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Press release on maintaining the systemic risk buffer rate, December 2020

The Executive Board of the National Bank of Moldova (NBM) has decided to maintain the systemic risk buffer rate, on an individual basis, for all banks and applied to exposures located in the Republic of Moldova, at the level of 1% from the total amount of the risk exposure, as set under the p.4 of the Decision of Executive Board of the National Bank of Moldova regarding the establishment of banks that are O-SII and the approval of capital buffers of banks no. 193/2018.

At the same time, has been decided to maintain until December 31, 2021 the increase by 2 p.p. of the systemic risk buffer rate established by p.4 of the Decision of Executive Board of the National Bank of Moldova no.193/2018.

The above-mentioned decision is based on the analyses and studies performed by the NBM, which reflect that potential systemic risks, derived from the transition process of the banking sector toward the new requirements on banking regulation and supervision, still persist, and the unfavorable economic situation settled in the context of the COVID-19 pandemic crisis, alongside the unfavorable forecasts of national and international institutions related to economic growth of the country and region require a prudent approach in regard to capital buffers applied to banks.

The decision of the Executive Board of the National Bank of Moldova no. 287 of December 24, 2020 on maintaining the systemic risk buffer rate enters into force on January 1, 2021 and it is published in the Official Gazette of the Republic of Moldova.

Tags
capital buffers; capital buffer; macroprudential tools; rate of the anticyclical capital buffer; capital requirement; financial stability [1]

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