

31.12.2021

Press release on maintaining the increased rate of the systemic risk buffer

The Executive Board of the National Bank of Moldova (NBM), by its Decision 268 of 30.12.2021, decided to maintain, until December 31, 2022, the increase by 2 p.p. of the systemic risk buffer rate. Thus, as of January 1, 2022, the requirements for the level of the systemic risk buffer will be maintained at the same level in force during 2021.

All banks are to comply with the requirements for the level of the systemic risk buffer and to maintain, on an individual basis, a buffer in the form of common equity Tier 1 capital equal to 1.0% of the total amount of exposures located in the Republic of Moldova (approved by Executive Board Decision no. 287/2020).

The systemic risk buffer rate will be increased by 2 p. p. (up to the level of 3% of the total amount of exposures located in the Republic of Moldova) for banks whose capital is held, directly and / or indirectly, in proportion of over 50% cumulatively, by persons meeting any of the following criteria:

1. are not financial sector entities;
2. are residents of / have their headquarters in the states, where supervision and prudential regulation requirements, at least equivalent to those implemented in the Republic of Moldova according to the NBM regulatory acts, are not applied;
3. are not subject to supervision by the banking sector or capital market supervisory authorities of the respective countries. The Decision of the Executive Board of the NBM shall enter into force on January 1, 2022.

Considering that the current systemic risk buffer requirements remain at the level of 2018-2021, but also that all banks comply with the capital requirements, including the combined buffer requirement, it was considered that maintaining the increased rate of systemic risk buffer requirement will not involve disproportionate negative effects on the financial system, in whole or in part, forming or creating an obstacle to the functioning of the internal market.

Capital is the basic pillar of a bank's stability, and maintaining adequate capital, in terms of both quantity and quality, must be the banks' primary goal, the achievement of which will ensure their proper functioning and maintenance of depositors' confidence in banks, as well as in the entire banking sector.

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