activities has been provided
- By Governor Decision no. 02-14/1555-2007 dated 08.03.2007, there had been a prior approval issued for the Bank's Information Security Policy
- The financial activities have been included in the internal audit system and the money laundering prevention system and
- The Bank has policies and procedures for performing financial activities that represent grounds for adequate management with risks to which the Bank will be exposed, where, among all other things, the role of the persons with special rights

and responsibilities in charge of the performance of financial activities has been defined.

The other financial activities referred to in Article 7 paragraph 1 of the Banking Law, for which the Bank did not submit a request, as per Article 193 paragraphs 2 and 3 of this Law, and for which prior approval is required, may be initiated by the Bank only after obtaining prior approval from the Governor of the National Bank.

The modifications in Item 5 of the Decision of the Governor of the National Bank regarding replacement of the license for establishment and operations of Stopanska Banka AD - Skopje no. 02-14/65-2004 dated 06.02.2004, are made for the purpose of compliance of the financial activities that may be performed by the Bank, hence taking into consideration Items 1 and 2 of this Decision's purview and Article 7 of the Banking Law.

If it is determined that any of the terms and conditions referred to in Article 57 paragraph 2 of the Banking Law and Item 13 of the Decision on issuing approvals is not fulfilled anymore, the Governor will revoke the approval for performing financial activities referred to in Item 1 of this Decision's purview.

As of the date of receiving this Decision, the decisions stated in Item 6 of the Decision of the Governor of the National Bank on replacement of the license for establishment and operations of Stopanska Banka AD - Skopje no. 02-14/65-2004, with which the Bank previously received license to perform domestic payment operations and was authorized for performing international payment and credit operations, will cease to be valid.

Having regard to the aforementioned, it has been decided so as in the purview of this Decision.

LEGAL REMEDY:

The dissatisfied party may lodge complaint to the competent court for settling administrative disputes within 30 days following the receipt of this Decision

Petar Goshev, MSc
Governor