



NATIONAL BANK OF THE
REPUBLIC OF MACEDONIA

Growing Responsibly - Growing Responsibility

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Vice Governor



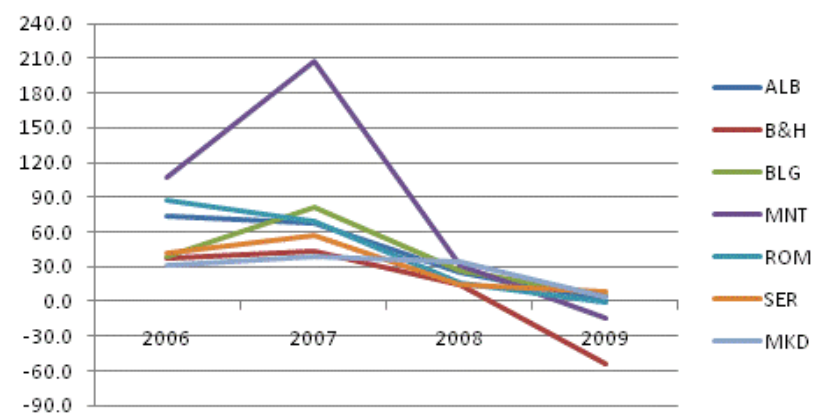
Issues

- Background
- The role of the Central Bank – lessons from the crisis
- Foreign currency lending – to ban or not to ban
- Greece and Eurozone crisis and SEE

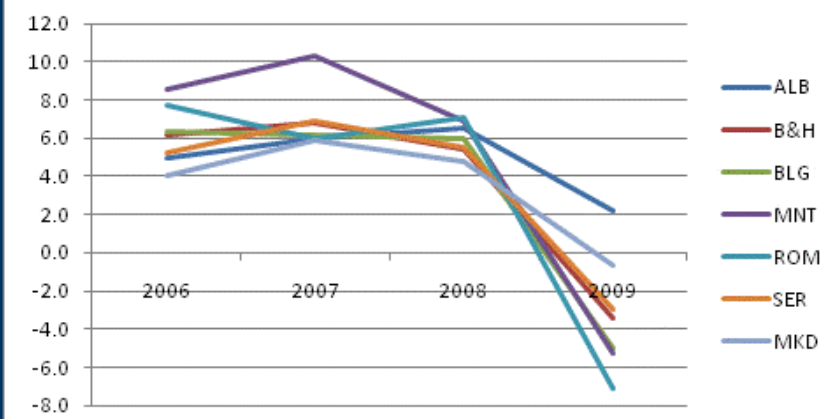


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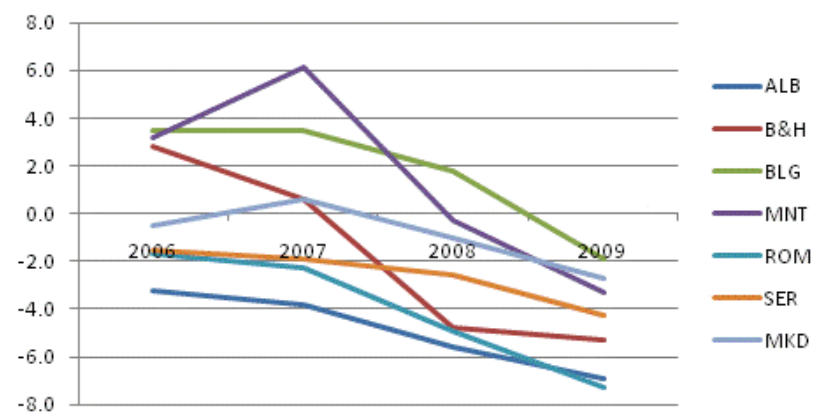
Credit to the private sector (yoy)



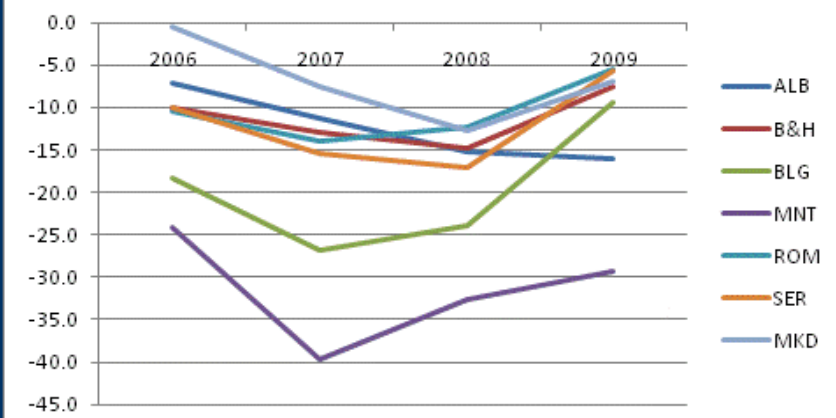
GDP (growth rate)



Fiscal balance (% of GDP)



Current account balance (% of GDP)





Lessons from the crisis – the role of Central Bank

- SEE economies will continue to be dependent on foreign capital
- What level of CAD is sustainable?
- What structure of capital inflow is desirable?
- How can CB influence CAD through preventing excessive credit growth?
 - lessons from the crisis
 - prudential measures



Foreign currency lending – to ban or not to ban?

- Exotic currency lending could be banned
- General f/x lending ban is problematic
 - high share of f/x deposits
 - statutory limits on OCP
 - statutory f/x liquidity coefficients
- Additional prudential criteria for f/x lending could be introduced



Greece and Eurozone crisis and SEE

- Negative impact cannot be avoided, but exaggerated by the analysts out of the region
- Macedonian case
 - Greek owned banks are stable, well capitalized and liquid
 - Possible contagion through trade channel
 - Stress tests show negligible impact on the banking sector