NÁRODNÁ BANKA SLOVENSKA
EUROSYSTÉM

QUARTERLY COMMENTARY ON MACROPRUDENTIAL POLICY

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Contents

Foreword

Financial system stability is essential for a well-functioning economy. It encompasses many areas, ranging from the security of bank deposits and other similar products to the smooth-functioning of the lending market based on the responsible approach of financial institutions and their customers. The purpose of macroprudential policy is to contribute to financial stability, in particular by strengthening the financial sector's resilience during good times, when risks are typically still at an early stage. This purpose also entails preventing the build-up of systemic risks, so as to make the economy less vulnerable in crisis periods.

Macroprudential policy in Slovakia is implemented primarily by Národná banka Slovenska (NBS), with its formal obligation in this regard laid down in Act No 747/2004 Coll. on financial market supervision. In implementing this policy, NBS may use any of several tools (from mitigating a specific risk to increasing capital requirements across the board), and may apply them in different ways (from issuing risk warnings to laying down statutory obligations).[1] The European Central Bank (ECB) has the power to impose further, stricter macroprudential policy settings.

A key element of macroprudential policy implementation is the regular quarterly assessment of developments in the area of financial stability, and any ensuing decision of the NBS Bank Board to apply a specific instrument. The fulfilment of the core objective, i.e. the maintenance of financial stability, is assessed through the monitoring of five intermediate objectives:[2]

1. to mitigate and prevent excessive credit growth and leverage;
2. to mitigate and prevent excessive maturity mismatch and market illiquidity;
3. to limit direct and indirect exposure concentrations;
4. to limit the systemic impact of misaligned incentives with a view to reducing moral hazard;
5. to strengthen the resilience of financial infrastructures.

The **first intermediate objective** is to prevent excessive credit growth and leverage, which has been generally identified as a key driver of the financial and economic crisis. This is a particularly important objective in Slovakia, owing to the traditional nature of the financial market in this country. Most of the significant trends, as well as risks, in the domestic banking sector are related to the market in lending to households and enterprises. Looking at loans to the domestic economy as a share of total assets, the ratio in Slovakia is one of the highest of any country, with banks earning the bulk of their income from such lending.

The **second intermediate objective** relates to excessive maturity mismatch in the assets and liabilities of bank balance sheets. In other words, the maturity of banks' assets should not differ significantly from the maturity of their funding liabilities. Although the role of banks is to intermediate the funding of long-term assets (loans) with short-term liabilities (deposits), experience has shown that an excessive maturity mismatch between assets and liabilities makes the financial system more vulnerable and contributes to a build-up of economic and financial imbalances.

[1] Further details about these instruments can be found on the NBS website, at http://www.nbs.sk/en/financial-market-supervision1/macroprudential-policy

[2] The intermediate objectives are set out in line with Recommendation No ESRB/2013/1 of the European Systemic Risk Board of 4 April 2013 on intermediate objectives and instruments of macro-prudential policy.

The **third intermediate objective** is to limit direct and indirect exposure concentrations. Direct concentration risk typically arises from significant exposures to, for example, households, general government, or certain sectors of the economy. Indirect exposures arise from the interconnectedness of financial and non-financial institutions. Elevated concentration is a long-standing structural feature of the domestic financial sector. This is largely attributable to the structure of the Slovak economy, which is heavily dependent on a small number of sectors, as well as to the concentration of bank's claims on and/or sources of funding from certain customers or groups of customers. Another significant feature of the Slovak banking sector is the high share of domestic government bonds in banks' balance sheets.

The **fourth intermediate objective** aims to limit the systemic risk arising from misaligned incentives of financial institutions and their customers. The primary aim here is to reduce the risk of moral hazard related to the presence of systemically important financial institutions. Whereas, in respect of the third intermediate objective, concentration risk is monitored for its potential impact on individual banks or the banking sector, in the case of systemically important institutions concentration is monitored owing to the large impact that potential default of such an institution would have on the financial sector and real economy. Moral hazard may also arise in relation to management remuneration at financial institutions or in the terms of cooperation with financial intermediaries.

The **fifth intermediate objective** is to strengthen the resilience of financial infrastructures. The most important elements of the financial infrastructure in Slovakia are the payment systems (TARGET2, SIPS), the Deposit Protection Fund, and securities settlement systems. Their reliable operation is crucial for the country's financial stability.

The Quarterly Commentary on Macroprudential Policy (QCMP) is structured according to these objectives, pursuant to Recommendation ESRB/2013/1. Its main part is a situation analysis (based on the indicators in the annex), which is a basis for NBS decision-making. This edition of the QCMP is based mostly on data as at 30 September 2016, although the qualitative assessment also takes account of information available until the submission date of the QCMP.

The document is divided into three parts. The first part contains a brief analysis of the most significant developments related to systemic risk which occurred during the quarter under review, broken down into sub-headings that correspond to the above-mentioned intermediate objectives. The second part, focusing on decisions taken in the area of macroprudential policy, includes not only decisions of NBS, but also decisions of the ECB. The third part comprises annexes that include: tables showing indicators used to monitor the intermediate objectives, and reference information for decisions on the countercyclical capital buffer rate.

1 Situation analysis by Národná banka Slovenska

1.1 Excessive credit growth and leverage

The lending trends observed in the previous period continued in the third quarter of 2016, as annual growth in the stock of loans increased to 10.2% (from 9.4% in the second quarter)[3]. Both lending to households and lending to non-financial corporations (NFCs) contributed to that acceleration. Domestic bank lending to the non-financial private sector has been at or close to double digits for around one year. The outstanding amount of loans to households increased in the third quarter by 13.2%, year on year (after a rise of 12.8% in the second quarter). This growth rate is the highest recorded since 2009, when the credit market was coming to the end of an expansionary phase. Household demand for credit is being supported by the continued strengthening of the labour market, rising property prices, and favourable consumer sentiment. On the supply side, the persisting low interest rate environment and increasing inter-bank competition for borrowers are stimulating credit demand. Both housing loans and consumers loans are recording strong year-on-year growth. In the third quarter of 2016, household credit growth was higher in Slovakia than in any other EU country. The upward impact of strong credit growth on household debt continued in the third quarter, when the household debt-to-GDP ratio increased to 37.4% (from 36.5% in the second quarter)[4]. The last time the ratio rose by such a margin was in 2010.

After slowing slightly in the second quarter (to 4%), the annual rate of growth in the stock of NFC loans increased in the third quarter, to 5.3%. This growth was driven mainly by the increase in long-term investment loans, which was probably related to favourable expectations in the corporate sector. Firms' demand for loans is being supported by a bright outlook of stable growth in the economy and in overall sales, as well as by the current favourable financing conditions. The corporate debt-to-GDP ratio accelerated in the third quarter, to 50.6% (from 49.8% in the second quarter). The outstanding amount of loans provided by the domestic banking sector to domestic NFCs increased in the third quarter, and the only EU countries to report a higher increase were Luxembourg and Lithuania.

The strong credit growth was also reflected in the domestic credit-to-GDP$_{trend}$ gap, which increased in the third quarter by 0.80 percentage point, to 3.79%[5]. Such an increase indicates the continuation of the credit cycle's expansionary phase. The level of this indicator has moved clearly above the 2% threshold at which the ESRB recommends[6] increasing the countercyclical capital buffer (CCB) rate. This underscored the reasons behind the adoption of the Decision in July 2016 to apply a non-zero CCB rate with effect from 1 August 2017. The domestic credit-to-GDP$_{trend}$ gap currently implies a CCB

[3] Loans provided by domestic banks to the household sector (S.14 and S.15) and the non-financial corporate sector (S.11) in Slovakia (source: Statement V (NBS) 33-12).

[4] Since the October 2016 QCMP, the private sector debt-to-GDP ratios (as well as other ratios related to GDP) have been adjusted as a result of the revision of quarterly GDP figures. This revision was made by the Slovak Statistical Office (SO SR) as part of its December 2016 revision of the national accounts.

[5] Since the October 2016 QCMP, the domestic credit-to-GDP$_{trend}$ gap values have been adjusted due to the SO SR's December 2016 revision of the national accounts and related revision of GDP figures, and to the extension of the time series to include the years 1993 to 1995 (these changes also resulted in moderate adjustments to the Cyclogram indicator and the standardised credit-to-GDP gap).

[6] Recommendation ESRB/2014/1.

rate of 1.00%[7]. The increasing indebtedness of domestic NFCs was also reflected in the standardised credit-to-GDP gap, which became significantly less negative, moderating by 0.94 percentage point to stand at -0.45%. This shift was driven mainly by an increase in debt owed to the domestic financial sector[8].

Another of the indicators identifying the financial cycle's phase – the Cyclogram – has also been on an upward path, reflecting mounting pressures in the credit market, the increasing indebtedness of the non-financial private sector, current macroeconomic developments, and the housing market situation. Although the Cyclogram edged down in the previous quarter due to specific factors in the corporate credit market[9], it returned to its rising trend in the third quarter. This increase – broad-based across all of the Cyclogram's components – left the indicator at its highest level since 2008 and pointing to a continuation and strengthening of the financial cycle's expansionary phase.

The movement of the above indicators in the third quarter provided further evidence that the financial cycle is still in an upward phase. This trend is supported by factors on both the supply and demand sides, including the favourable impact of stable macroeconomic trends on the labour market situation and corporate sales, an improvement in sentiment, property price movements, strong competition in the credit market, and the prolonged period of low interest rates. All three of the indicators used to identify the phase of the financial (or credit) cycle increased in the third quarter, and two of them (the domestic credit-to-GDP_{trend} gap and the Cyclogram) are at levels indicating that a non-zero CCB rate should be applied. However, the current expansionary trends were envisaged and were taken into account when the Decision to apply a non-zero CCB rate was adopted in July 2016 (to take effect from 1 August 2017). The recent situation does not imply a need to increase the CCB rate further. As the financial cycle's current expansionary phase continues, however, it provides financial institutions with an opportunity to build up reserves against a future materialisation of credit risk and to direct their dividend policies towards that end.

[7] Since the October 2016 QCMP, the domestic credit-to-GDP_{trend} gap values have been adjusted due to the SO SR's December 2016 revision of the national accounts and related revision of GDP figures, and to the extension of the time series to include the years 1993 to 1995 (these changes also resulted in moderate adjustments to the Cyclogram indicator and the standardised credit-to-GDP gap).

[8] The low information value of the standardised credit-to-GDP gap stems mainly from the shortness of the time series used for this indicator.

[9] A temporary slowdown in NFC loan growth caused by volatility in corporate loans and an increase in the amount of non-performing loans (resulting from a single default).

1.2 Excessive maturity mismatch and market illiquidity

The nature of liquidity risk in the banking sector continued to be related more to the maturity mismatch between assets and liabilities than to market liquidity. This situation stems mainly from a continuing upward trend in long-term loans to households and from the growth during 2016 in NFC investment loans. The result has been the ongoing prolongation of the average residual maturity of assets held by the Slovak banking sector, while the average maturity of the sector's liabilities has remained largely unchanged. The mismatches between assets and liabilities of different maturities were greater in the third quarter than at any previous time. Developments in the quarter under review confirmed the previously established observation that liquidity risk depends more closely on the stability of short-term retail deposits than on liquid assets. Such a trend increases the individual bank's liquidity risk, since in the event of an idiosyncratic shock, the bank may rely more on its liquid assets than on the stability of deposits. In terms of the stability of the banking sector as a whole, stability in short-term deposits is to some extent a substitute for liquid assets. This, however, is conditional on the existence of a favourable loan-to-deposit (LTD) ratio. Therefore an increase in the LTD ratio may be considered an adverse development. The ratio increased slightly in the third quarter due to the above-mentioned strong growth in household loans and an increase in the banking sector's lending abroad.

The third quarter thus saw a continuation of the trend increase in liquidity risk, i.e. an increase in long-term illiquid assets, a drop in investment in liquid assets, and greater dependence on the stability of short-term deposits. A new negative development was the increase in the LTD ratio.

1.3 Concentration

The concentration risk exposure of the domestic banking sector remained largely unchanged during the third quarter of 2016. At the same time, looking at the sector's lending to the principal economic sectors, credit risk continued to fall in most of the portfolios.

Nevertheless, the Slovak banking sector still faces significant concentration risk, stemming mainly from low diversification in banks' loan books. Another important aspect is the high share of foreign ownership in the domestic banking sector. Although this situation does not currently pose a large risk to the sector, it could be aggravated by regulatory changes that may weaken the position of subsidiaries in Slovakia and increase their exposure to external, intra-group risks. These changes include not only those introduced within the banking union in 2016 allowing exemptions from liquidity and large exposure rules, but also the European Commission's proposal to apply these exemptions to capital requirements, too[10].

[10] On 23 November 2016 the European Commission presented a proposal to amend the Capital Requirements Regulation so as to enable centralised cross-border management of capital within banking groups, including the substitution of capital in subsidiaries with guarantees from parent institutions.

1.4 Moral hazard

The moral hazard indicators changed only slightly in the third quarter of 2016. The concentration of total net assets continued to increase, albeit only marginally, to reach its highest ever level. Neither the share of domestic government bonds held by banks, nor the concentration of these holdings across the banking sector changed significantly. The concentration of liabilities in the financial system edged down again in the third quarter, but still remained close to its historical high. As for assets in the financial system, their concentration fell after increasing in previous quarters.

1.5 Financial infrastructures and other risks

Banks in Slovakia paid their 2016 contributions to the domestic deposit guarantee scheme – the Deposit Protection Fund (DPF) – during the first half of 2016. Therefore the amount of funds accumulated in the DPF remained unchanged in the third quarter of the year. The DPF's funds remained at a level equivalent to 0.65% of total covered deposits.

The total amount of banks' funds transferred to the Single Resolution Fund in 2016 was almost €22 million.

The banking sector continued paying the special levy in the third quarter, thereby bringing the cumulative proceeds from the levy to almost €700 million. The rate of the special levy is set at 0.2% for each year until 2020[11].

[11] Under an amendment to the Act implementing the special levy (No 384/2011 Coll.).

2 Decisions in the area of macroprudential policy

2.1 Decision taken by NBS in the quarter under review

Developments in the domestic credit-to-GDP$_{trend}$ gap (Chart 2) and the Cyclogram (Chart 3), including changes in the indicators of excessive credit growth and leverage (table in Annex A), supported the reasons for applying a non-zero countercyclical capital buffer (CCB) rate. Under a Decision adopted by the NBS Bank Board on 31 January 2017, the CCB rate remains set at 0.5% with effect from 1 August 2017[12].

2.2 Current instrument settings

On 26 July 2016 the NBS Bank Board adopted a Decision under which a non-zero countercyclical capital buffer (CCB) rate of 0.50% will be applied from 1 August 2017.

On 13 December 2016 the NBS Bank Board approved a Decree laying down detailed provisions on the assessment of borrowers' ability to repay housing loans (NBS Decree No 10/2016). This Decree largely enacts housing loan-related recommendations set out in Macroprudential Policy Recommendation No 1/2014 of Národná banka Slovenska on risks related to market developments in retail lending ("the Recommendation"). There are certain changes from the Recommendation in regard to minimum financial resources requirements for borrowers and additional loan-to-value ratio limits[13].

On 31 January 2017 the NBS Bank Board approved an addendum to the Recommendation which revokes those parts of the Recommendation that have been adopted into law by NBS Decree No 10/2016 and certain statutes[14].

Under Decision No 18/2016 of Národná banka Slovenska of 24 May 2016, banks in Slovakia identified as other systemically important institutions (O-SIIs) are subject to an O-SII buffer of 1% or 2% of risk-weighted assets as from 1 January 2017. Furthermore, under Decision No 19/2016 of Národná banka Slovenska of 24 May 2016, the O-SIIs to which systemic risk buffers (SRBs) apply are subject to an SRB rate of 1% of domestic risk-weighted assets as from 1 January 2017. As a result, each O-SII established in Slovakia is subject either to an O-SII buffer of 2% or a combination of O-SII and systemic risk buffers amounting to the same 2% maximum level. Other currently applicable macroprudential policy instruments, covering mainly the area of capital requirements, are listed in Table 1.

2.3 Potential application of macroprudential policy instruments over the medium-term horizon

Planned legislative amendments in the area of consumer loans

Preparations are now being made to enact in secondary legislation the recommendations set out in Macroprudential Policy Recommendation No 1/2014, as amended, and at the same time to

[12] http://www.nbs.sk/en/financial-market-supervision1/macroprudential-policy/macroprudential-policy-decisions

[13] http://www.nbs.sk/_img/Documents/_Legislativa/_Vestnik/OPAT10-2016.pdf (in Slovak language only)

[14] http://www.nbs.sk/_img/Documents/_Legislativa/_BasicActs/A90-2016.pdf
http://www.nbs.sk/_img/Documents/_Legislativa/_UplneZneniaZakonov/Z1292010.pdf (in Slovak language only)

recalibrate some of these recommendations. A key benefit of this enactment will be to extend the regulatory framework to cover non-bank entities. The new legislation will bring greater certainty to all banks and non-bank entities regarding the equality of business conditions in the retail lending market.

Expected developments in the countercyclical capital buffer rate in the next quarter

Current indicator trends do not imply any immediate need to increase the countercyclical capital buffer rate in the next quarter.

2.4 ECB decisions concerning the Slovak banking sector taken in the quarter under review

As at 31 January 2017 the European Central Bank had not issued any macroprudential policy decision concerning the Slovak banking sector.

Table 1 Current setting of instruments applicable in Slovakia

Macroprudential instruments	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Note
Macroprudential instruments applicable in Slovakia						
Capital conservation buffer (Article 33b of the Banking Act)	2.5%	2.5%	2.5%	2.5%	2.5%	
Countercyclical capital buffer rate (Article 33g of the Banking Act)	0%	0%	0%	0%	0%	To be increased to 0.5% since 1 August 2017.
O-SII buffer (Article 33d of the Banking Act)[15]	1%	1%	1%	1%	1% - 2%	
Systemic risk buffer (Article 33e of the Banking Act)[16]	0%	0%	0%	0%	1%	Activated since 1 January 2016, to be increased to 1% - 2% since 1 January 2018.
Risk-weight for exposures fully secured by mortgages for residential property (Article 124 of the EU's Regulation on prudential requirements for credit institutions and investment firms –hereinafter "the CRR")	35%	35%	35%	35%	35%	
Risk-weight for exposures fully secured by mortgages on commercial immovable property (Article 124 of the CRR)	50%	50%	50%	50%	50%	Scheduled increase
Minimum exposure-weighted average LGD for all retail exposures secured by residential property and not benefiting from guarantees from central governments (Article 164 of the CRR)	10%	10%	10%	10%	10%	
Minimum exposure-weighted average LGD for all retail exposures secured by commercial immovable property and not benefiting from guarantees from central governments (Article 164 of the CRR)	15%	15%	15%	15%	15%	
Risk-weight for exposures fully secured by mortgages on commercial immovable property - other EU Member States (Article 124 of the CRR)	50%	50%	50%	50%	50%	
Minimum exposure-weighted average LGD for all retail exposures secured by residential property and not benefiting from guarantees from central governments - other EU Member States (Article 164 of the CRR)	10%	10%	10%	10%	10%	
Minimum exposure-weighted average LGD for all retail exposures secured by commercial immovable property and not benefiting from guarantees from central governments - other EU Member States (Article 164 of the CRR)	15%	15%	15%	15%	15%	

Source: NBS.

[15] O-SII buffer is set for Československá obchodná banka, a.s., Poštová banka, a.s., Slovenská sporiteľňa, a.s., Tatra banka, a.s. and Všeobecná úverová banka, a.s.

[16] Systemic risk buffer is set for Československá obchodná banka, a.s., Slovenská sporiteľňa, a.s., Tatra banka, a.s. and Všeobecná úverová banka, a.s.

Table 2 Current setting of instruments applicable to foreign exposures

Macroprudential instrument	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Note
Macroprudential instruments applicable abroad						
Countercyclical capital buffer rate for **Czech Republic** (Article 33j of the Banking Act)	0%	0%	0%	0%	0.5%	
Countercyclical capital buffer rate for **Sweden** (Article 33j of the Banking Act)	1%	1%	1.5%	1.5%	1.5%	Buffer rate will be increased to 2.0 % from 19 March 2017.
Countercyclical capital buffer rate for other EU Member States (Article 33j of the Banking Act)	0%	0%	0%	0%	0%	
Countercyclical capital buffer rate for **Norway** (Article 33j of the Banking Act)	1%	1%	1.5%	1.5%	1.5%	To be increased to 2 % from 31 December 2017.
Countercyclical capital buffer rate for **Iceland** (Article 33j of the Banking Act)	0%	0%	0%	0%	0%	To be increased to 1 % from 1 March 2017
Countercyclical capital buffer rate for **Hong Kong** (Article 33i and Article 33j of the Banking Act)	0.625%	0.625%	0.625%	0.625%	1.25%	To be increased to 1.875% since 1 January 2018 and to 2.5 % since 1 January 2019.
Countercyclical capital buffer rate for countries other than EU Member States (Article 33i and Article 33j of the Banking Act)	0%	0%	0%	0%	0%	
Systemic risk buffer for other EU Member States (Article 33f of the Banking Act)	0%	0%	0%	0%	0%	
Systemic risk buffer for **Estonia** (Article 33f of the Banking Act)	0%	0%	0%	1%	1%	
Risk-weight for exposures fully secured by mortgages on residential property - other EU Member States (Article 124 of the CRR)	35%	35%	35%	35%	35%	**Ireland, Croatia, Malta:** conditions to be tightened for application of the 35% risk weight
Risk-weight for exposures fully secured by mortgages on commercial immovable property – **Sweden** and **Romania** (Article 124 of the CRR)	100%	100%	100%	100%	100%	**Romania:** conditions to be tightened for application of the 50% risk weight
Risk-weight for exposures fully secured by mortgages on commercial immovable property - other EU Member States (Article 124 of the CRR)	50%	50%	50%	50%	50%	**United Kingdom:** conditions to be tightened for application of the 50% risk weight
Minimum exposure-weighted average LGD for all retail exposures secured by residential property and not benefiting from guarantees from central governments - other EU Member States (Article 164 of the CRR)	10%	10%	10%	10%	10%	
Minimum exposure-weighted average LGD for all retail exposures secured by residential property and not benefiting from guarantees from central governments – **Norway** (Article 164 of the CRR)	20%	20%	20%	20%	20%	
Minimum exposure-weighted average LGD for all retail exposures secured by commercial immovable property and not benefiting from guarantees from central governments - other EU Member States (Article 164 of the CRR)	15%	15%	15%	15%	15%	

Souce: ESRB.

Annexes

A) Selected indicators broken down by main risk categories

Excessive credit growth and leverage

	Standardised credit-to-GDP gap	Total credit: year-on-year increase	Total households' credit: year-on-year increase	Total corporate credit: year-on-year increase	Total credit-to-GDP level	Total households' credit-to-GDP level	Total corporate credit-to-GDP level	Domestic credit-to-GDP trend gap	Domestic credit: year-on-year increase	- Households	- Enterprises	Domestic credit-to-GDP level	- Households	- Enterprises	Domestic credit-to-disposable income gap	Domestic credit-to-disposable income level	LTV on new housing loans 1)	Housing affordability index (interest rate effect excluded)	Total debt-to-trend revenues gap	Domestic credit-to-trend revenues gap	Cyclogram 2)
	Total private debt							Domestic credit 9)							Households sector				Corporate sector		
9.16	-0,45%	9%	12%	7%	88%	37%	51%	3,97%	10%	13%	5%	56%	35%	20%	2%	60%	74%	101	0,1%	0,1%	6,9
6.16	-1,39%	8%	12%	5%	86%	37%	50%	3,17%	9%	13%	4%	54%	34%	20%	1%	59%	73%	102	-0,2%	-0,1%	6,4
3.16	-3,57%	4%	11%	-1%	83%	36%	48%	2,95%	10%	12%	8%	53%	33%	20%	1%	57%	73%	104	-0,9%	0,0%	6,6
12.15	-2,72%	5%	11%	2%	84%	35%	49%	2,91%	11%	12%	9%	53%	33%	20%	1%	56%	71%	105	-0,6%	0,0%	6,6
9.15	-2,70%	4%	12%	-1%	83%	34%	49%	2,41%	9%	13%	3%	52%	32%	20%	1%	55%	70%	106	-0,6%	-0,2%	5,9
6.15	-2,59%	3%	12%	-2%	83%	34%	49%	1,94%	9%	13%	3%	51%	32%	20%	1%	54%	69%	107	-0,5%	-0,2%	5,7
3.15	-1,59%	7%	12%	4%	83%	33%	50%	1,16%	7%	13%	-1%	50%	31%	19%	0%	53%	71%	108	-0,1%	-0,5%	4,7
12.14	-1,79%	6%	12%	3%	82%	33%	50%	0,68%	6%	12%	-2%	49%	30%	19%	0%	52%	73%	109	-0,2%	-0,8%	4,5
9.14	-0,72%	9%	10%	8%	83%	32%	51%	0,94%	7%	11%	1%	49%	30%	20%	0%	50%	72%	108	0,5%	-0,6%	4,2
6.14	0,02%	14%	9%	17%	83%	31%	52%	0,50%	6%	11%	0%	48%	29%	20%	-1%	49%	72%	107	0,9%	-0,7%	3,8
3.14	-2,11%	10%	9%	10%	80%	30%	49%	0,39%	6%	10%	0%	48%	28%	20%	-1%	48%	73%	106	0,1%	-0,7%	3,7
12.13	-1,81%	8%	9%	7%	79%	30%	50%	0,18%	4%	9%	-3%	47%	28%	20%	-1%	47%	71%	105	0,4%	-0,8%	3,6
9.13	-2,94%	7%	9%	5%	78%	29%	48%	0,32%	4%	9%	-2%	47%	27%	20%	-1%	46%	71%	103	-0,1%	-0,8%	3,6
6.13	-5,92%	3%	9%	0%	74%	29%	45%	0,26%	4%	9%	-3%	47%	27%	20%	-1%	45%	70%	103	-1,3%	-0,8%	3,2
3.13	-5,82%	4%	9%	1%	74%	28%	46%	0,34%	3%	9%	-4%	46%	26%	20%	-2%	44%	70%	102	-1,1%	-0,8%	3,3
12.12	-4,36%	5%	9%	3%	75%	28%	47%	0,84%	3%	9%	-3%	46%	26%	21%	-1%	44%	70%	102	-0,5%	-0,7%	3,3
9.12	-4,87%	5%	8%	3%	74%	27%	47%	1,09%	2%	9%	-5%	46%	25%	21%	-1%	43%	70%	100	-0,5%	-0,6%	3,7
6.12	-5,36%	5%	8%	3%	73%	27%	46%	1,42%	3%	8%	-2%	46%	25%	21%	-2%	42%	71%	100	-0,7%	-0,5%	3,9
3.12	-5,21%	5%	9%	3%	73%	27%	47%	1,91%	7%	9%	4%	46%	24%	22%	-2%	41%	72%	99	-0,6%	-0,3%	4,2
12.11	-4,19%	8%	10%	7%	74%	27%	47%	2,53%	9%	10%	7%	46%	24%	22%	-1%	41%	70%	97	-0,3%	-0,1%	4,5
9.11	-3,82%	6%	11%	3%	74%	26%	47%	3,29%	9%	11%	8%	47%	24%	23%	-1%	41%	70%	96	-0,3%	0,2%	5,1
6.11	-4,45%	6%	11%	3%	73%	26%	47%	3,21%	10%	12%	8%	46%	24%	23%	-1%	40%	69%	94	-0,6%	0,1%	5,4
3.11	-3,71%	5%	12%	2%	73%	26%	47%	2,47%	7%	12%	3%	45%	23%	22%	-1%	39%	68%	93	-0,5%	-0,1%	4,9
12.10	-4,60%	3%	11%	-1%	71%	25%	46%	2,30%	6%	12%	0%	45%	23%	22%	-1%	38%	66%	95	-1,1%	-0,3%	4,4
9.10	-2,58%	1%	10%	-3%	73%	25%	48%	2,65%	4%	11%	-1%	45%	23%	22%	-1%	37%	68%	93	-0,5%	-0,2%	3,6
6.10	-2,49%	-1%	9%	-6%	72%	25%	48%	2,43%	3%	10%	-3%	45%	22%	22%	-1%	36%	67%	92	-1,1%	-0,4%	3,2
3.10	-0,78%	-1%	10%	-6%	73%	24%	49%	2,65%	2%	10%	-4%	45%	22%	23%	-1%	35%	67%	91	-1,0%	-0,4%	3,2
12.09	0,24%	3%	9%	0%	73%	24%	49%	2,92%	3%	11%	-3%	45%	22%	23%	-1%	35%	65%	91	-1,2%	-0,5%	3,1
9.09	2,67%	7%	12%	6%	74%	23%	51%	3,82%	6%	13%	0%	44%	21%	23%	-1%	34%	65%	89	-0,4%	-0,3%	3,9
6.09	2,73%	12%	16%	10%	73%	22%	50%	4,30%	9%	17%	3%	43%	20%	23%	0%	33%	65%	86	-0,3%	-0,3%	4,7
3.09	2,91%	19%	20%	18%	71%	21%	50%	5,30%	15%	22%	10%	42%	19%	23%	0%	32%	65%	80	0,2%	0,0%	5,9
12.08	-0,02%	17%	24%	14%	66%	21%	46%	5,98%	18%	25%	13%	40%	18%	22%	0%	32%	70%	75	-0,6%	0,1%	6,6
9.08	0,36%	19%	27%	16%	66%	20%	46%	6,77%	23%	28%	20%	40%	18%	22%	0%	31%	84%	70	0,0%	0,4%	7,7
6.08	0,14%	19%	28%	16%	64%	19%	45%	6,77%	24%	28%	21%	39%	17%	22%	0%	30%	90%	67	0,0%	0,5%	8,0
3.08	-1,04%	17%	28%	13%	62%	18%	44%	6,06%	26%	28%	24%	38%	16%	21%	0%	29%	91%	65	-0,4%	0,5%	7,8
12.07	-0,28%	27%	29%	26%	62%	18%	44%	6,50%	24%	28%	22%	37%	16%	21%	0%	28%	91%	69	-0,2%	0,6%	7,6
9.07	0,11%	19%	29%	16%	61%	17%	44%	5,81%	25%	27%	24%	36%	15%	20%	0%	27%	90%	75	0,0%	0,5%	7,9
6.07	0,31%	14%	30%	8%	60%	17%	43%	5,50%	23%	28%	19%	35%	15%	20%	0%	26%	90%	82	0,0%	0,5%	7,1
3.07	0,45%	18%	32%	13%	59%	16%	43%	4,58%	23%	30%	18%	33%	14%	19%	0%	25%	88%	93	0,2%	0,3%	7,0
12.06	-2,88%	21%	30%	18%	55%	16%	39%	4,97%	25%	32%	20%	33%	14%	19%	1%	25%	87%	103	-1,4%	0,5%	6,9
9.06	0,47%	28%	33%	26%	58%	15%	43%	3,97%	23%	34%	15%	32%	14%	18%	1%	23%	84%	111	0,1%	0,2%	5,5
6.06	3,77%	31%	37%	30%	60%	15%	45%	4,18%	26%	38%	20%	32%	13%	19%	1%	22%	82%	110	1,5%	0,4%	5,9
3.06	3,55%	29%	40%	26%	57%	14%	43%	3,16%	27%	40%	19%	31%	12%	18%	0%	21%	80%	113	1,4%	0,3%	5,5
12.05	-0,39%	13%	43%	5%	50%	13%	37%	2,89%	28%	41%	21%	30%	12%	18%	1%	20%	78%	110	-0,5%	0,3%	5,5
9.05	-0,12%	17%	43%	10%	50%	13%	38%	2,30%	21%	42%	11%	29%	11%	18%	1%	19%	76%	109	-0,3%	0,2%	5,0
6.05	0,35%	17%	41%	12%	50%	12%	38%	1,47%	16%	41%	4%	28%	11%	17%	1%	18%	75%	111	0,0%	0,1%	4,2
3.05	-0,30%	19%	39%	15%	48%	11%	37%	0,38%	11%	39%	-1%	27%	10%	17%	0%	16%	74%	108	-0,2%	-0,1%	3,2
12.04	0,44%	17%	38%	13%	49%	10%	38%	-0,39%	10%	38%	-1%	26%	9%	16%	0%	16%	71%	113	0,2%	-0,5%	3,5
9.04	0,13%				47%	10%	37%	0,35%	16%	42%	6%	26%	9%	18%	0%	15%	70%	104	0,0%	-0,2%	3,6
6.04	0,00%				47%	9%	38%	0,73%	19%	44%	11%	27%	8%	18%	0%	14%	69%	101	0,0%	0,0%	4,1
3.04	0,00%				44%	9%	36%	0,81%	17%	41%	10%	26%	8%	19%	0%	13%	69%	102	0,0%	0,2%	4,4
12.03	0,00%				46%	8%	38%	0,19%	12%	37%	4%	26%	7%	18%	0%	13%		100	0,0%	0,1%	3,9

Excessive maturity mismatch and market liquidity / Concentration

	Cumulative liquidity gap of up to 7 days	Cumulative liquidity gap of up to 30 days	Cumulative liquidity gap of up to 1 year	Cumulative liquidity gap of up to 2 years	Pledged securities / Total securities	Bonds maturing in next 12 months / Total bonds issued	Net foreign position (excluding foreign capital 3))	Large exposures (total) as a share of own funds	Exposures to the Slovak Republic as a share of total assets	Assets from own financial group as a share of total assets	Liabilities to own financial group as a share of total assets	Assets fair-valued through profit and loss	Liabilities fair-valued through profit and loss	Nominal value of derivatives as a share of total assets	Exposures to countries with a high or increasing spreads, as a share of own funds 4) (podiel na vlastných zdrojoch): Greece	Cyprus	Loans to corporate segments with a high or increasing NPL as a share of total assets 5): Construction	Commercial real estate
9.16	-42%	-43%	-47%	-44%	14%	14%	4%	106%	14%	5%	4%	1%	1%	33%	0%	6%	1%	6%
6.16	-41%	-42%	-46%	-43%	15%	12%	5%	102%	14%	6%	3%	1%	1%	32%	0%	7%	1%	5%
3.16	-39%	-39%	-46%	-42%	14%	9%	4%	119%	14%	6%	4%	1%	1%	32%	0%	8%	1%	5%
12.15	-40%	-40%	-46%	-40%	16%	14%	4%	102%	15%	6%	4%	1%	1%	29%	0%	9%	1%	5%
9.15	-39%	-40%	-46%	-39%	15%	16%	5%	114%	16%	5%	3%	1%	1%	28%	0%	15%	2%	5%
6.15	-39%	-41%	-47%	-41%	14%	17%	4%	112%	17%	5%	3%	1%	1%	29%	1%	17%	2%	5%
3.15	-38%	-39%	-46%	-42%	14%	18%	5%	107%	17%	5%	3%	1%	1%	30%	1%	17%	1%	5%
12.14	-37%	-37%	-46%	-41%	16%	19%	4%	101%	17%	6%	3%	1%	1%	29%	1%	16%	1%	5%
9.14	-37%	-39%	-46%	-42%	12%	16%	4%	111%	18%	5%	4%	2%	1%	31%	1%	16%	2%	5%
6.14	-38%	-40%	-45%	-41%	11%	20%	4%	124%	18%	5%	4%	1%	1%	33%	1%	15%	2%	5%
3.14	-36%	-38%	-45%	-40%	11%	14%	3%	105%	18%	4%	3%	2%	1%	31%	1%	14%	2%	5%
12.13	-36%	-38%	-43%	-40%	11%	14%	4%	99%	18%	5%	3%	2%	1%	31%	1%	15%	2%	5%
9.13	-36%	-38%	-43%	-40%	13%	9%	3%	94%	20%	5%	3%	2%	1%	34%	1%	14%	2%	6%
6.13	-34%	-36%	-41%	-38%	15%	11%	2%	106%	21%	5%	3%	2%	1%	35%	1%	13%	2%	6%
3.13	-31%	-33%	-40%	-36%	16%	14%	4%	109%	20%	5%	2%	2%	1%	34%	1%	14%	2%	6%
12.12	-32%	-33%	-37%	-33%	25%	15%	5%	108%	20%	6%	1%	2%	1%	31%	1%	12%	2%	6%
9.12	-31%	-33%	-39%	-34%	22%	15%	3%	100%	21%	6%	2%	4%	1%	34%	1%	12%	2%	5%
6.12	-30%	-32%	-36%	-32%	22%	14%	4%	95%	21%	6%	2%	3%	1%	36%	1%	11%	2%	6%
3.12	-29%	-32%	-36%	-32%	24%	17%	2%	90%	20%	5%	2%	4%	2%	37%	3%	10%	2%	6%
12.11	-33%	-35%	-40%	-35%	28%	12%	2%	117%	20%	4%	4%	3%	1%	37%	13%	10%	2%	6%
9.11	-32%	-37%	-40%	-37%	17%	14%	0%	139%	20%	5%	6%	4%	2%	38%	14%	7%	2%	6%
6.11	-35%	-38%	-39%	-37%	17%	14%	1%	135%	20%	6%	6%	4%	2%	41%	15%	7%	2%	6%
3.11	-34%	-38%	-39%	-35%	17%	19%	2%	110%	21%	6%	6%	4%	2%	39%	16%	10%	2%	6%
12.10	-36%	-39%	-38%	-34%	17%	14%	2%	110%	21%	5%	5%	4%	2%	37%	18%	8%	2%	6%
9.10	-36%	-40%	-37%	-33%	15%	16%	0%	99%	23%	5%	7%	5%	2%	38%	18%	4%	2%	6%
6.10	-36%	-39%	-37%	-33%	26%	22%	2%	101%	23%	4%	4%	5%	3%	40%	19%	4%	2%	6%
3.10	-36%	-37%	-40%	-34%	26%	30%	3%	111%	22%	3%	4%	5%	3%	40%	20%	4%	2%	6%
12.09	-32%	-34%	-39%	-31%	27%	28%	2%	110%	21%	4%	4%	5%	2%	42%	0%	5%	2%	6%
9.09	-30%	-34%	-38%	-30%	24%	22%	5%	111%	21%	6%	4%	5%	3%	43%	0%	6%	2%	6%
6.09	-31%	-35%	-36%	-30%	25%	16%	6%	121%	19%	5%	4%	5%	3%	46%	0%	4%	2%	6%
3.09	-29%	-32%	-35%	-30%	15%	15%	5%	146%	18%	3%	4%	5%	3%	48%	0%	3%	2%	6%
12.08	-23%	-23%	-28%	-24%	21%	12%	-14%	164%	14%	2%	10%	10%	6%	69%			2%	5%
9.08	-30%	-30%	-28%	-24%	7%	22%	-13%	155%	14%	1%	12%	9%	6%	112%			2%	4%
6.08	-27%	-30%	-28%	-23%	5%	22%	-13%	168%	15%	1%	13%	10%	5%	108%			2%	4%
3.08	-29%	-30%	-30%	-25%	4%	20%	-12%	179%	17%	1%	9%	12%	6%	111%			2%	4%
12.07	-33%	-32%	-29%	-24%		14%	-12%		18%	1%	10%	10%	6%	105%			2%	4%
9.07	-28%	-30%	-29%	-24%		7%	-11%		18%	1%	8%	11%	6%	107%			2%	4%
6.07	-28%	-31%	-28%	-23%		13%	-11%		18%	1%	8%	12%	7%	110%			2%	4%
3.07	-27%	-26%	-28%	-24%		13%	-12%		14%	1%	9%	10%	7%	114%			1%	3%
12.06	-28%	-31%	-31%	-25%		10%	-8%		19%	1%	5%	10%	6%	113%			2%	3%
9.06	-26%	-27%	-30%	-24%		5%	-7%		16%	1%	7%	5%	5%	126%			1%	3%
6.06	-23%	-26%	-27%	-22%		5%	-14%		16%	1%	7%	6%	7%	131%			1%	2%
3.06	-28%	-24%	-28%	-23%		4%	-16%		16%	0%	7%	4%	7%	110%			1%	2%
12.05																		
9.05																		
6.05																		
3.05																		
12.04																		
9.04																		
6.04																		
3.04																		
12.03																		

Moral hazard / Financial infrastructure / Resilience of financial system

	Total net assets C5	Total net assets HHI	Guaranteed deposits C5	Guaranteed deposits HHI	Investments in domestic government bonds as a share of the total amount of domestic government bonds issued C5	HHI	Loans to retail sector (outstanding amount) C5	HHI	Total assets within financial system C5	HHI	Total liabilities within financial system C5	HHI	Coverage of covered deposits 6)	Assets from the bank levy as share of total assets 7)	Change in TARGET2 balance of the Slovak Republic (EUR millions)	TARGET2 balance of the Slovak Republic as a ratio to NBS assets	CET1 ratio	Own funds ratio	Liquid asset ratio 8)	Loan-to-deposit ratio
9.16	73%	1 269	75%	1 427	22%	1 867	79%	1 590	58%	949	85%	1 609	0,6%	1,0%	-1 918	-21%	18%	17%	1,47	93%
6.16	73%	1 263	75%	1 412	22%	1 843	79%	1 591	62%	963	86%	1 581	0,6%	0,9%	-2 029	-13%	17%	16%	1,60	90%
3.16	73%	1 248	75%	1 410	22%	1 857	79%	1 587	61%	898	86%	1 553	0,6%	0,9%	-1 079	-3%	17%	16%	1,69	90%
12.15	72%	1 250	75%	1 416	24%	1 739	79%	1 583	61%	1 008	87%	1 572	0,7%	0,9%	988	3%	18%	17%	1,64	90%
9.15	72%	1 237	69%	1 273	24%	1 772	79%	1 580	58%	845	89%	1 641	0,6%	0,9%	-1 602	-3%	17%	16%	1,53	91%
6.15	71%	1 231	70%	1 283	24%	1 757	79%	1 580	53%	791	87%	1 615	0,6%	0,9%	807	7%	18%	16%	1,49	91%
3.15	71%	1 230	70%	1 283	25%	1 759	79%	1 571	53%	867	86%	1 550	0,6%	0,8%	-1 973	2%	17%	16%	1,58	90%
12.14	71%	1 221	70%	1 279	25%	1 772	79%	1 564	53%	878	86%	1 587	0,6%	0,8%	-2 149	12%	17%	16%	1,6	91%
9.14	71%	1 226	70%	1 276	26%	1 817	80%	1 571	50%	807	84%	1 538	0,6%	0,8%	1 602	22%	16%	17%	1,36	91%
6.14	70%	1 218	70%	1 278	26%	1 832	80%	1 568	55%	961	83%	1 534	0,6%	0,8%	-3 699	16%	16%	17%	1,36	90%
3.14	70%	1 205	70%	1 276	26%	1 764	80%	1 558	53%	1 038	82%	1 508	0,6%	0,7%	3 800	30%	16%	17%	1,44	89%
12.13	70%	1 214	70%	1 284	27%	1 788	80%	1 559	55%	987	84%	1 605	0,5%	0,6%	-4 256	16%	15%	17%	1,42	89%
9.13	71%	1 223	73%	1 354	27%	1 771	81%	1 577	52%	980	84%	1 596	0,5%	0,5%	-395	32%	15%	17%	1,42	89%
6.13	71%	1 213	73%	1 360	27%	1 689	82%	1 610	49%	857	86%	1 627	0,5%	0,4%	2 527	33%	15%	16%	1,46	88%
3.13	71%	1 220	73%	1 361	28%	1 824	83%	1 641	48%	783	87%	1 654	0,5%	0,3%	3 923	23%	15%	16%	1,5	87%
12.12	71%	1 221	73%	1 371	30%	1 797	83%	1 644	49%	750	86%	1 656	0,5%	0,3%	2 439	5%	13%	16%	1,51	88%
9.12	72%	1 254	73%	1 386	32%	1 848	83%	1 643	55%	882	86%	1 688	0,5%	0,2%	3 718	-8%	13%	16%	1,47	90%
6.12	72%	1 250	73%	1 383	31%	1 827	83%	1 659	56%	905	84%	1 644	0,5%	0,1%	2 779	-27%	12%	16%	1,47	89%
3.12	71%	1 222	73%	1 359	33%	1 734	84%	1 672	55%	853	82%	1 550	0,5%	0,0%	5 574	-39%	12%	15%	1,51	89%
12.11	72%	1 254	73%	1 389	34%	1 777	84%	1 672	57%	914	81%	1 537	0,5%	0,0%	-2 617	-63%	12%	13%	1,36	90%
9.11	71%	1 220	75%	1 458	37%	1 766	84%	1 661	59%	882	79%	1 409	0,4%	0,0%	3 128	-55%	13%	13%	1,36	88%
6.11	71%	1 221	75%	1 454	36%	1 746	84%	1 659	57%	905	78%	1 395	0,4%	0,0%	-2 350	-72%	13%	13%	1,35	87%
3.11	71%	1 220	75%	1 458	38%	1 789	84%	1 665	62%	1 027	78%	1 448	0,3%	0,0%	1 529	-63%	12%	12%	1,36	86%
12.10	72%	1 237	75%	1 478	40%	1 839	84%	1 682	62%	1 077	74%	1 375	0,3%	0,0%	1 140	-67%	12%	13%	1,37	85%
9.10	72%	1 252	75%	1 508	45%	1 844	85%	1 694	59%	942	74%	1 373	0,2%	0,0%	587	-74%	12%	13%	1,39	87%
6.10	73%	1 275	76%	1 513	47%	1 808	85%	1 698	60%	1 034	75%	1 266	0,2%	0,0%	-572	-71%	12%	13%	1,35	83%
3.10	72%	1 265	76%	1 517	47%	1 805	85%	1 698	63%	1 168	77%	1 331	0,1%	0,0%	54	-73%	11%	12%	1,39	86%
12.09	72%	1 273	77%	1 536	47%	1 909	85%	1 683	62%	1 135	74%	1 316					11%	12%	1,31	85%
9.09	72%	1 266	78%	1 590	47%	1 924	85%	1 678	62%	1 050	74%	1 259					11%	12%	1,30	84%
6.09	70%	1 214	76%	1 571	45%	1 891	83%	1 638	61%	1 032	66%	1 075					12%	12%	1,32	83%
3.09	69%	1 187	76%	1 575	46%	1 920	82%	1 618	62%	945	65%	1 053					12%	11%	1,40	83%
12.08	72%	1 197	76%	1 605	38%	1 701	82%	1 611	61%	910	71%	1 149					12%	11%	1,46	78%
9.08	68%	1 090	74%	1 512	34%	1 913	82%	1 619	62%	960	69%	1 097					13%	11%		85%
6.08	67%	1 083	74%	1 571	33%	2 026	82%	1 613	69%	1 095	66%	1 060					13%	12%		84%
3.08	67%	1 086	74%	1 576	37%	2 071	82%	1 606	62%	982	67%	1 090					13%	11%		83%
12.07	68%	1 085	75%	1 573	40%	2 306	82%	1 587	68%	1 076	65%	1 056					13%	12%		77%
9.07	68%	1 075	75%	1 582	40%	2 404	82%	1 595	65%	1 005	66%	1 124					14%	13%		74%
6.07	68%	1 086	75%	1 579	39%	2 366	81%	1 599	67%	1 091	70%	1 188					14%	13%		71%
3.07	66%	1 065	76%	1 597	40%	2 309	81%	1 593	62%	984	64%	1 049					15%	13%		73%
12.06	67%	1 127	76%	1 594	44%	2 175	81%	1 584	65%	1 035	61%	965					15%	13%		72%
9.06	65%	1 096	76%	1 612	47%	2 193	81%	1 589	67%	1 063	63%	996					16%	14%		68%
6.06	67%	1 110	76%	1 614	47%	2 195	81%	1 601	70%	1 204	69%	1 137					18%	14%		68%
3.06	66%	1 037	76%	1 622	45%	2 050	81%	1 605	62%	954	67%	1 125					18%	14%		66%
12.05	68%	1 071	75%	1 593	52%	2 377	81%	1 606	66%	1 060	67%	1 194					19%	15%		66%
9.05	67%	1 094	75%	1 625	52%	2 368	81%	1 622	63%	1 022	67%	1 113					21%	16%		63%
6.05	67%	1 121	75%	1 644	51%	2 052	81%	1 621	61%	1 008	68%	1 176					22%	17%		58%
3.05	67%	1 104	75%	1 658	50%	1 936	81%	1 625	63%	1 048	66%	1 107					21%	18%		56%
12.04	66%	1 147	75%	1 671	61%	2 065	81%	1 640	64%	1 009	63%	1 025						19%		57%
9.04	66%	1 136	75%	1 684	62%	2 043	81%	1 664	64%	1 196	62%	986						21%		54%
6.04	66%	1 178	76%	1 710	61%	2 038	81%	1 676	67%	1 125	67%	1 046						22%		55%
3.04	65%	1 164	77%	1 803	66%	2 088	81%	1 720	67%	1 128	62%	999						22%		56%
12.03																				55%

Note: The darker the colour, the greater the probability of imbalances with relevance for macroprudential policy. Gap: deviation of the respective indicator from its long-term trend. Credit-to-GDP gap: deviation of credit-to-GDP ratio from its long-term trend. C5: the overall share of the five institutions that have the highest share in the banking sector's total volume of that item for the respective quarter. HHI: Herfindahl-Hirschman index.

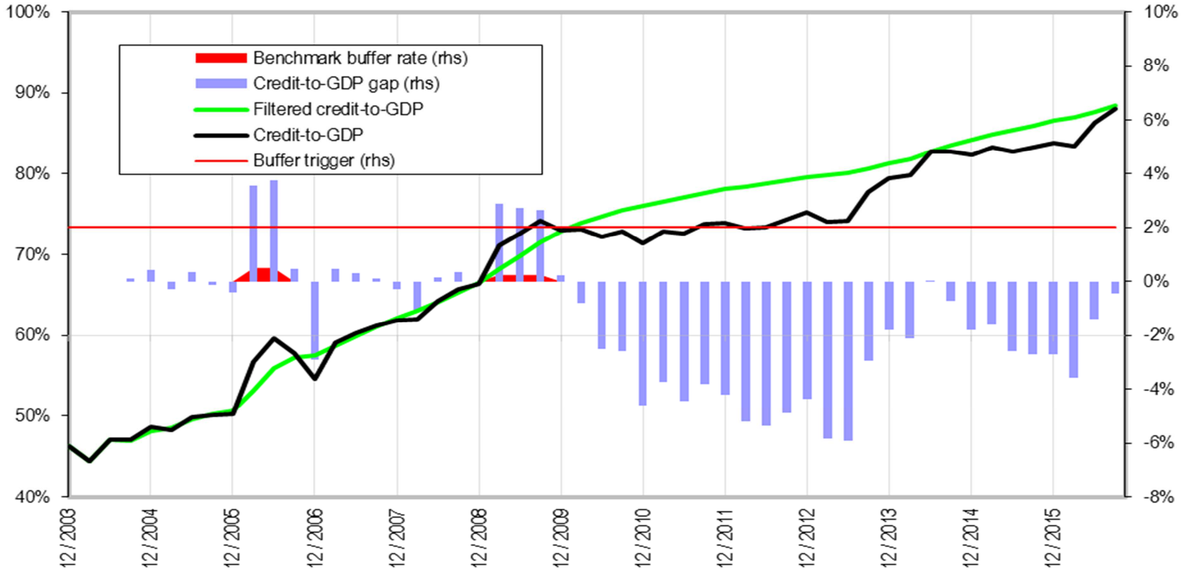
1) The data on LTV ratios for new loans for the period 2004–2008 are based on an expert estimation. 2) Cyclogram time series are recalculated with every extension of time series for the new period, due to this fact the values of the entire time series change between respective vintages. 3) Capital: Own funds of foreign banks´ subsidiaries. 4) Annual increase of spread by more than 2 p.p. or spread exceeding 4 p.p. Spread is calculated as an average differance between yields of goverment bonds of respective country and yields of German goverment bonds for the respective quarter. 5) Annual increase of NPL ratio by more than 1 p.p. or average level of NPL ratio exceeding 10% . 6) Funds accumulated in the Deposit Protection Fund as a ratio to the total amount of covered deposits in the given quarter. The increase of the coverage ratio in december 2015 is caused by methodology change given by implementation of Act No 239/2015 Coll. Following the implementation, the contributions of institutions are calculated on the basis of covered deposits, not eligible deposits. 7) Funds accumulated from the special levy on financial institutions, pursuant to Act No 384/2011 Coll. as a ratio to the banking sector's total net assets in the given quarter. 8) The methodology for calculating the ratio was changed from December 2014. 9) Credit provided by domestic banks to households´sector (S.14 and S.15) and nonfinancial corporation sector (S.11) operating at the domestic market, source: V(NBS) 33-12.

Due to revised national accounts data and therefore revised GDP data (released by SO SR, december 2016), historical data of the respective indicators in the table based on GDP data were changed in comparison with previous Quarterly Commentary on Macroprudential Policy - October 2016. Due to extension of the time series of the input indicators for Domestic credit-to-GDP trend gap for period of years 1993 - 1995, the data for Domestic credit-to-GDP trend gap indicator were revised within the whole time horizon

B) Countercyclical capital buffer

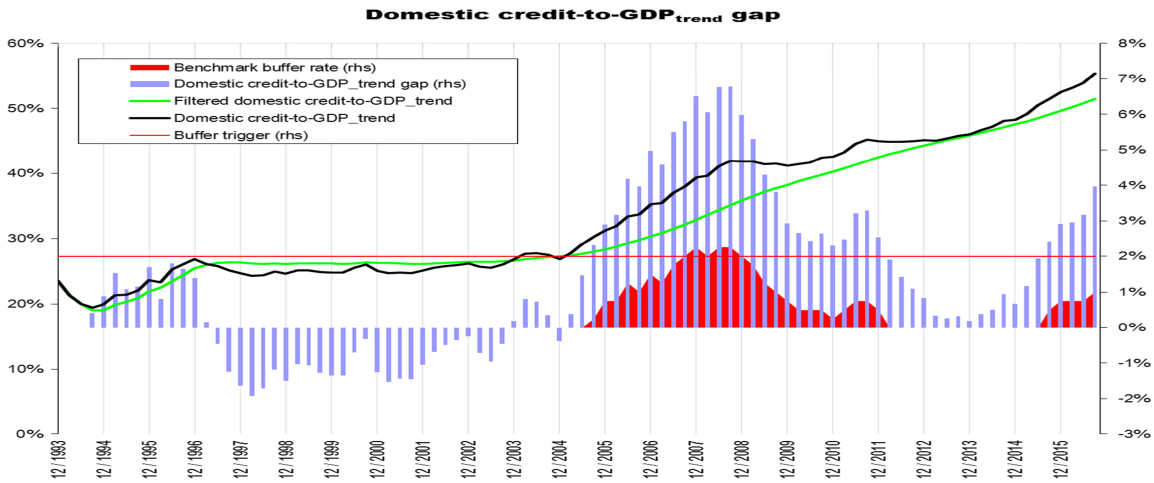
Deviation of the credit-to-GDP ratio from its long-term trend[17]

Chart 1 Credit-to-GDP gap



Source: NBS, SO SR.
Credit-to-GDP gap is estimated on outstanding amount of debt of NFCs and households.
Countercyclical capital buffer trigger values and gap values are shown on the right-hand scale.
Since the October 2016 QCMP, the credit-to-GDP gap values have been adjusted due to the SO SR's December 2016 revision of the national accounts and related revision of GDP figures.

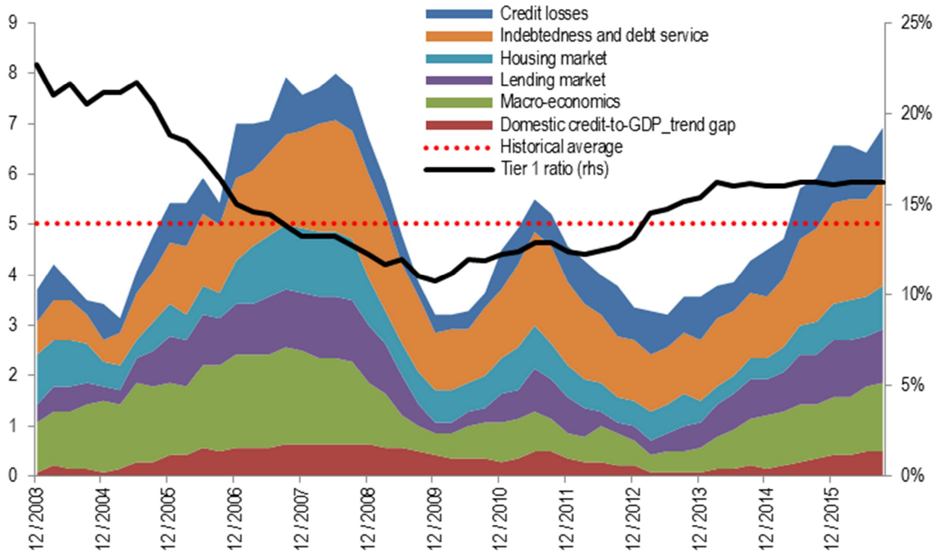
Chart 2 Domestic credit-to-GDP$_{trend}$ gap



Source: NBS, SO SR.
Countercyclical capital buffer trigger values and gap values are shown on the right-hand scale.
Domestic credit-to-GDP gap is estimated on credit provided by domestic banking sector to NFCs and households.
Since the October 2016 QCMP, the Domestic credit-to-GDP$_{trend}$ gap values have been adjusted due to the SO SR's December 2016 revision of the national accounts and related revision of GDP figures, and to the extension of the time series to include the years 1993 to 1995.

[17] Ratio pursuant to Article 33g(2)(a) of the Banking Act.

Chart 3 Cyclogram[18]



Source: NBS, SO SR and CMN.
Since the October 2016 QCMP, the Cyclogram values have been adjusted due to the SO SR's December 2016 revision of the national accounts and related revision of GDP figures.

Table 3 Buffer guide for the countercyclical capital buffer[19]

Buffer guide basis	**Buffer guide as at 30 September 2016**
Credit-to-GDP gap	0%
Domestic credit-to-GDP$_{trend}$ gap	1.00%

Source: NBS.

[18] Pursuant to Article 33g(1c) of the Banking Act.
[19] Obligation laid down in Article 33g(2) of the Banking Act; calculation made in accordance with ESRB Recommendation No ESRB/2014/1 of 18 June 2014 on guidance for setting countercyclical buffer rates.