

**13**  
**DECREE**  
**of Národná banka Slovenska**  
**of 8 November 2011**

**on the method of determining the value of assets in a standard common fund and in a public specialized common fund and the method of calculating the value of the share of unit certificate issues in common funds in which there is more than one unit certificate issue**

In accordance with Article 161(4) of Act No 203/2011 Coll., on Collective Investment (hereinafter referred to as the “Act”), Národná banka Slovenska stipulates as follows:

**Article 1**  
**Definitions**

For the purposes of this Decree the following definitions shall apply

- (a) market price of a financial instrument<sup>1)</sup> shall mean the final price of a financial instrument achieved on a principal market, published by the organizer of a principal regulated market or by an information system, increased by the aliquot interest yield calculated applying the procedure specified in Annex No. 1, if not already included;
- (b) principal market shall mean a regulated market specified as a principal market for a transferable security in the information system; if it is not possible to determine unequivocally the principal market for a transferable security on the basis of data from the information system, then another regulated market, on which this transferable security was traded at the market price, can be specified as the principal market, on the basis of an agreement with the depositary of the common fund;
- (c) information system shall mean a generally accepted information system publishing official market prices of financial instruments, which the management company uses to establish the value of financial instruments on the basis of an agreement with the depositary of the common fund;
- (d) theoretical price of a financial instrument shall mean a qualified estimate of the price of a financial instrument determined in accordance with the procedure specified in Annexes No. 3 through 14;
- (e) business day shall mean a business day for the respective financial instrument on a principal market;
- (f) equity security shall mean a share, temporary certificate and other security which carries rights similar to those relating to the shares issued by domestic or foreign trading companies in the Slovak Republic or abroad, or another tradable security issued in the Slovak Republic or abroad that carries the right to acquire these securities by means of subscription or exchange;
- (g) underlying asset shall mean financial instruments and other values, especially interest rates, exchange rates and financial indices, to which a financial derivative is related or from which it is derived.

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<sup>1)</sup> Article 5 of Act No 566/2001 Coll., on Securities and Investment Services and on amendments to certain other laws (the Securities Act), as amended.

## **Method of determining the value of assets in a standard common fund and in a public specialized common fund**

### **Article 2 Determination of the value of deposits**

The value of funds on a current account and on a deposit account pursuant to Article 88 (1) (f) of the Act and Article 124 (1) (e) of the Act shall be determined using the sum of the nominal value and the value of an aliquot interest yield as of the valuation date of the respective deposit in accordance with the procedure specified in Annex No. 2.

### **Article 3 Determination of the value of transferable securities accepted for trading on a regulated market**

- (1) The value of transferable securities pursuant to Article 3 (f) of the Act accepted for trading on a regulated market shall be determined using the market price of such transferable security published for the valuation date of the transferable security concerned, unless otherwise stipulated in Article 15 and Article 19.
- (2) If the market price of a transferable security is not published on the day on which the price of the transferable security is determined, the value of the transferable security shall be determined as follows:
  - (a) in the case of a debt security pursuant to Article 3 (f) second point of the Act, by the theoretical price determined in accordance with the procedure specified in Annex No. 3;
  - (b) in the case of an equity security
    1. by the last market price pursuant to paragraph 1, provided that this price is not older than ten business days including the valuation day of the equity security, and that no economic changes emerged on the financial market or in relation to the issuer of this equity security;
    2. where the last market price is older than ten business days including the valuation day of an equity security and if no economic changes occurred on the financial market or in relation to the issuer of this equity security, by the last market price pursuant to paragraph 1, evenly decreased each working day throughout the subsequent 100 working days by a proportional part of the last market price, to no less than
      - 2a. the difference between the last market price and the annual standard deviation

of the market price; the annual standard deviation of a market price shall mean the standard deviation of the market price of an equity security, if such equity security had its market price published for at least 30 business days in the last 365 days; or

2b. zero,

- (c) by the last market price pursuant to the first or second point reduced by the expected impact of economic changes on its value, if some economic changes on the financial market or in relation to the issuer of an equity security occurred; the scope of the expected impact of economic changes shall be determined on the basis of an agreement with the depositary of the common fund.
- (3) Economic changes shall mean the emergence of such events on the financial market or in relation to the issuer of the financial instrument concerned that lead to non-standard behaviour on the financial market, while it may be reasonably assumed that due to their impact the valuation determined using a standard procedure does not correspond to the real value of the respective financial instrument; the real value of a financial instrument shall mean the price that may be achieved in trading in a financial instrument in an independent transaction between the informed and voluntarily participating contractual parties.
- (4) If the price of a transferable security pursuant to paragraph 1 has been published but, on the basis of a decision of the management company and an agreement with the depositary of the common fund, it does not correspond to the price that may be achieved under standard conditions in a transaction with a transferable security, then the value of the transferable security shall be determined with all due professional care on the basis of an agreement with the depositary of the common price.

#### **Article 4**

##### **Determination of the value of transferable securities from new issues**

In order to determine the value of a transferable security from a new issue pursuant to Article 88 (1) (d), Article 3 (2) shall apply where applicable.

#### **Article 5**

##### **Determination of the value of money market instruments**

- (1) In order to determine the value of a money market instrument pursuant to Article 3 (s) of the Act accepted for trading on a regulated market, Article 3 (1) shall apply where applicable.
- (2) If it is not possible to establish the price of a money market instrument accepted for trading on a regulated market on the day as of which the price of the money market instrument is determined, then the value of that money market instrument accepted for trading on a

regulated market shall be determined applying the procedure specified in Annex No. 4. In the case of a different money market instrument such as a treasury bill or a certificate of deposit, the value of the money market instrument shall be determined applying, where applicable, the procedure specified in Annex No. 3, unless otherwise stipulated in Article 15 and Article 19.

- (3) The value of a financial market instrument not accepted for trading on a regulated market shall be determined applying the procedure specified in paragraph 2.

## **Article 6**

### **Determination of the value of unit certificates of open-ended funds and of securities of open-ended foreign collective investment undertakings**

- (1) The value of an open-ended fund unit certificate shall be determined using the product of the number of units indicated in that unit certificate of the open-ended fund and the current value of the unit announced by the management company pursuant to Article 161 (1) (a) of the Act for the day on which the value of the open-ended fund unit certificate is determined. If no current value of the unit has been announced for such day, the value of the unit certificate of the open-ended fund shall be determined using the most recently announced current value of the unit certificate of such open-ended fund.
- (2) Where an application for the redemption of a unit certificate of an open-ended fund is submitted and the same is not redeemed on the valuation date of that unit certificate of the open-ended fund, the value of such unit certificate shall be determined using the current value announced by the management company for the day on which it received the application for the redemption of the unit certificate of the open-ended fund.
- (3) Where the application for a redemption of a unit certificate of an open-ended fund is submitted and the redemption of unit certificates has been terminated pursuant to Article 15 of the Act prior to the redemption of such unit certificate, the value of such unit certificate shall be determined using the most recently announced current value of such unit certificate.
- (4) The value of a security of an open-ended foreign collective investment undertaking accepted for trading on a regulated market shall be determined in accordance with procedure specified in Article 3 (1) and (2) (b) first point. Where it is not possible to determine the value of a security of an open-ended foreign collective investment undertaking according to the first sentence, or where such security was not accepted for trading on a regulated market, then the value of such security of that open-ended foreign collective investment undertaking shall be determined applying the procedure specified in paragraph 1 where applicable.
- (5) When determining the value of an open-ended fund unit certificate and the value of a security of an open-ended foreign collective investment undertaking pursuant to paragraphs 1 through 4, the exit fee and/or other expenses related to the sale or redemption of such security may be taken into account.

## **Article 7**

### **Determination of the value of unit certificates of closed-ended funds and of securities of closed-ended foreign collective investment undertakings**

- (1) The value of a unit certificate of a closed-ended fund not accepted for trading on a regulated market is determined using the product of the number of units indicated on the unit certificate of that closed-ended fund and the current value of a unit of that closed-ended fund announced by the management company for the day on which the value of the unit certificate of that closed-ended fund is determined. If the current value of the unit has not been announced for such day, the value of a unit certificate of that closed-ended fund shall be determined using the most recently announced current value of a unit of that closed-ended fund.
- (2) The value of a unit certificate of a closed-ended fund which has been accepted for trading on a regulated market shall be determined in compliance with Article 3 (1). If the value of such unit certificate of that closed-ended fund cannot be determined pursuant to Article 3 (1), the value of such unit certificate of that closed-ended fund shall be determined pursuant to paragraph 1.
- (3) The value of a security of a closed-ended foreign collective investment undertaking shall be determined applying paragraphs 1 and 2 where applicable.
- (4) When determining the value of a unit certificate of a closed-ended fund and the value of a security of an open-ended foreign collective investment undertaking pursuant to paragraphs 1 through 3, the exit fee and/or other expenses related to the sale or redemption of such security may be taken into account.

## **Article 8**

### **Determination of the value of real estate property**

- (1) The value of real estate property at the time of its acquisition in the assets of a common fund shall be determined using its costs and such determined value may not be higher by more than 5% comparing to the value of such real estate property determined in an expert appraisal prepared by an independent expert pursuant to a special law<sup>2)</sup>, appointed by the management company on the basis of an agreement with the depositary of the common fund (hereinafter referred to as the “expert”).
- (2) The value of real estate property included in the assets of a common fund shall be determined by an independent appraisal expert. Such independent appraisal expert shall determine the value of real estate property at least once on a semi-annual basis in

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<sup>2)</sup>Act No. 382/2004 Coll., on Experts, Interpreters and Translators and on amendments to certain other laws, as amended.

accordance with a special law<sup>3)</sup>, and when doing so he/she shall justify the choice of the used methodology. For the determination of the value of real estate property no expert appraisal pursuant to a special regulation is required.

- (3) An independent appraisal shall mean a person fulfilling the requirements for the performance of activities of an expert pursuant to a special law<sup>2)</sup>, a person with a similar authorisation according to legislation of another country on whose territory the real estate property whose value is determined is located, or a person holding an authorisation of a supervisory body of a Member State for determination of the value of such property in foreign collective investment undertakings whose value is to be determined pursuant to this Decree.

## **Article 9**

### **Determination of the value of equity participations in real estate companies**

- (1) Unless otherwise stipulated in paragraph 2, the value of equity participation in a real estate company shall be determined at the time of its acquisition applying, where applicable, the procedure pursuant to paragraph 3, and for such determination the financial statements of the real estate company prepared by an expert in the form of an expert appraisal no older than 3 months shall be used. The value of an equity participation in an established real estate company, which has not been newly established, shall be determined, at the time of its acquisition to the assets of a common fund, by the costs of the equity participation in such real estate company.
- (2) The value of an equity participation in a real estate company, whose securities are accepted for trading on a regulated market shall be determined as the product of the value of these securities determined applying the procedure specified in Article 3 (1) and (2) (b) first point and the number of securities in the assets of the common fund concerned. If it is not possible to determine the value of the equity participation according to the first sentence, the value of the equity shall be determined applying the procedure pursuant to paragraph 3.
- (3) The value of an equity participation in a real estate company included in the assets of a common fund whose shares are not accepted for trading on a regulated market shall be determined using the product of the equity participation in the real estate company and the value of the equity of that real estate company specified in the most recent final statements of that real estate company, corrected for the value of immovable assets owned by the real estate company.
- (4) In order to determine the value of the real estate property of a real estate company, the procedure and deadlines according to Article 8 (2) shall apply. The value of the real estate property of a real estate company shall be determined at least on a semi-annual basis.

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<sup>3)</sup> Decree No. 492/2004 Coll. of the Ministry of Justice of the Slovak Republic on the Determination of General Value of Property, as amended.

## **Article 10**

### **Determination of the value of equity participations in other trading companies**

- (1) Unless otherwise stipulated in paragraph 2, the value of equity participation in another trading company at the time of its acquisition to the assets of a alternative investment public specialized common fund pursuant to Article 124 (2) (b) of the Act shall be determined as the costs of that equity participation in such trading company, and such determined value of the equity participation may not be higher by more than 5% as the value of the share in an enterprise of that trading company, and is determined by an expert in the form of an expert appraisal. The share in an enterprise of that trading company corresponds to the equity participation in that trading company. The value of an equity participation in an established other trading company, which has not been newly established, shall be determined, at the time of its acquisition to the assets of a common fund, by the costs of this equity participation in such other trading company.
- (2) The value of equity participation in another trading company, whose securities are accepted for trading on a regulated market shall be determined as the product of the value of these securities determined pursuant to Article 3 (1) and (2) (b) first point and the number of securities in the assets of the common fund concerned. If it is not possible to determine the value of the equity participation in the other trading company according to the first sentence, the value of such equity participation shall be determined applying the procedure pursuant to paragraph 3.
- (3) The value of the equity participation in other trading company included in the assets of a common fund, whose securities are not accepted for trading on a regulated market, shall be determined by an independent appraisal expert. Such independent appraisal expert shall determine the value of the equity participation in accordance with a special law, and when doing so he/she shall justify the choice of the used methodology. The value of the equity participation in the other trading company shall be determined at least on a semi-annual basis.

## **Article 11**

### **Determination of the value of financial derivatives**

- (1) When determining the value of a financial derivative pursuant to Article 88 (1) (g) of the Act accepted for trading on a regulated market, the procedure pursuant to Article 3 (1) shall apply.
- (2) If it is not possible to determined the value a financial derivative accepted for trading on a regulated market according to Article 3 (1), the value of such financial derivative shall be determined using the theoretical price pursuant to paragraph 3, unless stipulated otherwise in Article 15 and Article 19.
- (3) The theoretical price of a financial derivative shall be determined, in the case of
  - (a) an FRA transaction, applying the procedure described in the Annexes No. 5 and 6;

- (b) an FX forward, applying the procedure specified in Annexes No. 5 and 7;
  - (c) a forward purchase or sale contract on a debt security and a forward purchase or sale contract on an equity security, applying the procedure specified in Annexes No. 5 and 8;
  - (d) an IRS swap, applying the procedure specified in Annexes No. 9 and 10;
  - (e) an FX swap, applying the procedure specified in Annexes No. 9 and 11;
  - (f) a basis points swap, applying the procedure specified in Annexes No. 9 and 12;
  - (g) a cross currency-interest rate swap, applying the procedure specified in Annex No. 13;
  - (h) a European option, applying the procedure specified in Annex No.14.
- (4) The value of an over-the-counter financial derivative shall be determined using the theoretical price, and such price shall also be determined applying paragraph 3, unless otherwise stipulated in Article 15 and Article 19.
- (5) Along with the procedures described in the above Annexes, the value of a financial derivative may also be determined, on the basis of an agreement with the depositary of the common fund and provided that all due professional care is exercised, using other standard economic and mathematical models for the determination of the value of such financial instrument.
- (6) For the purposes of the determination of a theoretical price of a financial derivative pursuant to paragraph 3
- (a) an FRA transaction shall mean a fixed term transaction in which the counterparty undertakes to pay on a future date agreed in the transaction the difference between the pre-agreed interest on an agreed principal for its agreed maturity period and the interest on this agreed principal for the same maturity period commencing on the date determined in the transaction, which will be actually offered on this day;
  - (b) an FX forward shall mean a fixed term transaction in which the counterparty undertakes to add or withdraw on an agreed day, when concluding a transaction, an agreed amount of a foreign currency at the rate to domestic or other agreed currency, or to pay an agreed amount of funds in the domestic or other agreed currency determined as the difference between the agreed rate and the spot rate of that foreign currency against the domestic currency or against other agreed currency;
  - (c) a forward shall mean a fixed term transaction in which the counterparty undertakes to add or withdraw on an agreed date an agreed amount of a financial instrument for the price agreed in the transaction, or to pay a determined amount of money representing the difference between the agreed and the market price of an underlying asset;
  - (d) an IRS swap shall mean a fixed term transaction in which the counterparty undertakes to swap on an agreed date the interest on a specified principal calculated using the floating interest rate for the interest on a specified principal calculated using the fixed interest rate, and the both payments shall be denominated in the same currency;
  - (e) an FX swap shall mean a fixed term transaction in which the counterparty undertakes to swap on an agreed date one currency for another using the spot rate for such currency valid on the date of transaction, or a forward rate against this currency valid on the execution date of the transaction, and to swap back the same currencies after the lapse of the agreed period using the agreed forward rate valid on the maturity date of the transaction;

- (f) a basis points swap shall mean a fixed term transaction in which the counterparty undertakes to swap on an agreed date the interest on a specified principal calculated using a floating interest rate for an interest on a specified principal calculated using another floated interest rate, and the both payments shall be denominated in the same currency;
- (g) a cross currency-interest rate swap shall mean a fixed term transaction in which the counterparty undertakes to swap on an agreed date one currency for another for a spot rate against that currency valid as of the transaction date or for an agreed forward rate against this currency valid on the commencement date of the transaction, and to swap back the same currencies after the lapse of the agreed period at the agreed forward rate valid on maturity date of the transaction, while both parties shall pay each other interest in agreed interest rates from the swapped volumes of foreign currencies; both swap and reverse swap of foreign currencies may also be notional;
- (h) a fixed term transaction shall mean a transaction the settlement of which has been agreed in such a way that the period between the conclusion of a transaction and its settlement is other than in the case of a spot transaction; and this transaction shall be binding for both parties;
- (i) a swap shall mean a fixed term transaction in which the counterparty undertakes to exchange an agreed amount of a financial instrument for another financial instrument on an agreed date and at the price agreed in the transaction;
- (j) an option shall mean the right of one party to withdraw or add an underlying asset and the obligation of the other party, upon request by the former, to add or withdraw such underlying asset at a price agreed in the transaction; the period between the conclusion and the settlement of a transaction shall be longer than in the case of a spot transaction.

## **Article 12**

### **Determination of the value of commodity derivatives**

- (1) The value of a commodity derivative pursuant to Article 124 (2) (c) of the Act accepted for trading on a regulated market shall be determined applying the procedure pursuant to Article 3 (1).
- (2) If it is not possible to determined the value a commodity derivative which is dealt in on a regulated market according to Article 3 (1), the value of such commodity derivative shall be determined using a theoretical price on the basis of an agreement with the depositary of the common fund concerned and provided that all due professional care is exercised, and the value of the underlying instrument shall be determined pursuant to Article 14.

## **Article 13**

### **Determination of the value of transferable securities with embedded commodity derivative and money market instruments with embedded commodity derivative**

The value of transferable securities with embedded commodity derivative and money market instruments with embedded commodity derivative pursuant to Article 124 (2) (d) of the Act shall be determined using a theoretical price on the basis of an agreement with the depositary of the common fund concerned and provided that all due professional care is exercised.

#### **Article 14**

##### **Determination of the value of precious metals and certificates representing precious metals**

The value of precious metals and certificates representing precious metals shall be determined applying the procedure pursuant to Article 3 (1) and (2) (b).

#### **Article 15**

- (1) Any financial instrument whose value cannot be determined pursuant to in Articles 2 through 13 shall be determined using a theoretical price established by the management company on the basis of an agreement with the depositary of the common fund. The theoretical price of such a financial instrument shall be determined as the difference between the current value of future money income and the current value of future money expenses arising from the financial instrument. Future money income and future money expenses shall be discounted to the current value by a discount factor including the required yield determined applying the procedure specified in Annex No. 15 and, in the case of a debt security, a risk premium determined applying the procedure specified in Annex No. 16.
- (2) Where it is impossible to determine the theoretical price of a financial instrument applying the procedure pursuant to paragraph 1, the theoretical price shall be determined in compliance with other standard economic and mathematical models for the determination of the value of the respective financial instrument on the basis of an agreement with the depositary of the common fund.
- (3) The theoretical price of a financial instrument shall be determined with all due professional care so that the theoretical price corresponds to the price that may be achieved under standard conditions in a transaction with that financial instrument.

#### **Article 16**

In order to determine the value of yields from a financial instrument that are not included in the price of the respective financial instrument, their value as of the date of their crediting on the current account of the common fund kept with the depositary of the common fund shall be used.

**Article 17**  
**Determination of the value of receivables and liabilities**

- (1) Receivables and liabilities shall be valued using their nominal value as of the valuation date of the respective receivable and liability.
- (2) The value of a receivable determined pursuant to paragraph 1 shall be reduced by
  - (a) 10 % of its nominal value in the case of a receivable after its maturity date for more ten days,
  - (b) 33 % of its nominal value in the case of a receivable after its maturity date for more 30 days,
  - (c) 66 % of its nominal value in the case of a receivable after its maturity date for more 60 days,
  - (d) 100 % of its nominal value in the case of a receivable after its maturity date for more than 90 days.
- (3) The value of all receivables against a debtor whose assets are subject to bankruptcy or reorganization proceedings<sup>4)</sup> or another similar proceedings under the law of the debtor's country of establishment, shall be determined with all due professional care on the basis of estimated proceeds from a receivable, on the basis of an agreement with the depositary of the common fund and Národná banka Slovenska as of the date on which the management company learned of these facts. The value of all receivables against a debtor in liquidation<sup>5)</sup> or subject to similar proceedings under the law of the debtor's country of establishment and all receivables after their maturity date against a debtor in relation to whom reorganisation or bankruptcy proceedings are threatening shall be determined pursuant to the first sentence.
- (4) The value of all receivables against a debtor in respect of whom a petition for bankruptcy proceedings was rejected on the grounds of lack of the debtor's assets, shall be reduced to zero value as of the date on which the management company learned of this fact.

**Article 18**  
**Determination of the value of a financial instrument or other assets expressed in a currency other than the denomination currency of the fund**

- (1) Any financial instrument or other assets of the common fund the value of which is expressed in a currency other than the denomination currency of the fund shall be recalculated, when determining its value in the denomination currency of the fund, using the spot exchange rate.
- (2) For purposes of this Decree, the spot exchange rate shall mean

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<sup>4)</sup> Act No. 7/2005 Coll., on Bankruptcy and Reorganisation and on amendments to certain other laws, as amended.

<sup>5)</sup> Articles 70 through 75a of the Commercial Code, as amended.

- (a) the exchange rate, at the end of the business day, of the denomination currency of the fund against the other currency in which the value of the financial instrument or other assets is denominated as recorded in the information system; or
  - (b) the reference exchange rate determined and declared by the European Central Bank or Národná banka Slovenska<sup>6)</sup> for the day on which the value of the financial instrument or other assets is determined.
- (3) The method of the determination of the value of a financial instrument or other assets expressed in a currency other than the denomination currency of the fund pursuant to paragraph 2 shall be determined in an internal act of the top management of the management company along with the information system and the time which shall be the end of the business day. If the assets in the common fund also includes financial derivatives intended to secure the fund against the currency risk the value of which shall be determined pursuant to Article 11 (1), the value of the financial instrument or other assets expressed in a currency other than the denomination currency of the fund shall be determined pursuant to paragraph 2 (a).
- (4) If in the information system there is no spot exchange rate for the denomination currency of the fund against the other currency in which the value of a financial instrument or other assets is expressed, first the value of the financial instrument or the other assets shall be recalculated using the exchange rate of US dollars against such other currency if it is kept with the information system, or if it is not kept with the information system then using the exchange rate published by the central bank of the country in which such other currency is legal tender and for the day on which the value of the financial instrument or other assets is determined. Such determined value in US dollars shall be recalculated to the denomination currency of the fund using the exchange rate pursuant to paragraph 1.

## **Article 19**

- (1) The value of a financial instrument issued by an issuer whose assets are subject to bankruptcy, reorganization or similar proceedings under the laws of the issuer's country of establishment shall be determined, as of the day on which the management company learned of this fact, with all due professional care on the basis of estimated proceeds upon an agreement with the depositary of the common fund and Národná banka Slovenska. The value of a financial instrument issued by an issuer in liquidation or subject to similar proceedings under the law of its country of establishment, shall be determined pursuant to the first sentence. The value of deposits on current and deposit accounts kept with a bank in respect of which the bankruptcy was declared over its assets or reorganisation or other

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<sup>6)</sup> Article 219 (1) through (3) of the Treaty on the Functioning of the European Union, as amended (OJ C 83, 30.3.2010)

Article 12 (12) (1) of Protocol No. 4 on the Statute of the European System of Central Banks and of the European Central Bank attached to the Treaty on the Functioning of the European Union

Article 28 (2) of Act No. 566/1992 Coll. of the National Council of the Slovak Republic on Národná banka Slovenska as amended by Act No. 659/2007 Coll.

similar proceedings have been initiated under the law of the country of establishment of such bank, shall be determined pursuant to the first sentence.

- (2) If a government guarantee<sup>7)</sup>, the protection from the Investment Guarantee Fund<sup>8)</sup>, from the Deposit Protection Fund<sup>9)</sup> or a similar foreign investment and deposit protection system or a similar government guarantee apply to a financial instrument issued by an issuer pursuant to paragraph 1, the value of such financial instrument shall be determined in the amount of the guarantee provided, taking into account the guarantor's credit quality.
- (3) The value of a financial instrument issued by an issuer in relation to which a petition for declaration of bankruptcy over its assets was rejected on the ground of lack of its assets, shall be reduced to zero on the date on which the management company learned of this fact.

### **Method of calculation of the value of the share of unit certificate issue in common funds in which unit certificates of several issues are issued**

#### **Article 20**

- (1) When issuing a new issue, the value of a share of the issue of unit certificates by a common fund in which unit certificates of several issues are issued (hereinafter referred to as the “value of a share of an issue”) shall be calculated for the first time as the ratio of the net value of assets in the common fund issuing unit certificates of several issues (hereinafter referred to as the “total net value of assets”) and the total number of units in circulation, regardless the fact whether at the time of calculation the respective common fund has already issued unit certificates of several issues. This shall not apply to the value of a unit of an issue determined at the time of establishment of the respective common fund using the initial value of the unit certificate as specified in the rules of the common fund according to Article 7 (5) (j) of the Act.
- (2) In the case other than according to paragraph 1, the value of a unit of an issue shall be calculated on the basis of the following principles:
  - (a) the management company shall calculate the value of the assets corresponding to the issue of unit certificates (hereinafter referred to as a “partial assets value of the issue”) and the net value of the assets corresponding to the issue of unit certificates (hereinafter referred to as a “partial net assets value of the issue”) for each issue of unit certificates separately,
  - (b) the management company shall determine for each issue
    1. its share in the total assets value which shall mean the ratio of the respective partial assets value of the issue to the total value of the assets;

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<sup>7)</sup> Act No 386/2002 Coll., on State Debt and State Guarantees and amending Act No 291/2002 Coll., on the State Treasury and amendments to certain other laws, as amended.

<sup>8)</sup> Articles 80(1) of Act No 566/2001 Coll., as amended by Act No 594/2003 Coll.

<sup>9)</sup> Act No. 118/1996 Coll. of the National Council of the Slovak Republic on the Protection of Deposits and on amendments to certain other laws, as amended.

2. its share in the total net value of the assets which shall mean the ratio of the respective partial net assets value of the issue to the total net value of the assets;
- (c) the share calculated according to point (b) shall be used for the calculation of the ratio corresponding to any operation with the assets in the common fund for the respective issue; this shall not apply to any change of the total net value of the assets due to the issue or redemption of unit certificates or to the income due to the division of the exit fee between the management company and the assets in the common fund pursuant to Article 13 (12) of the Act;
- (d) if the issue of unit certificates differs from other issues by the amount of remuneration for the management of the common fund corresponding to the respective issue, the share according to point (b) shall be taken into account in such a way that the remuneration for the management of the common fund corresponding to the respective issue shall only be calculated after the determination of the respective partial value of the assets of the issue prior to the calculation of the remuneration for the management of the common fund;
- (e) the value of a share of an issue shall be calculated, taking into account the principles pursuant to points (a) through (d), as the ratio of the partial net value of the assets of the issue and the number of units of the respective issue in circulation.
- (3) If the issue differs from other issues by the currency in which the value of a unit is denominated, the value of a unit of the issue pursuant to paragraph 2 (e) shall be recalculated to other currency using the spot exchange rate as specified in Article 18 (3).

**Effective date**  
**Article 21**

This Decree shall enter into force on 1 December 2011.

**Jozef Makúch**  
**Governor**

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	Section	
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**Determination of the value of aliquot interest yield**

Aliquot interest yield shall be calculated using the formula:

$$A'UV = C.N.con(t),$$

where

*A'UV* the aliquot interest yield as at the valuation day,

*C* the coupon rate for the current coupon period,

*N* the nominal value of the financial instrument,

*t* the number of days since the last coupon payment or the number of days since the beginning of the first coupon period,

*con()* the length of the period calculated by convention for the remuneration method used under the terms and conditions of the issue.

**Determination of the value of funds on a current account and on a deposit account**

The value of funds on a current account and on a deposit account (HV) shall be calculated using the following formula:

$$HV_t = \sum C_i (1 + r_i \cdot con(t - t_i)),$$

where

$C_i$  the cash flow over time  $t_i$ ,

$r_i$  the interest rate at which interest is paid on the respective cash flow,

$con()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the deposit.

**Determination of the theoretical price of a debt security**

- (1) The theoretical price of a debt security with a maturity of up to one year shall be calculated as follows:

$$P = \sum_{i=1}^n \frac{C_i}{(1 + (r_i + s) \cdot \text{con}(t_i))} + \frac{N}{(1 + (r_n + s) \cdot \text{con}(t_n))}.$$

- (2) The theoretical price of a debt security with a maturity of over one year shall be calculated as follows:

$$P = \sum_{i=1}^n \frac{C_i}{(1 + (r_i + s))^{\text{con}(t_i)}} + \frac{N}{(1 + (r_n + s))^{\text{con}(t_n)}},$$

where

- $P$  the theoretical price of the debt security including the aliquot interest yield,  
 $r_i$  the required yield determined pursuant to Annex No.15,  
 $s$  the risk premium determined pursuant to Annex No.16,  
 $N$  the nominal value of the debt security,  
 $C_i$  the value of the  $i^{\text{th}}$  coupon of the debt security; where the coupon rate is derived from an interbank market rate, the future coupon rates shall be determined using the formula provided in Annex No. 6, paragraph 3 and an interbank market forward rate derived from the interbank market yield curve; if it is not possible to use the interbank market yield curve, the future coupon rates shall be derived using the swap interest rate curve,  
 $t_i$  the number of days to maturity of the  $i^{\text{th}}$  coupon of the debt security, in days,  
 $i$  the index of the future coupon of the debt security,  
 $n$  the number of future coupons of the debt security,  
 $t_n$  the number of days to maturity of the debt security, in days,  
 $\text{con}()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the issue of the debt security.

- (3) For the purposes of the determination of the theoretical price of a debt security the yield curve shall mean a curve representing yields to maturity of financial instruments on the respective business day depending on their residual maturity and providing information on the time structure of interest rates.

**Determination of the theoretical price of a money market instrument**

(1) The theoretical price of a treasury bill shall be calculated as follows:

$$P = \frac{N}{1 + (r + s).con(t)},$$

where

- P* the theoretical price of the treasury bill,
- N* the nominal value of the treasury bill,
- r* the required yield determined pursuant to Annex No.15,
- s* the risk premium determined pursuant to Annex No.16,
- t* the number of days to maturity of the treasury bill,
- con()* the length of the period calculated by convention for the used remuneration method under the terms and conditions of the issue.

(2) The theoretical price of a deposit certificate shall be calculated as follows:

(a) the theoretical price of a deposit certificate with a maturity of up to one year:

$$P = N \frac{(1 + r_{vl}.con(t))}{(1 + r.con(t^*))},$$

(b) the theoretical price of a deposit certificate with a maturity of over one year:

$$P = N \frac{(1 + r_{vl})^{con(t)}}{(1 + r)^{con(t^*)}},$$

where

- P* the theoretical price of the deposit certificate,
- N* the nominal value of the deposit certificate,
- r<sub>vl</sub>* the annual interest rate of the deposit certificate applicable for the current period, expressed as a percentage,
- r* the required yield determined pursuant to Annex No.15,
- t* the total maturity period of the deposit certificate, in days,
- t\** the period to maturity of the deposit certificate, in days as on the valuation date,
- con()* the length of the period calculated by convention for the remuneration method used under the terms and conditions of the issue.

**Determination of the theoretical price of a forward contract**

- (1) Theoretical price of a forward contract with a maturity of up to one year shall be calculated as follows:

$$P = P_{poh} - P_{zav} ,$$

$$P_{poh} = \frac{F_{poh}}{(1 + r.con(t))} ,$$

$$P_{zav} = \frac{F_{zav}}{(1 + r.con(t))} .$$

- (2) Theoretical price of a forward with a maturity of over one year shall be calculated as follows:

$$P = P_{poh} - P_{zav} ,$$

$$P_{poh} = \frac{F_{poh}}{(1 + r)^{con(t)}} ,$$

$$P_{zav} = \frac{F_{zav}}{(1 + r)^{con(t)}} ,$$

where

- $P$  the theoretical price of the forward contract,  
 $P_{poh}$  the value of the discounted receivables from the forward contract,  
 $P_{zav}$  the value of the discounted liabilities from the forward contract,  
 $F_{poh}$  the forward value of the receivables from the forward contract,  
 $F_{zav}$  the forward value of the liabilities from the forward contract,  
 $t$  the residual maturity period of the forward contract, in days  
 $r$  the required yield for the currency in which the theoretical price of the forward contract is calculated, as determined pursuant to Annex No.15,  
 $con()$  the length of the period calculated by convention for the remuneration method used for the derivative concerned.

**Determination of the theoretical price of an FRA transaction**

(1) The theoretical price of an FRA transaction with a maturity of up to one year shall be calculated using the procedure provided in Annex No. 5, while if the financial settlement occurs on

(a) the day  $t_2$ ,

1. if the agreed forward interest rate is paid and the forward interest rate of the respective day is received,

$$F_{poh} = N(1 + r_{fra} \cdot con(t_{fra})),$$

$$F_{zav} = N(1 + r_{deal} \cdot con(t_{fra})),$$

2. if the forward interest rate of the respective day is paid and the agreed forward interest rate is received,

$$F_{poh} = N(1 + r_{deal} \cdot con(t_{fra})),$$

$$F_{zav} = N(1 + r_{fra} \cdot con(t_{fra})),$$

(b) the day  $t_1$ ,

1. if the agreed forward interest rate is paid and the forward interest rate of the respective day is received,

$$F_{poh} = N,$$

$$F_{zav} = N \frac{(1 + r_{deal} \cdot con(t_{fra}))}{(1 + r_{fra} \cdot con(t_{fra}))}$$

2. if the forward interest rate of the respective day is paid and the agreed forward interest rate is received,

$$F_{poh} = N \frac{(1 + r_{deal} \cdot con(t_{fra}))}{(1 + r_{fra} \cdot con(t_{fra}))},$$

$$F_{zav} = N.$$

(2) The theoretical price of an FRA transaction with a maturity of over one year shall be calculated using the procedure provided in Annex No. 5, while if the financial settlement occurs on

(a) the day  $t_2$ ,

1. if the agreed forward interest rate is paid and the forward interest rate of the respective day is received,

$$F_{poh} = N(1 + r_{fra})^{con(t_{fra})},$$

$$F_{zav} = N(1 + r_{deal})^{con(t_{fra})},$$

2. if the forward interest rate of the respective day is paid and the agreed forward interest rate is received,

$$F_{poh} = N(1 + r_{deal})^{con(t_{fra})},$$

$$F_{zav} = N(1 + r_{fra})^{con(t_{fra})},$$

(b) the day  $t_1$ ,

1. if the agreed forward interest rate is paid and the forward interest rate of the respective day is received,

$$F_{poh} = N,$$

$$F_{zav} = N \frac{(1 + r_{deal})^{con(t_{fra})}}{(1 + r_{fra})^{con(t_{fra})}},$$

2. if the forward interest rate of the respective day is paid and the agreed forward interest rate is received,

$$F_{poh} = N \frac{(1 + r_{deal})^{con(t_{fra})}}{(1 + r_{fra})^{con(t_{fra})}},$$

$$F_{zav} = N,$$

where

$N$  the agreed principal,

$r_{deal}$  the agreed forward interest rate for the period  $t_1$  to  $t_2$ ,

$r_{fra}$  the forward interest rate of the respective day for the period  $t_1$  to  $t_2$ ,

$t_{fra} = t_2 - t_1$  the period of the FRA transaction, in days,

$con()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the derivative concerned.

- (3) If the forward interest rate of a respective day for the period  $t_1$  to  $t_2$  is not available, it shall be determined using the following formula:

$$r_{fra} = \left( \frac{(1 + r_2)^{con(t_2)}}{(1 + r_1)^{con(t_1)}} - 1 \right) \frac{1}{con(t_2 - t_1)},$$

where

- $r_{fra}$  the forward interest rate for the period ( $t_2$  to  $t_1$ ), applicable from  $t_1$ ,
- $r_1$  the required yield determined pursuant to Annex 15 for the period  $t_1$ ,
- $r_2$  the required yield determined pursuant to Annex 15 for the period  $t_2$ ,
- $con()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the derivative concerned.

**Determination of the theoretical price of an FX forward contract**

(1) The theoretical price of an FX forward contract shall be calculated using the procedure provided in Annex No.5, while:

(a) for a forward contract for the purchase of the first currency and the sale of the second currency

$$F_{poh} = N_{poh},$$

$$F_{zav} = \frac{1}{FR} N_{zav},$$

where

$F_{poh}$  the forward value of the receivables from the forward contract in the first currency,  
 $F_{zav}$  the forward value of the liabilities from the forward contract in the first currency,  
 $N_{poh}$  the agreed volume of the first currency purchased,  
 $N_{zav}$  the agreed volume of the second currency sold,  
 $FR$  is the forward rate, the first currency/the second currency, as at the valuation date,  
*the first currency* the currency which is by convention indicated in a currency pair as the first one,  
*the second currency* the currency which is by convention indicated in a currency pair as the second one,

(b) for a forward contract for the purchase of the second currency and the sale of the first currency

$$F_{poh} = \frac{1}{FR} N_{poh},$$

$$F_{zav} = N_{zav},$$

where

$F_{poh}$  the forward value of the receivables from the forward contract in the first currency,  
 $F_{zav}$  the forward value of the liabilities from the forward contract in the first currency,  
 $N_{poh}$  the agreed volume of the second currency purchased,  
 $N_{zav}$  the agreed volume of the first currency sold,  
 $FR$  is the forward rate, the first currency/the second currency, as at the valuation date,  
*the first currency* the currency which is by convention indicated in a currency pair as the first one,

*the second currency* the currency which is by convention indicated in a currency pair as the second one,

(2) If the forward rate of the first currency against the second currency is not available as at the valuation date of an FX forward contract, it shall be calculated as follows:

(a) for FX forwards with a maturity of up to one year:

$$FR = SR \frac{1 + r_2 \text{con}(t)}{1 + r_1 \text{con}(t)},$$

(b) for FX forwards with a maturity of over one year:

$$FR = SR \frac{(1 + r_2)^{\text{con}(t)}}{(1 + r_1)^{\text{con}(t)}},$$

where

*FR* is the forward rate, the first currency/the second currency, as at the valuation date,

*SR* is the spot rate, the first currency/the second currency, as at the valuation date,

*r*<sub>1</sub> the required yield for the first currency as percentage p.a. determined pursuant to Annex No. 15 for the period *t*,

*r*<sub>2</sub> the required yield for the second currency as percentage p.a. determined pursuant to Annex No. 15 for the period *t*,

*t* the residual maturity period of the forward contract, in days,

*con()* the length of the period calculated by convention for the remuneration method used for the derivative concerned.

**Determination of the theoretical price of a forward contract for a debt security and a forward contract for an equity security**

- (1) Theoretical price of a forward contract for a debt security and for an equity security shall be calculated as follows:

$$P = P_{poh} - P_{zav} ,$$

where

$P_{poh}$  the current value of the receivables under the forward contract,

$P_{zav}$  the current value of the liabilities under the forward contract.

- (2) The current value of receivables and liabilities from a forward contract on a debt security and a forward contract on an equity security with a maturity of up to one year shall be calculated using the following procedures, in the case of

- (a) the purchase of the subject-matter of the forward contract,

$$P_{poh} = S_0 ,$$

$$P_{zav} = \frac{F_{deal}}{(1 + r.con(t))} ,$$

- (b) the sale of the subject-matter of the forward contract,

$$P_{poh} = \frac{F_{deal}}{(1 + r.con(t))} ,$$

$$P_{zav} = S_0 .$$

- (3) The current value of a receivable and liability from a forward contract on a debt security and a forward contract on an equity security with a maturity of over one year shall be calculated using the following procedures, in the case of

- (a) the purchase of the subject-matter of the forward contract,

$$P_{poh} = S_0 ,$$

$$P_{zav} = \frac{F_{deal}}{(1 + r)^{con(t)}} ,$$

(b) the sale of the subject-matter of the forward contract,

$$P_{poh} = \frac{F_{deal}}{(1+r)^{con(t)}},$$

$$P_{zav} = S_0,$$

where

$P$  the theoretical price of the forward contract,

$S_0$  the value of a debt security or an equity security as of the valuation date pursuant to Article 3,

$F_{deal}$  the agreed price of the debt security or the equity security,

$t$  the residual maturity period of the forward contract, in days

$r$  the required yield determined pursuant to Annex No.15,

$con()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the derivative concerned.

**Determination of the theoretical price of a swap**

(1) Theoretical price of a swap with a maturity of up to one year shall be calculated as follows:

$$P = P_{poh} - P_{zav},$$

where

$$P_{poh} = \sum_{i=1}^m \left( \frac{F_{poh,i}}{1 + r_i \cdot con(t_i)} \right),$$

$$P_{zav} = \sum_{i=1}^m \left( \frac{F_{zav,i}}{1 + r_i \cdot con(t_i)} \right).$$

(2) The theoretical price of a swap with a maturity of over one year shall be calculated as follows:

$$P = P_{poh} - P_{zav},$$

where

$$P_{poh} = \sum_{i=1}^m \left( \frac{F_{poh,i}}{(1 + r_i)^{con(t_i)}} \right),$$

$$P_{zav} = \sum_{i=1}^m \left( \frac{F_{zav,i}}{(1 + r_i)^{con(t_i)}} \right),$$

where

- $P$  the theoretical price of the swap,
- $P_{poh}$  the value of the discounted receivables from the swap,
- $P_{zav}$  the value of the discounted liabilities from the swap,
- $F_{poh,i}$  the forward value of a swap receivable for the  $i^{\text{th}}$  payment on the valuation date of the swap,
- $F_{zav,i}$  the forward value of a swap liability for the  $i^{\text{th}}$  payment on the valuation date of the swap,
- $t_i$  the residual maturity period of the  $i^{\text{th}}$  swap payment, in days,
- $r_i$  the required yield determined pursuant to Annex 15 for the period  $t_i$ ,
- $i$  the index of the future swap payment,
- $m$  the number of the future swap payments,
- $con()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the derivative concerned.

**Determination of the theoretical price of an IRS**

(1) The theoretical price of an IRS swap with a maturity of over one year shall be calculated using the procedure provided in Annex No. 9, where:

(a) if the agreed interest rate is purchased and the swap interest rate is sold

$$F_{poh,i} = N.r_{swap,i}.con(t_{swap,i}),$$

$$F_{zav,i} = N.r_{deal,i}.con(t_{swap,i}),$$

(b) if the agreed interest rate is sold and the swap interest rate is purchased

$$F_{poh,i} = N.r_{deal,i}.con(t_{swap,i}),$$

$$F_{zav,i} = N.r_{swap,i}.con(t_{swap,i}).$$

(2) The theoretical price of an IRS swap with a maturity of over one year shall be calculated using the procedure provided in Annex No. 9, where:

(a) if the agreed interest rate is purchased and the swap interest rate is sold

$$F_{poh,i} = N\left[\left(1 + r_{swap,i}\right)^{con(t_{swap,i})} - 1\right],$$

$$F_{zav,i} = N\left[\left(1 + r_{deal,i}\right)^{con(t_{swap,i})} - 1\right],$$

(b) if the agreed interest rate is sold and the swap interest rate is purchased

$$F_{poh,i} = N\left[\left(1 + r_{deal,i}\right)^{con(t_{swap,i})} - 1\right],$$

$$F_{zav,i} = N\left[\left(1 + r_{swap,i}\right)^{con(t_{swap,i})} - 1\right],$$

where

$N$  the agreed principal (notional value),

$F_{poh,i}$  the forward value of a swap receivable for the  $i^{\text{th}}$  payment on the valuation date of the swap,

$F_{zav,i}$  the forward value of a swap liability for the  $i^{\text{th}}$  payment on the valuation date of the swap,

$r_{swap,i}$  the swap interest rate of the  $i^{\text{th}}$  swap payment on the valuation date of the IRS swap,

$r_{deal,i}$  the agreed swap interest rate of the  $i^{\text{th}}$  swap payment,

$t_{swap,i}$  the length of the  $i^{\text{th}}$  interest period, in days,

$con()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the derivative concerned.

- (3) If the swap interest rate of the  $i^{\text{th}}$  swap payment is not available on the valuation date of the IRS swap, it shall be calculated using the following formula:

$$r_{\text{swap},i} = \left( \frac{(1 + r_i)^{\text{con}(t_i)}}{(1 + r_{i-1})^{\text{con}(t_{i-1})}} - 1 \right) \frac{1}{\text{con}(t_i - t_{i-1})},$$

where

- $t_i$  the residual maturity period of the  $i^{\text{th}}$  swap payment, in days,  
 $t_{i-1}$  the residual maturity period of the  $i^{\text{th}}$  1st swap payment, in days,  
 $\text{con}()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the derivative concerned,  
 $r_i$  the required yield determined pursuant to Annex 15 for the period  $t_i$ ,  
 $r_{i-1}$  the required yield determined pursuant to Annex 15 for the period  $t_{i-1}$ ,

**Determination of the theoretical price of an FX swap**

(1) The theoretical price of an FX swap shall be calculated using the procedure provided in Annex No. 9, while:

(a) for the purchase of the first currency and the sale of the second one

$$F_{poh,i} = N_{poh,i},$$

$$F_{zav,i} = \frac{1}{FR_i} N_{zav,i},$$

where

$N_{poh,i}$  the agreed volume of the purchased currency under the  $i^{\text{th}}$  swap in the first currency,

$N_{zav,i}$  the agreed volume of the sold currency under the  $i^{\text{th}}$  swap in the second currency,

$F_{poh,i}$  the forward value of a swap receivable for the  $i^{\text{th}}$  payment in the first currency on the valuation date of the swap,

$F_{zav,i}$  the forward value of a swap liability for the  $i^{\text{th}}$  payment in the first currency on the valuation date of the swap,

$FR_i$  the forward rate of the  $i^{\text{th}}$  exchange of the first currency against the second currency on the valuation date of the swap,

*the first currency* the currency which is by convention indicated in a currency pair as the first one,

*the second currency* the currency which is by convention indicated in a currency pair as the second one,

(b) for the purchase of the second currency and the sale of the first one

$$F_{poh,i} = \frac{1}{FR_i} N_{poh,i},$$

$$F_{zav,i} = N_{zav,i},$$

where

$N_{poh,i}$  the agreed volume of the purchased currency under the  $i^{\text{th}}$  swap in the second currency,

$N_{zav,i}$  the agreed volume of the sold currency under the  $i^{\text{th}}$  swap in the first currency,

$F_{poh,i}$  the forward value of a swap receivable for the  $i^{\text{th}}$  payment in the first currency on the valuation date of the swap,

$F_{zav,i}$  the forward value of a swap liability for the  $i^{\text{th}}$  payment in the first currency on the

$FR_{poh,i}$  valuation date of the swap,  
 the forward rate of the  $i^{th}$  exchange of the first currency against the second currency on the  
 valuation date of the swap,  
*the first currency* the currency which is by convention indicated in a currency pair as the first  
 one,  
*the second currency* the currency which is by convention indicated in a currency pair as the  
 second one,

(2) If the forward rate of the swap of the first currency against the second currency is not available as at the valuation date of the swap, it shall be calculated as follows:

(a) in the case of an FX swap with a maturity of up to one year:

$$FR_i = SR \frac{(1 + r_{2,i} \cdot con(t_i))}{(1 + r_{1,i} \cdot con(t_i))},$$

(b) in the case of an FX swap with a maturity of over one year, where

$$FR_i = SR \frac{(1 + r_{2,i})^{con(t_i)}}{(1 + r_{1,i})^{con(t_i)}},$$

where

$SR$  the spot rate of the first currency against the second currency as of the valuation date of  
 the swap,  
 $r_{1,i}$  the required yield for the first currency as percentage p.a. determined pursuant to Annex  
 No. 15 for the period  $t_i$ ,  
 $r_{2,i}$  the required yield for the second currency as percentage p.a. determined pursuant to  
 Annex No. 15 for the period  $t_i$ ,  
 $t_i$  the residual maturity period of the  $i^{th}$  swap payment, in days,  
 $con()$  the length of the period calculated by convention for the remuneration method used under  
 the terms and conditions of the derivative concerned.

**Determination of the theoretical price of a basis swap**

(1) The theoretical price of a basis swap with a maturity of up to one year shall be calculated using the procedure provided in Annex No. 9, where:

$$F_{poh,i} = N \cdot r_{poh,i} \cdot con(t_{swap,i}),$$

$$F_{zav,i} = N \cdot r_{zav,i} \cdot con(t_{swap,i}).$$

(2) The theoretical price of a basis swap with a maturity of over one year shall be calculated using the procedure provided in Annex No. 9, where:

$$F_{poh,i} = N \left[ (1 + r_{poh,i})^{con(t_{swap,i})} - 1 \right],$$

$$F_{zav,i} = N \left[ (1 + r_{zav,i})^{con(t_{swap,i})} - 1 \right],$$

where

$N$  the agreed principal (notional value),

$F_{poh,i}$  the forward value of a swap receivable for the  $i^{\text{th}}$  payment on the valuation date of the swap,

$F_{zav,i}$  the forward value of a swap liability for the  $i^{\text{th}}$  payment on the valuation date of the swap,

$r_{poh,i}$  the swap interest rate of a receivable of the  $i^{\text{th}}$  swap payment on the valuation date of the swap,

$r_{zav,i}$  the swap interest rate of a liability of the  $i^{\text{th}}$  swap payment on the valuation date of a swap,

$t_{swap,i}$  the length of the  $i^{\text{th}}$  interest period, in days,

$con()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the derivative concerned.

**Determination of the theoretical price of a cross currency-interest rate swap**

- (1) The theoretical price of a cross currency-interest rate swap with a maturity of up to one year shall be calculated as follows:
- (a) in the case when the first currency is purchased and the second currency is sold on the day  $t_1$  and the first currency is sold back and the second currency is purchased on the day  $t_2$

$$P_{poh} = \frac{N_{poh}}{1 + r_1 \cdot con(t_1)} + \frac{\frac{1}{FR_2} N_{zav}}{1 + r_2 \cdot con(t_2)} + \sum_{i=1}^m \left( \frac{\frac{1}{FR_i} N_{zav} \cdot r_{poh,i} \cdot con(t_{swap,i})}{1 + r_i \cdot con(t_i)} \right),$$

$$P_{zav} = \frac{\frac{1}{FR_1} N_{zav}}{1 + r_1 \cdot con(t_1)} + \frac{N_{poh}}{1 + r_2 \cdot con(t_2)} + \sum_{i=1}^m \left( \frac{N_{poh} \cdot r_{zav,i} \cdot con(t_{swap,i})}{1 + r_i \cdot con(t_i)} \right),$$

where

- $P_{poh}$  the value of the discounted receivables from the swap,  
 $P_{zav}$  the value of the discounted liabilities from the swap,  
 $t_1$  the beginning of the cross currency-interest rate swap,  
 $t_2$  the end of the cross currency-interest rate swap,  
 $t_i$  the residual maturity of the  $i^{\text{th}}$  interest rate swap payment,  
 $con()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the derivative concerned,  
 $r_1$  the required yield for the first currency as percentage p.a. determined pursuant to Annex No. 15 for the period  $t_1$ ,  
 $r_2$  the required yield for the first currency as percentage p.a. determined pursuant to Annex No. 15 for the period  $t_2$ ,  
 $r_i$  the required yield for the first currency as percentage p.a. determined pursuant to Annex No. 15 for the period  $t_i$ ,  
 $t_{swap,i}$  the length of the  $i^{\text{th}}$  interest period, in days,  
 $i$  the index of the future swap payment,  
 $m$  the number of the future swap payments,  
 $N_{poh}$  the agreed volume of the first currency purchased,  
 $N_{zav}$  the agreed volume of the second currency sold,  
 $FR_i$  the forward rate of the  $i^{\text{th}}$  exchange of the first currency against the second currency on the valuation date of the swap,

$FR_1$  the forward rate, the first currency/the second currency, as on the day  $t_1$  on which the first currency is purchased and the second currency is sold,

$FR_2$  the forward rate, the first currency/the second currency, as on the day  $t_2$  on which the second currency is purchased and the first currency is sold,

*the first currency* the currency which is by convention indicated in a currency pair as the first one,

*the second currency* the currency which is by convention indicated in a currency pair as the second one,

$r_{poh,i}$  the swap interest rate of a receivable of the  $i^{th}$  swap payment on the valuation date of the swap,

$r_{zav,i}$  the swap interest rate of a liability of the  $i^{th}$  swap payment on the valuation date of the swap,

(b) in the case when the first currency is sold and the second currency is purchased on the day  $t_1$  and the first currency is purchased back and the second currency is sold on the day  $t_2$

$$P_{poh} = \frac{\frac{1}{FR_1} N_{poh}}{1 + r_1 \cdot con(t_1)} + \frac{N_{zav}}{1 + r_2 \cdot con(t_2)} + \sum_{i=1}^m \left( \frac{N_{zav} \cdot r_{poh,i} \cdot con(t_{swap,i})}{1 + r_i \cdot con(t_i)} \right),$$

$$P_{zav} = \frac{N_{zav}}{1 + r_1 \cdot con(t_1)} + \frac{\frac{1}{FR_2} N_{poh}}{1 + r_2 \cdot con(t_2)} + \sum_{i=1}^m \left( \frac{\frac{1}{FR_i} N_{poh} \cdot r_{zav,i} \cdot con(t_{swap,i})}{1 + r_i \cdot con(t_i)} \right),$$

where

$P_{poh}$  the value of the discounted receivables from the swap,

$P_{zav}$  the value of the discounted liabilities from the swap,

$t_1$  the beginning of the cross currency-interest rate swap,

$t_2$  the end of the cross currency-interest rate swap,

$t_i$  the residual maturity of the  $i^{th}$  interest rate swap payment,

$con()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the derivative concerned,

$r_1$  the required yield for the first currency determined pursuant to Annex No. 15 for the period  $t_1$ ,

$r_2$  the required yield for the first currency determined pursuant to Annex No. 15 for the period  $t_2$ ,

$r_i$  the required yield for the first currency determined pursuant to Annex No. 15 for the period  $t_i$ ,

$t_{swap,i}$  the length of the  $i^{th}$  interest period, in days,

$i$  the index of the future swap payment,

- $m$  the number of the future swap payments,  
 $N_{poh}$  the agreed volume of the second currency purchased,  
 $N_{zav}$  the agreed volume of the first currency sold,  
 $FR_i$  the forward rate of the  $i^{\text{th}}$  exchange of the first currency against the second currency on the valuation date of the swap,  
 $FR_1$  the forward rate, the first currency/the second currency, as on the day  $t_1$  on which the first currency is sold and the second currency is purchased,  
 $FR_2$  the forward rate, the first currency/the second currency, as on the day  $t_2$  on which the second currency is sold and the first currency is purchased,  
*the first currency* the currency which is by convention indicated in a currency pair as the first one,  
*the second currency* the currency which is by convention indicated in a currency pair as the second one,  
 $r_{poh,i}$  the swap interest rate of a receivable of the  $i^{\text{th}}$  swap payment on the valuation date of the swap,  
 $r_{zav,i}$  the swap interest rate of a liability of the  $i^{\text{th}}$  swap payment on the valuation date of the swap.

(2) The theoretical price of a cross currency interest rate swap with a maturity of over one year shall be calculated as follows:

(a) in the case when the first currency is purchased and the second currency is sold on the day  $t_1$  and the first currency is sold back and the second currency is purchased on the day  $t_2$

$$P_{poh} = \frac{N_{poh}}{(1+r_1)^{con(t_1)}} + \frac{\frac{1}{FR_2} N_{zav}}{(1+r_2)^{con(t_2)}} + \sum_{i=1}^m \left( \frac{\frac{1}{FR_i} N_{zav} \left[ (1+r_{poh,i})^{con(t_{swap,i})} - 1 \right]}{(1+r_i)^{con(t_i)}} \right),$$

$$P_{zav} = \frac{\frac{1}{FR_1} N_{zav}}{(1+r_1)^{con(t_1)}} + \frac{N_{poh}}{(1+r_2)^{con(t_2)}} + \sum_{i=1}^m \left( \frac{N_{poh} \left[ (1+r_{zav,i})^{con(t_{swap,i})} - 1 \right]}{(1+r_i)^{con(t_i)}} \right),$$

where

- $P_{poh}$  the value of the discounted receivables from the swap,  
 $P_{zav}$  the value of the discounted liabilities from the swap,  
 $t_1$  the beginning of the cross currency-interest rate swap,  
 $t_2$  the end of the cross currency-interest rate swap,  
 $t_i$  the residual maturity of the  $i^{\text{th}}$  interest rate swap payment,  
 $con()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the derivative concerned,

- $r_1$  the required yield for the first currency determined pursuant to Annex No. 15 for the period  $t_1$ ,  
 $r_2$  the required yield for the first currency determined pursuant to Annex No. 15 for the period  $t_2$ ,  
 $r_i$  the required yield for the first currency determined pursuant to Annex No. 15 for the period  $t_i$ ,  
 $t_{swap,i}$  the length of the  $i^{\text{th}}$  interest period, in days,  
 $i$  the index of the future swap payment,  
 $m$  the number of the future swap payments,  
 $N_{poh}$  the agreed volume of the purchased first currency,  
 $N_{zav}$  the agreed volume of the sold second currency,  
 $FR_i$  the forward rate of the  $i^{\text{th}}$  exchange of the first currency against the second currency on the valuation date of the swap,  
 $FR_1$  the forward rate, the first currency/the second currency, as on the day  $t_1$  on which the first currency is purchased and the second currency is sold,  
 $FR_2$  the forward rate, the first currency/the second currency, as on the day  $t_2$  on which the second currency is purchased and the first currency is sold,  
*the first currency* the currency which is by convention indicated in a currency pair as the first one,  
*the second currency* the currency which is by convention indicated in a currency pair as the second one,  
 $r_{poh,i}$  the swap interest rate of a receivable of the  $i^{\text{th}}$  swap payment on the valuation date of the swap,  
 $r_{zav,i}$  the swap interest rate of a liability of the  $i^{\text{th}}$  swap payment on the valuation date of the swap,

- (b) in the case when the first currency is sold and the second currency is purchased on the day  $t_1$  and the first currency is purchased back and the second currency is sold on the day  $t_2$

$$P_{poh} = \frac{1}{FR_1} N_{poh} + \frac{N_{zav}}{(1+r_2)^{con(t_2)}} + \sum_{i=1}^m \left( \frac{N_{zav} \left[ (1+r_{poh,i})^{con(t_{swap,i})} - 1 \right]}{(1+r_i)^{con(t_i)}} \right),$$

$$P_{zav} = \frac{N_{zav}}{(1+r_1)^{con(t_1)}} + \frac{1}{FR_2} N_{poh} + \sum_{i=1}^m \left( \frac{\frac{1}{FR_i} N_{poh} \left[ (1+r_{zav,i})^{con(t_{swap,i})} - 1 \right]}{(1+r_i)^{con(t_i)}} \right),$$

where

- $P_{poh}$  the value of the discounted receivables from the swap,  
 $P_{zav}$  the value of the discounted liabilities from the swap,

$t_1$  the beginning of the cross currency-interest rate swap,  
 $t_2$  the end of the cross currency-interest rate swap,  
 $t_i$  the residual maturity of the  $i^{\text{th}}$  interest rate swap payment,  
 $con()$  the length of the period calculated by convention for the remuneration method used under the terms and conditions of the derivative concerned,  
 $r_1$  the required yield for the first currency determined pursuant to Annex No. 15 for the period  $t_1$ ,  
 $r_2$  the required yield for the first currency determined pursuant to Annex No. 15 for the period  $t_2$ ,  
 $r_i$  the required yield for the first currency determined pursuant to Annex No. 15 for the period  $t_i$ ,  
 $t_{swap,i}$  the length of the  $i^{\text{th}}$  interest period, in days,  
 $i$  the index of the future swap payment,  
 $m$  the number of the future swap payments,  
 $N_{poh}$  the agreed volume of the second currency purchased,  
 $N_{zav}$  the agreed volume of the first currency sold,  
 $FR_i$  the forward rate of the  $i^{\text{th}}$  exchange of the first currency against the second currency on the valuation date of the swap,  
 $FR_1$  the forward rate, the first currency/the second currency, as on the day  $t_1$  on which the first currency is sold and the second currency is purchased,  
 $FR_2$  the forward rate, the first currency/the second currency, as on the day  $t_2$  on which the second currency is sold and the first currency is purchased,  
*the first currency* the currency which is by convention indicated in a currency pair as the first one,  
*the second currency* the currency which is by convention indicated in a currency pair as the second one,  
 $r_{poh,i}$  the swap interest rate of a receivable of the  $i^{\text{th}}$  swap payment on the valuation date of the swap,  
 $r_{zav,i}$  the swap interest rate of a liability of the  $i^{\text{th}}$  swap payment on the valuation date of the swap.

**Determination of the theoretical price of a European option**

- (1) The theoretical price of a European call option on an equity security from which no dividend is paid shall be calculated as follows:

$P = S_0 N(d_1) - E e^{-r \frac{t}{b}} N(d_2)$ , where:

$$d_1 = \frac{\left(r + \frac{\sigma^2}{2}\right) \frac{t}{b} + \ln \frac{S}{E}}{\sigma \sqrt{\frac{t}{b}}},$$

$$d_2 = d_1 - \sigma \sqrt{\frac{t}{b}},$$

- (2) The theoretical price of a European put option on an equity security from which no dividend is paid shall be calculated as follows:

$P = E e^{-r \frac{t}{b}} N(-d_2) - S_0 N(-d_1)$ , where:

$$d_1 = \frac{\left(r + \frac{\sigma^2}{2}\right) \frac{t}{b} + \ln \frac{S}{E}}{\sigma \sqrt{\frac{t}{b}}},$$

$$d_2 = d_1 - \sigma \sqrt{\frac{t}{b}},$$

where

- $P$  the theoretical price of the European call (put) option,
- $S_0$  the price of an equity security on the valuation day of the option,
- $E$  the expiry price of the equity security,
- $t$  the residual maturity period of the option till its expiry, in days,
- $b$  the basis of the number of days in a year,
- $\sigma$  the historical volatility of the equity security,
- $r$  the required continuous interest yield for the period  $t$ ,
- $N()$  the cumulative distribution function of a normal distribution with the mean value 0 and variance 1.

- (3) If continuous interest yield is not available, it shall be calculated as follows:

$$r = \ln(1 + r_d),$$

where

$r_d$  the required yield determined pursuant to Annex 15 for the period  $t$ ,

(4) If historical volatility of the respective equity security is not available, it shall be calculated as follows:

$$\sigma = \sigma_d \sqrt{250},$$

where

$$\sigma_d^2 = \frac{1}{n-2} \sum_{i=2}^n (X_i - \bar{X})^2,$$

$$X_i = \ln \frac{S_i}{S_{i-1}},$$

$$\bar{X} = \frac{1}{n-1} \sum_{i=2}^n X_i,$$

where

$\sigma$  the historical volatility of the equity security,

$\sigma_d$  historical volatility of an equity security expressed in days,

$S_i$  the price of the respective equity security on the day  $i$ ,

$n$  the number of business days from the beginning of the quotation of the price of the equity security; the number of days for which the historical volatility of the equity security is calculated,

$i = 1, 2, 3, \dots$  the index of business days from the beginning of the price quotation of the equity security.

**Determination of the required yield from cash flows arising from a financial instrument**

- (1) Required yield from cash flows arising from a financial instrument (hereinafter referred to as “required yield”) shall be determined using the method of linear interpolation from the yield curve of a zero coupon bond, using the following formula:

$$r = \frac{t^+ - t}{t^+ - t^-} r^- + \frac{t - t^-}{t^+ - t^-} r^+,$$

where

- $r$  the required yield,
- $t$  the maturity period of the cash flow from the financial instrument,
- $t^+$  the closest longer maturity period available on the yield curve of the zero coupon bond,
- $t^-$  the closest shorter maturity period available on the yield curve of the zero coupon bond,
- $r^+$  the value of the interest rate on the yield curve of a zero coupon bond belonging to the closest longer maturity period available on the yield curve of the zero coupon bond,
- $r^-$  the value of interest rate on the yield curve of the zero coupon bond belonging to the closest shorter maturity period available on the yield curve of the zero coupon bond.

- (2) Unless otherwise stipulated herein, all interest rates are expressed as percentage p.a.
- (3) The yield curve of the zero coupon bond is composed using bootstrapping, in the case of financial instruments with a maturity of
- (a) up to one year, from the interbank market interest rates, for the currency in which the respective financial instrument is denominated,
  - (b) over one year, from the interbank market swap interest rates in the currency in which the respective financial instrument is denominated.
- (4) For the purposes of the determination of the required yield
- (a) a zero coupon yield curve shall mean a yield curve representing yields to maturity of zero coupon financial instruments,
  - (b) bootstrapping shall mean the method of construction of a zero coupon bond yield curve for the respective financial instruments, derived from the yield curve,

**Determination of the risk premium of a debt security**

- (1) The risk premium of a debt security represents a positive or a negative premium against required interest yield or yield to maturity of the respective debt security determined applying the procedure specified in Annex 15. The sum of these values represents the total required yield or total yield to maturity.
- (2) Where the measure of premium is not available for a debt security, the risk premium of such debt security shall be calculated using the average premium of a debt security of the same issuer, in the same currency, with the closest shorter and the closest longer maturity periods (hereinafter referred to as “comparable debt security”).
- (3) The risk premium of a debt security shall be determined as an arithmetical average of the risk premiums of comparable debt securities. The risk premiums of comparable debt securities shall be determined from the prices of comparable debt securities determined pursuant to Article 3 (1), in the case of a comparable debt security with a maturity of
  - (a) up to one year, using the procedure specified in Annex 3, paragraph 1,
  - (b) over one year, using the procedure specified in Annex No. 3, paragraph 2.
- (4) Where no comparable debt security exists or where no price pursuant to Article 3 (1) not older than ten business days is available, the risk premium of a debt security shall be determined as an arithmetic average of the risk premiums of debt securities of the parent company of the issuer of the respective debt security with the closest shorter and the closest longer maturity periods. The risk premiums in the above example shall also be calculated using the procedure specified in paragraph 3 in the same manner.
- (5) If it is not possible to determine the risk premium of a debt security pursuant to paragraphs 1 to 4, the risk premium of a debt security shall be determined by the management company upon an agreement with the depositary of the common fund, taking into account the issuer's credit quality, the amount and the nature of a possible guarantee and the guarantor's credit quality, the risk margins of debt securities of the same issuer or its parent company in different currencies taking into account the different interest rates, current CDS spreads, the maturity period of the debt security and the currency in which the debt security is denominated.
- (6) CDS spread indicates the annual payment expressed as a percentage share of the nominal value of a CDS swap whose amount depends on the credit quality of the issuer of the financial instrument from which the CDS swap is derived.

A CDS swap is a financial derivative in which one party pays the other party regular payments within deadlines agreed on the transaction date, while the latter undertakes to provide the former with financial protection in the case of a pre-agreed credit event (default of the issuer of the respective financial instrument),
- (7) If the payment terms for the payment of yields or the principal of a debt security for which the risk premium is determined are different from those of comparable debt securities, the procedure specified in paragraph 5 shall apply where applicable.