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DECREE
of the National Bank of Slovakia
of 24 January 2012

amending Decree of the National Bank of Slovakia No 11/2010
stipulating methods of valuing positions recorded in the banking book
and details of the valuation of positions recorded in the banking book including the frequency of
such valuations

In accordance with Article 39(15)(h) of Act No 483/2001 Coll. on banks and on amendments to certain laws, as amended, the National Bank of Slovakia stipulates as follows:

Article 1

Decree of the National Bank of Slovakia No 11/2010 of 8 June 2010 stipulating methods of valuing positions recorded in the banking book and details of the valuation of positions recorded in the banking book including the frequency of such valuations (Notification No 278/2010 Coll.) shall be amended as follows:

1. Footnote 2 shall read:

“2) Article 73(1) of Decree of the National Bank of Slovakia No 4/2007 on banks' own funds of financing and banks' capital requirements and on securities dealers' own funds of financing and securities dealers' capital requirements (Notification No 121/2007 Coll.) as amended by Decree No 17/2008 (Notification No 443/2008 Coll.).”.

2. In Article 3(1)(b), the comma at the end shall be replaced with a semicolon and the following words shall be added:
“the probability of default of receivables that are more than 90 days overdue shall be determined at level 1,“.

3. In Article 3(1)(c), the words “in conjunction with the limitations for its determination in accordance with paragraphs 2 and 3” shall be deleted.

4. Article 3(2)(c) shall read:

“(c) a receivable or conditioned receivable from corporates or”.

5. In Article 3, point (d) shall be added to paragraph (2) that shall read:

“(d) a retail receivable that is more than 90 days overdue.”.

6. In Article 3, paragraph (3)(a) shall read:

“(a) a receivable or conditioned receivable secured by residential real estate is determined at a minimum level of 35%,”.

Footnote 4 shall be deleted.

7. In Article 3(3)(b), the words “75%” shall be replaced with the words “60%”.

8. Article 3(3)(c) shall read:

“(c) a receivable or conditioned receivable from corporates is determined at a minimum level of 45%,”.

9. In Article 3, point (d) shall be added to paragraph (3) that shall read:
“(d) a retail receivable not secured by residential real estate that is more than 90 days overdue is determined at a minimum level of 75%.”.

10. In Article 3, paragraph (5) shall read:

“(5) For the purposes of determining the percentage coefficient of the expected loss, instead of using the procedure in accordance with paragraphs 1 to 4, the bank may assign to each individual item of the bank’s assets the percentage coefficient of the expected loss which equals to the value

- (a) of 1% for receivables or conditioned receivables secured by residential real estate that are less than 90 days overdue;
- (b) of 3% for retail receivables or conditioned retail receivables that are less than 90 days overdue;
- (c) of 1.35% for receivables or conditioned receivables from corporates that are less than 90 days overdue;
- (d) of 35% for receivables or conditioned receivables secured by residential real estate that are more than 90 days overdue;
- (e) of 75% for retail receivables or conditioned retail receivables that are more than 90 days overdue;
- (f) of 45% for receivables overdue for more than 90 days that are not retail receivables or conditioned retail receivables, or that are not secured by residential real estate;
- (g) determined based on the method of risk-weight assignment to those items of the bank’s assets which are less than 90 days overdue and do not represent receivables or conditioned receivables under points (a) to (c), using a standardised approach for credit risk and values determined in paragraph 6.”.

11. In the introductory sentence of Article 3(6), the words “of paragraph 5” shall be replaced with the words “of paragraph 5(g)”.

Article 2

This Decree shall enter into force on 15 February 2012.

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