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 31 December 2017, 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

Total credit to the private sector[3] increased in the fourth quarter of 2017, by 10% year on year. Although slightly lower in the last quarter than in the summer months, annual credit growth in Slovakia remained among the highest in the European Union, which recorded average credit growth of around 2%. In absolute terms, the year-on-year increase in the stock of loans to the Slovak private sector was close to its historical high of summer 2008. Both credit to households and credit to non-financial corporations (NFCs) maintained their upward path. Trends typical for an expansionary phase of the financial cycle remained present in the economy. At the same time, the risks associated with such a phase were increasing.

Total domestic bank credit to Slovak households as at the end of 2017 was 11.8% higher year on year (after recording a 12.3% increase at the end of the third quarter). In this category there was double-digit growth in both housing loans and consumer loans. Household credit growth in Slovakia was the second highest in the EU at the end of 2017, and its position as one of the highest rates among EU countries was extended to more than two years. Credit demand was being stimulated by factors on both the demand and supply side. Household demand for credit was supported by a favourable labour market situation and consequently low unemployment, by stable growth in average nominal wages in the economy, by the low interest rate environment, and by strong competition in the credit market. The sustained credit demand was further reflected in household debt growth, which by the end of the year stood at 40.7% of GDP.

The credit cycle's upswing was also evident in NFC credit growth. Total domestic bank credit to NFCs as at the end of 2017 was 6.7% higher year on year (after recording a 9.2% increase at the end of the third quarter). Although that growth rate was lower compared with the summer months, it was still significantly higher than the post-crisis average (2%). Firms' demand for credit was stoked by historically low interest rates, by the upward impact of macroeconomic trends on corporate sales, by favourable and stable outlooks, and by strengthening sentiment in the economy. The annual rate of credit growth in Slovakia was among the five highest in the EU at the end of the year. Furthermore, the NFC debt-to-GDP ratio increased to 57.7% in the fourth quarter of 2017.

The financial cycle's expansionary phase is also evident from indicators gauging developments in the credit and financial markets. The benchmark buffer guide for the countercyclical capital buffer (CCyB) rate remained unchanged from the previous quarter, although the indicators on which it is based imply that the CCyB should be set higher than its current rate. The domestic credit-to-$\text{GDP}_{\text{trend}}$ gap[4] ended 2017 at a level of 5.19, slightly lower compared with the end of the third quarter. Despite that decline, the benchmark buffer guide based on this indicator remained unchanged for a third successive quarter, at 1.75%. The Cyclogram, a composite indicator of the financial cycle, fell moderately in the last quarter of 2017, but remained close to its historical high recorded in summer 2008. The component indicators describing the credit market and indebtedness had a mitigating impact on the Cyclogram, while the indicators of macroeconomic developments, the housing market,

[3] Loans provided by domestic banks to the household sector (S14 and S15) and the NFC sector (S.11) in Slovakia (source: Statement V (NBS) 33 - 12).

[4] The indicator is based on the amount of loans provided by domestic banks to NFCs and households.

and credit risk losses made positive contributions. The benchmark buffer guide based on the Cyclogram stood at 2.5% throughout 2017.

Despite the slower pace of credit growth, risks in the financial market continued to build up. The economy was close to its potential, and the subsequent period is expected to see the output gap turn positive and the economy gradually overheat. Going forward, the build-up of risks related to the business cycle upswing is expected to gather momentum. In an environment of historically low interest rates, the banking sector's vulnerability to economic developments is increasing, given the rising trend in private sector indebtedness as well as banks' exposure to economically sensitive sectors, such as commercial real estate.

1.2 Excessive maturity mismatch and market illiquidity

As regards systemic liquidity in the banking sector, the two key trends continued in the fourth quarter of 2017. The first was the increasing maturity mismatch between assets and liabilities, stemming largely from the trends in the lending activity of banks and the growth in current account holdings. The sector continued to have a 12-month liquidity gap, which, however, did stop increasing owing to the fall in credit growth in the fourth quarter. It therefore cannot be viewed as positive that the share of investments in liquid securities continued to decline at the end of 2017. This risk at the level of individual banks is expected to be reduced by the regulatory liquidity coverage ratio (LCR). Since the start of this year, however, there has been an easing of requirements for liquid asset coverage of deposits. This is because of the mandatory transition to a new EU-wide LCR indicator that is less strict than the regulatory ratio applied by Národná banka Slovenska until the end of 2017.

The second trend concerns the long-term structure of lenders' funding sources. Despite the widening maturity mismatch between long-term loans and short-term deposits, the funding of loans with deposits remains the most stable type of business model for domestic banks. The continuing rise in the loan-to-deposit ratio implies that the balance-sheet structure of domestic banks is weakening in terms of long-term liquidity.

1.3 Concentration

The riskiness of certain exposures continued to moderate in the fourth quarter of 2017. These included exposures to particular segments of the corporate sector for which the non-performing loan (NPL) ratio continued to fall, as well as exposures to euro area countries for which credit risk premia remained below 1.5 percentage points. In terms of its structure, concentration risk remained broadly the same. An exception was the continuing decline in the concentration of banks' investments in Slovak government bonds, which as a share of their total assets fell over the course of the fourth quarter, from 11.0% to 10.2%. The concentration of exposures to the commercial real estate sector remained significant, although its rate of increase moderated. If sentiment is too optimistic, however, it could result in the underestimation of risks, most notably the sector's high vulnerability to cyclical economic developments.

1.4 Moral hazard

Compared with the third quarter of 2017, moral hazard indicators remained almost unchanged in the fourth quarter. A slight increase, however, was seen in total net assets, whose the concentration was already at its highest level since 2014 (when the time series began). The concentration of total liabilities and the concentration of total assets in the financial system also remained elevated. Although the share of Slovak government bonds held by banks continued to fall, the concentration of banks' investments in these bonds was rising. Indicators in the form of the volume of deposits guaranteed and the volume of loans provided to the retail sector were virtually unchanged.

1.5 Financial infrastructures and other risks

Banks did not make any contributions to the Deposit Protection Fund (DPF) in the last quarter of 2017 since the contributions set for 2017 were all paid during the first half of the year. But because the volume of covered deposits continued to increase, the deposit coverage ratio fell slightly, to 0.63%. The contribution rate for 2018 has been set at 0.01% of the total volume of covered deposits. The banking sector's total contribution to the EU's Single Resolution Fund for 2017 (€17.5 million) was also payable in the first half of the year. Banks' payments of the special levy, however, continued in the second half of 2017. The cumulative proceeds of the levy amounted to almost €850 million by the end of the year.

2 Decisions in the area of macroprudential policy

2.1 Decisions taken by NBS with respect to developments in the quarter under review

The NBS Bank Board decided that the countercyclical capital buffer (CCyB) rate will be left at 1.25%. The CCyB rate is currently set at 0.50% for the period from 1 August 2017 to 31 July 2018 and is due to be raised to 1.25% on 1 August 2018. If current trends continue in the next quarter, the Bank Board will consider raising the CCyB rate.

In taking its decision on the CCyB rate, the NBS Bank Board gave due consideration to the views of the European Central Bank (ECB) in accordance with Article 5 of the SSM Regulation.[5]

2.2 Current instrument settings

Under NBS Decision No 20/2016 of 26 July 2016, the CCyB rate was increased from zero to 0.50% with effect from 1 August 2017.[6]

Table 1 CCyB rates for Slovak exposures

Period of application	Rate
1 August 2017 – 31 July 2018	0.50%
1 August 2018 –	1.25%

[5] Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions ("the SSM Regulation").

[6] https://www.nbs.sk/_img/Documents/_Legislativa/_FullWordingsOther/EN_ROZ_20_2016.pdf

On 14 November 2017 the NBS Bank Board approved a Decree laying down detailed provisions on the assessment of borrowers' ability to repay consumer loans (NBS Decree No 10/2017).[7] This Decree, which entered into force on 1 January 2018, followed a Decree issued last year concerning the provision of housing loans. The adoption of the new Decree harmonised requirements for the provision of housing loans and consumer loans. At the same time, it completed the transformation of NBS Recommendation No 1/2014 into binding law. As a result, the Recommendation was repealed as from 1 January 2018. The most important change is that consumer loan applicants must now have an income that includes a financial buffer, after deducting all their debt service expenditure and their minimum subsistence amount from their income. In contrast to conditions for housing loans, however, this requirement does not apply to consumer loan applicants whose total indebtedness, including the loan applied for, is low in comparison with their annual income

Under Decision Nos 18/2016 and 19/2016 of Národná banka Slovenska of 24 May 2016, banks in Slovakia identified as 'other systemically important institutions' (O-SIIs) are required from 1 January 2017 to maintain a total additional capital buffer (comprising an O-SII buffer and in some cases also a systemic risk buffer) of between 1% and 2% of risk-weighted assets. From 1 January 2018, under NBS Decision Nos 5/2017 and 6/2017 of 30 May 2017, the total additional capital buffer requirement remains at 2% for the two largest banks and is reduced to either 1% or 1.5% for the other O-SIIs.[8]

Other currently applicable macroprudential policy instruments, covering mainly the area of capital requirements, are listed in Table 2.

2.3 Potential application of macroprudential policy instruments in the medium term

Retail lending

As NBS noted in its November 2017 Financial Stability Report, debt levels remain under strong upward pressure despite the measures taken to date. The main reasons for this are the extremely low level of interest rates, the easing of credit standards and the strength of economic growth, all of which could lead to economic overheating. NBS is considering the introduction of additional regulations aimed at reducing the potential for excessive household debt growth.

Expected developments in the CCyB rate in the next quarter

Under NBS decisions, the current settings of the CCyB rate – 0.50% from 1 August 2017 and 1.25% from 1 August 2018 – are lower than the benchmark buffer guides based on the principal indicators (Table 4). If this divergence persists in the next quarter, the Bank Board will consider raising the CCyB rate.

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[7] The full text of the Decree is available on the NBS website at https://www.nbs.sk/_img/Documents/_Legislativa/_FullWordingsOther/EN_O-10-2017.pdf.
A summary is available on the NBS website at https://www.nbs.sk/_img/Documents/_Dohlad/Makropolitika/opatrenie_prehlad2-EN.pdf.

[8] Available on the NBS website at https://www.nbs.sk/_img/Documents/_Legislativa/_FullWordingsOther/EN_ROZ_5_2017.pdf
and
https://www.nbs.sk/_img/Documents/_Legislativa/_FullWordingsOther/EN_ROZ_6_2017.pdf

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

As of 17 April 2018 the European Central Bank had not issued any macroprudential policy decision concerning the Slovak banking sector.

Table 2 Current setting of instruments applicable in Slovakia

Macroprudential instruments	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	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%	0.5%	0.5%	0.5%	CCyB increased to 0.5% since 1 August 2017 and further increase to 1.25% will apply since 1 August 2018.
O-SII buffer (Article 33d of the Banking Act)[9]	1% - 2%	1% - 2%	1% - 2%	0.5% - 1%	0.5% - 1%	To be decreased to 0.5% and 1% since 1 January 2018.
Systemic risk buffer (Article 33e of the Banking Act)[10]	1%	1%	1%	1%	1%	
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.

[9] 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.
[10] Systemic risk buffer is set for Slovenská sporiteľňa, a.s., Tatra banka, a.s. and Všeobecná úverová banka, a.s.

Table 3 Current setting of instruments applicable to foreign exposures

Macroprudential instrument	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Note
Macroprudential instruments applicable abroad						
Countercyclical capital buffer rate for **Czech Republic** (Article 33j of the Banking Act)	0.5%	0.5%	0.5%	0.5%	0.5%	To be increased to 1.0% from 1 July 2018 and to 1.25% from 1 January 2019.
Countercyclical capital buffer rate for **Sweden** (Article 33j of the Banking Act)	2%	2%	2%	2%	2%	
Countercyclical capital buffer rate for **United Kingdom** (Article 33j of the Banking Act)	0%	0%	0%	0%	0.5%	To be increased to 0.5% from 27 June 2018 and to 1% from 28 November 2018.
Countercyclical capital buffer rate for **Lithuania** (Article 33j of the Banking Act)	0%	0%	0%	0%	0%	To be increased to 0.5% from 31 December 2018.
Countercyclical capital buffer rate for **Denmark** (Article 33j of the Banking Act)	0%	0%	0%	0%	0%	To be increased to 0.5% from 31 March 2019.
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)	1.5%	1.5%	2%	2%	2%	
Countercyclical capital buffer rate for **Iceland** (Article 33j of the Banking Act)	1%	1%	1.25%	1.25%	1.25%	
Countercyclical capital buffer rate for **Hong Kong** (Article 33i and Article 33j of the Banking Act)	1.25%	1.25%	1.25%	1.875%	1.875%	To be increased to 2.5% from 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 **Estonia** (Article 33f of the Banking Act)	1%	1%	1%	1%	1%	
Systemic risk buffer for **other EU Member States** (Article 33f of the Banking Act)	0%	0%	0%	0%	0%	
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, Slovenia:** 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

	Total private debt: Standardised credit-to-GDP gap	Domestic credit 9): Domestic credit-to-GDP$_{trend}$ gap	Domestic credit year-on-year increase	- Households	- Enterprises	Domestic credit-to-GDP level	- Households	- Enterprises	Households sector: 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)	Corporate sector: Total debt to total revenues gap	Domestic credit to total revenues gap	Cyclogram 2)
12.17	4,93%	5,19%	10%	12%	7%	59%	39%	21%	3%	67%	71%	94	2,1%	0,3%	7,6
9.17	4,24%	5,50%	11%	12%	9%	59%	38%	21%	3%	65%	72%	95	1,8%	0,5%	7,7
6.17	2,53%	5,29%	12%	13%	10%	59%	38%	21%	3%	64%	71%	95	1,1%	0,4%	7,6
3.17	2,05%	4,87%	11%	14%	7%	58%	37%	21%	3%	63%	72%	96	0,9%	0,4%	7,6
12.16	1,26%	4,39%	10%	13%	5%	57%	36%	20%	3%	62%	73%	98	0,7%	0,2%	7,0
9.16	-0,52%	3,88%	10%	13%	5%	55%	35%	20%	2%	60%	74%	101	0,1%	0,1%	6,4
6.16	-1,54%	3,08%	9%	13%	4%	54%	34%	20%	1%	59%	73%	102	-0,2%	-0,1%	6,0
3.16	-3,73%	2,88%	10%	12%	8%	53%	33%	20%	1%	57%	73%	104	-0,9%	0,0%	5,9
12.15	-2,86%	2,85%	11%	12%	9%	53%	33%	20%	1%	56%	71%	105	-0,6%	0,0%	6,1
9.15	-2,83%	2,36%	9%	13%	3%	52%	32%	20%	1%	55%	70%	106	-0,6%	-0,2%	5,3
6.15	-2,72%	1,89%	9%	13%	3%	51%	31%	20%	0%	54%	69%	107	-0,5%	-0,2%	5,0
3.15	-1,72%	1,13%	7%	13%	-1%	50%	31%	19%	0%	53%	71%	108	-0,1%	-0,5%	4,5
12.14	-1,92%	0,65%	6%	12%	-2%	49%	30%	19%	0%	52%	73%	109	-0,2%	-0,8%	4,1
9.14	-0,82%	0,93%	7%	11%	1%	49%	30%	20%	0%	50%	72%	108	0,5%	-0,6%	4,1
6.14	-0,05%	0,49%	6%	11%	0%	48%	29%	20%	-1%	49%	72%	107	0,9%	-0,7%	3,6
3.14	-2,14%	0,38%	6%	10%	0%	48%	28%	20%	-1%	48%	73%	106	0,1%	-0,7%	3,4
12.13	-1,81%	0,18%	4%	9%	-3%	47%	28%	20%	-1%	47%	71%	105	0,4%	-0,8%	3,4
9.13	-2,94%	0,32%	4%	9%	-2%	47%	27%	20%	-1%	46%	71%	103	-0,1%	-0,8%	3,2
6.13	-5,92%	0,26%	4%	9%	-3%	47%	27%	20%	-1%	45%	70%	103	-1,3%	-0,8%	3,1
3.13	-5,82%	0,34%	3%	9%	-4%	46%	26%	20%	-2%	44%	70%	102	-1,1%	-0,8%	2,9
12.12	-4,36%	0,84%	3%	9%	-3%	46%	26%	21%	-1%	44%	70%	102	-0,5%	-0,7%	3,0
9.12	-4,87%	1,09%	2%	9%	-5%	46%	25%	21%	-1%	43%	70%	100	-0,5%	-0,6%	3,6
6.12	-5,36%	1,42%	3%	8%	-2%	46%	25%	21%	-2%	42%	71%	100	-0,7%	-0,5%	3,6
3.12	-5,21%	1,91%	7%	9%	4%	46%	24%	22%	-2%	41%	72%	99	-0,6%	-0,3%	4,2
12.11	-4,19%	2,53%	9%	10%	7%	46%	24%	22%	-1%	41%	70%	97	-0,3%	-0,1%	4,5
9.11	-3,82%	3,29%	9%	11%	8%	47%	24%	23%	-1%	41%	70%	96	-0,3%	0,2%	4,9
6.11	-4,45%	3,21%	10%	12%	8%	46%	24%	23%	-1%	40%	69%	94	-0,6%	0,1%	5,1
3.11	-3,71%	2,47%	7%	12%	3%	45%	23%	22%	-1%	39%	68%	93	-0,5%	-0,1%	4,6
12.10	-4,60%	2,30%	6%	12%	0%	45%	23%	22%	-1%	38%	66%	95	-1,1%	-0,3%	4,2
9.10	-2,58%	2,65%	4%	11%	-1%	45%	23%	22%	-1%	37%	68%	93	-0,5%	-0,2%	3,6
6.10	-2,49%	2,43%	3%	10%	-3%	45%	22%	22%	-1%	36%	67%	92	-1,1%	-0,4%	3,1
3.10	-0,78%	2,65%	2%	10%	-4%	45%	22%	23%	-1%	35%	67%	91	-1,0%	-0,4%	3,0
12.09	0,24%	2,92%	3%	11%	-3%	45%	22%	23%	-1%	35%	65%	91	-1,2%	-0,5%	3,1
9.09	2,67%	3,82%	6%	13%	0%	44%	21%	23%	-1%	34%	65%	89	-0,4%	-0,3%	3,6
6.09	2,73%	4,30%	9%	17%	3%	43%	20%	23%	0%	33%	65%	86	-0,3%	-0,3%	4,5
3.09	2,91%	5,30%	15%	22%	10%	42%	19%	23%	0%	32%	65%	80	0,2%	0,0%	5,6
12.08	-0,02%	5,98%	18%	25%	13%	40%	18%	22%	0%	32%	70%	75	-0,6%	0,1%	6,4
9.08	0,36%	6,77%	23%	28%	20%	40%	18%	22%	0%	31%	84%	70	0,0%	0,4%	7,8
6.08	0,14%	6,77%	24%	28%	21%	39%	17%	22%	0%	30%	90%	67	0,0%	0,5%	7,8
3.08	-1,04%	6,06%	26%	28%	24%	38%	16%	21%	0%	29%	91%	65	-0,4%	0,5%	7,5
12.07	-0,28%	6,50%	24%	28%	22%	37%	16%	21%	0%	28%	91%	69	-0,2%	0,6%	7,4
9.07	0,11%	5,81%	25%	27%	24%	36%	15%	20%	0%	27%	90%	75	0,0%	0,5%	7,6
6.07	0,31%	5,50%	23%	28%	19%	35%	15%	20%	0%	26%	90%	82	0,0%	0,5%	6,9
3.07	0,45%	4,58%	23%	30%	18%	33%	14%	19%	0%	25%	88%	93	0,2%	0,3%	6,8
12.06	-2,88%	4,97%	25%	32%	20%	33%	14%	19%	1%	25%	87%	103	-1,4%	0,5%	6,9
9.06	0,47%	3,97%	23%	34%	15%	32%	14%	18%	1%	23%	84%	111	0,1%	0,2%	5,2
6.06	3,77%	4,18%	26%	38%	20%	32%	13%	19%	1%	22%	82%	110	1,5%	0,4%	5,6
3.06	3,55%	3,16%	27%	40%	19%	31%	12%	18%	0%	21%	80%	113	1,4%	0,3%	5,1
12.05	-0,39%	2,89%	28%	41%	21%	30%	12%	18%	1%	20%	78%	110	-0,5%	0,3%	5,1
9.05	-0,12%	2,30%	21%	42%	11%	29%	11%	18%	1%	19%	76%	109	-0,3%	0,2%	4,7
6.05	0,35%	1,47%	16%	41%	4%	28%	11%	17%	1%	18%	75%	111	0,0%	0,1%	3,8
3.05	-0,30%	0,38%	11%	39%	-1%	27%	10%	17%	0%	16%	74%	108	-0,2%	-0,1%	3,0
12.04	0,44%	-0,39%	10%	38%	-1%	26%	9%	16%	0%	16%	71%	113	0,2%	-0,5%	3,4
9.04	0,13%	0,35%	16%	42%	6%	26%	9%	18%	0%	15%	70%	104	0,0%	-0,2%	3,3
6.04	0,00%	0,73%	19%	44%	11%	27%	8%	18%	0%	14%	69%	101	0,0%	0,0%	3,7
3.04	0,00%	0,81%	17%	41%	10%	26%	8%	19%	0%	13%	69%	102	0,0%	0,2%	4,1
12.03	0,00%	0,19%	12%	37%	4%	26%	7%	18%	0%	13%		100	0,0%	0,1%	3,7

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 increasing spread 4) as a share of own funds: Greece	Loans to sectors with increasing NPL 5) as a share of total assets: Construction
12.17	-42%	-43%	-47%	-42%	15%	15%	3%	89%	10%	6%	4%	0%	1%	33%	0%	1%
9.17	-40%	-42%	-48%	-41%	17%	14%	4%	90%	11%	7%	5%	1%	1%	35%	0%	1%
6.17	-41%	-42%	-48%	-41%	17%	12%	4%	91%	11%	6%	5%	1%	1%	34%	0%	1%
3.17	-40%	-41%	-48%	-43%	17%	10%	5%	92%	12%	7%	4%	1%	1%	33%	0%	1%
12.16	-41%	-43%	-48%	-42%	13%	14%	3%	105%	13%	5%	5%	1%	1%	28%	0%	1%
9.16	-42%	-43%	-47%	-44%	14%	14%	4%	106%	14%	5%	4%	1%	1%	33%	0%	1%
6.16	-41%	-42%	-46%	-43%	15%	12%	5%	102%	14%	6%	3%	1%	1%	32%	0%	1%
3.16	-39%	-39%	-46%	-42%	14%	9%	4%	119%	14%	6%	4%	1%	1%	32%	0%	1%
12.15	-40%	-40%	-46%	-40%	16%	14%	4%	102%	15%	6%	4%	1%	1%	29%	0%	1%
9.15	-39%	-40%	-46%	-39%	15%	16%	5%	114%	16%	5%	3%	1%	1%	28%	0%	2%
6.15	-39%	-41%	-47%	-41%	14%	17%	4%	112%	17%	5%	3%	1%	1%	29%	1%	2%
3.15	-38%	-39%	-46%	-42%	14%	18%	5%	107%	17%	5%	3%	1%	1%	30%	1%	1%
12.14	-37%	-37%	-46%	-41%	16%	19%	4%	101%	17%	6%	3%	1%	1%	29%	1%	1%
9.14	-37%	-39%	-46%	-42%	12%	16%	4%	111%	18%	5%	4%	2%	1%	31%	1%	2%
6.14	-38%	-40%	-45%	-41%	11%	20%	4%	124%	18%	5%	4%	1%	1%	33%	1%	2%
3.14	-36%	-38%	-45%	-40%	11%	14%	3%	105%	18%	4%	3%	2%	1%	31%	1%	2%
12.13	-36%	-38%	-43%	-40%	11%	14%	4%	99%	18%	5%	3%	2%	1%	31%	1%	2%
9.13	-36%	-38%	-43%	-40%	13%	9%	3%	94%	20%	5%	3%	2%	1%	34%	1%	2%
6.13	-34%	-36%	-41%	-38%	15%	11%	2%	106%	21%	5%	3%	2%	1%	35%	1%	2%
3.13	-31%	-33%	-40%	-36%	16%	14%	4%	109%	20%	5%	2%	2%	1%	34%	1%	2%
12.12	-32%	-33%	-37%	-33%	25%	15%	5%	108%	20%	6%	1%	2%	1%	31%	1%	2%
9.12	-31%	-33%	-39%	-34%	22%	15%	3%	100%	21%	6%	2%	4%	1%	34%	1%	2%
6.12	-30%	-32%	-36%	-32%	22%	14%	4%	95%	21%	6%	2%	3%	1%	36%	1%	2%
3.12	-29%	-32%	-36%	-32%	24%	17%	2%	90%	20%	5%	2%	4%	2%	37%	3%	2%
12.11	-33%	-35%	-40%	-35%	28%	12%	2%	117%	20%	4%	4%	3%	1%	37%	13%	2%
9.11	-32%	-37%	-40%	-37%	17%	14%	0%	139%	20%	5%	6%	4%	2%	38%	14%	2%
6.11	-35%	-38%	-39%	-37%	17%	14%	1%	135%	20%	6%	6%	4%	2%	41%	15%	2%
3.11	-34%	-38%	-39%	-35%	17%	19%	2%	110%	21%	6%	6%	4%	2%	39%	16%	2%
12.10	-36%	-39%	-38%	-34%	17%	14%	2%	110%	21%	5%	5%	4%	2%	37%	18%	2%
9.10	-36%	-40%	-37%	-33%	15%	16%	0%	99%	23%	5%	7%	5%	2%	38%	18%	2%
6.10	-36%	-39%	-37%	-33%	26%	22%	2%	101%	23%	4%	4%	5%	3%	40%	19%	2%
3.10	-36%	-37%	-40%	-34%	26%	30%	3%	111%	22%	3%	4%	5%	3%	40%	20%	2%
12.09	-32%	-34%	-39%	-31%	27%	28%	2%	110%	21%	4%	4%	5%	2%	42%	0%	2%
9.09	-30%	-34%	-38%	-30%	24%	22%	5%	111%	21%	6%	4%	5%	3%	43%	0%	2%
6.09	-31%	-35%	-36%	-30%	25%	16%	6%	121%	19%	5%	4%	5%	3%	46%	0%	2%
3.09	-29%	-32%	-35%	-30%	15%	15%	5%	146%	18%	3%	4%	5%	3%	48%	0%	2%
12.08	-23%	-23%	-28%	-24%	21%	12%	-14%	164%	14%	2%	10%	10%	6%	69%		2%
9.08	-30%	-30%	-28%	-24%	7%	22%	-13%	155%	14%	1%	12%	9%	6%	112%		2%
6.08	-27%	-30%	-28%	-23%	5%	22%	-13%	168%	15%	1%	13%	10%	5%	108%		2%
3.08	-29%	-30%	-30%	-25%	4%	20%	-12%	179%	17%	1%	9%	12%	6%	111%		2%
12.07	-33%	-32%	-29%	-24%		14%	-12%		18%	1%	10%	10%	6%	105%		2%
9.07	-28%	-30%	-29%	-24%		7%	-11%		18%	1%	8%	11%	6%	107%		2%
6.07	-28%	-31%	-28%	-23%		13%	-11%		18%	1%	8%	12%	7%	110%		2%
3.07	-27%	-26%	-28%	-24%		13%	-12%		14%	1%	9%	10%	7%	114%		1%
12.06	-28%	-31%	-31%	-25%		10%	-8%		19%	1%	5%	10%	6%	113%		2%
9.06	-26%	-27%	-30%	-24%		5%	-7%		16%	1%	4%	5%	5%	126%		1%
6.06	-23%	-26%	-27%	-22%		5%	-14%		16%	1%	7%	6%	7%	131%		1%
3.06	-28%	-24%	-28%	-23%		4%	-16%		16%	0%	7%	4%	7%	110%		1%
12.05																
9.05																
6.05																
3.05																
12.04																
9.04																
6.04																
3.04																
12.03																

Moral hazard

	Total net assets: C5	HHI	Guaranteed deposits: C5	HHI	Investments in domestic government bonds as a share of the total amount of government bonds: C5	HHI	Loans to retail sector: C5	HHI	Total assets within financial system: C5	HHI	Total liabilities within financial system: C5	HHI
12.17	75%	1 333	76%	1 495	18%	2 244	81%	1 666	67%	1 316	85%	1 647
9.17	74%	1 326	76%	1 497	19%	2 071	81%	1 667	68%	1 419	85%	1 632
6.17	74%	1 306	76%	1 470	19%	2 050	80%	1 637	68%	1 438	84%	1 598
3.17	74%	1 292	76%	1 451	20%	2 101	80%	1 623	69%	1 388	85%	1 610
12.16	73%	1 270	75%	1 433	21%	1 862	80%	1 609	61%	1 175	84%	1 566
9.16	73%	1 269	75%	1 427	22%	1 867	79%	1 590	58%	949	85%	1 609
6.16	73%	1 263	75%	1 412	22%	1 843	79%	1 591	62%	963	86%	1 581
3.16	73%	1 248	75%	1 410	22%	1 857	79%	1 587	61%	898	86%	1 553
12.15	72%	1 250	75%	1 416	24%	1 739	79%	1 583	61%	1 008	87%	1 572
9.15	72%	1 237	69%	1 273	24%	1 772	79%	1 580	58%	845	89%	1 641
6.15	71%	1 231	70%	1 283	24%	1 757	79%	1 580	53%	791	87%	1 615
3.15	71%	1 230	70%	1 283	25%	1 759	79%	1 571	53%	867	86%	1 550
12.14	71%	1 221	70%	1 279	25%	1 772	79%	1 564	53%	878	86%	1 587
9.14	71%	1 226	70%	1 276	26%	1 817	80%	1 571	50%	807	84%	1 538
6.14	70%	1 218	70%	1 278	26%	1 832	80%	1 568	55%	961	83%	1 534
3.14	70%	1 205	70%	1 276	26%	1 764	80%	1 558	53%	1 038	82%	1 508
12.13	70%	1 214	70%	1 284	27%	1 788	80%	1 559	55%	987	84%	1 605
9.13	71%	1 223	73%	1 354	27%	1 771	81%	1 577	52%	980	84%	1 596
6.13	71%	1 213	73%	1 360	27%	1 689	82%	1 610	49%	857	86%	1 627
3.13	71%	1 220	73%	1 361	28%	1 824	83%	1 641	48%	783	87%	1 654
12.12	71%	1 221	73%	1 371	30%	1 797	83%	1 644	49%	750	86%	1 656
9.12	72%	1 254	73%	1 386	32%	1 848	83%	1 643	55%	882	86%	1 688
6.12	72%	1 250	73%	1 383	31%	1 827	83%	1 659	56%	905	84%	1 644
3.12	71%	1 222	73%	1 359	33%	1 734	84%	1 672	55%	853	82%	1 550
12.11	72%	1 254	73%	1 389	34%	1 777	84%	1 672	57%	914	81%	1 537
9.11	71%	1 220	75%	1 458	37%	1 766	84%	1 661	59%	882	79%	1 409
6.11	71%	1 221	75%	1 454	36%	1 746	84%	1 659	57%	905	78%	1 395
3.11	71%	1 220	75%	1 458	38%	1 789	84%	1 665	62%	1 027	78%	1 448
12.10	72%	1 237	75%	1 478	40%	1 839	84%	1 682	62%	1 077	74%	1 375
9.10	72%	1 252	75%	1 508	45%	1 844	85%	1 694	59%	942	74%	1 373
6.10	73%	1 275	76%	1 513	47%	1 808	85%	1 698	60%	1 034	75%	1 266
3.10	72%	1 265	76%	1 517	47%	1 805	85%	1 698	63%	1 168	77%	1 331
12.09	72%	1 273	77%	1 536	47%	1 909	85%	1 683	62%	1 135	74%	1 316
9.09	72%	1 266	78%	1 590	47%	1 924	85%	1 678	62%	1 050	74%	1 259
6.09	70%	1 214	76%	1 571	45%	1 891	83%	1 638	61%	1 032	66%	1 075
3.09	69%	1 187	76%	1 575	46%	1 920	82%	1 618	62%	945	65%	1 053
12.08	72%	1 197	76%	1 605	38%	1 701	82%	1 611	61%	910	71%	1 149
9.08	68%	1 090	74%	1 512	34%	1 913	82%	1 619	62%	960	69%	1 097
6.08	67%	1 083	74%	1 571	33%	2 026	82%	1 613	69%	1 095	66%	1 060
3.08	67%	1 086	74%	1 576	37%	2 071	82%	1 606	62%	982	67%	1 090
12.07	68%	1 085	75%	1 573	40%	2 306	82%	1 587	68%	1 076	65%	1 056
9.07	68%	1 075	75%	1 582	40%	2 404	82%	1 595	65%	1 005	66%	1 124
6.07	68%	1 086	75%	1 579	39%	2 366	81%	1 599	67%	1 091	70%	1 188
3.07	66%	1 065	76%	1 597	40%	2 309	81%	1 593	62%	984	64%	1 049
12.06	67%	1 127	76%	1 594	44%	2 175	81%	1 584	65%	1 035	61%	965
9.06	65%	1 096	76%	1 612	47%	2 193	81%	1 589	67%	1 063	63%	996
6.06	67%	1 110	76%	1 614	47%	2 195	81%	1 601	70%	1 204	69%	1 137
3.06	66%	1 037	76%	1 622	45%	2 050	81%	1 605	62%	954	67%	1 125
12.05	68%	1 071	75%	1 593	52%	2 377	81%	1 606	66%	1 060	67%	1 194
9.05	67%	1 094	75%	1 625	52%	2 368	81%	1 622	63%	1 022	67%	1 113
6.05	67%	1 121	75%	1 644	51%	2 052	81%	1 621	61%	1 008	68%	1 176
3.05	67%	1 104	75%	1 658	50%	1 936	81%	1 625	63%	1 048	66%	1 107
12.04	66%	1 147	75%	1 671	61%	2 065	81%	1 640	64%	1 009	63%	1 025
9.04	66%	1 136	75%	1 684	62%	2 043	81%	1 664	64%	1 196	62%	986
6.04	66%	1 178	76%	1 710	61%	2 038	81%	1 676	67%	1 125	67%	1 046
3.04	65%	1 164	77%	1 803	66%	2 088	81%	1 720	67%	1 128	62%	999
12.03												

Financial infrastructure / Resilience of financial system

	Coverage of covered deposits 6)	Assets from the bank levy as a share of total assets 7)	Change in TARGET2 balance of the Slovak Republic (EUR millions)	TARGET2 balance of the Slovak Republic as a share of NBS assets	Tier 1 ratio	Own funds ratio	Liquid asset ratio 8)	Loan-to-deposit ratio
12.17	0,6%	1,1%	18 748	24%	17%	19%	1,46	98%
9.17	0,6%	1,1%	-1 230	-38%	16%	18%	1,48	98%
6.17	0,7%	1,0%	-776	-34%	17%	19%	1,44	97%
3.17	0,7%	1,0%	-2 630	-32%	17%	18%	1,50	96%
12.16	0,7%	1,0%	-554	-22%	16%	18%	1,49	95%
9.16	0,7%	1,0%	-1 918	-21%	17%	18%	1,47	93%
6.16	0,7%	0,9%	-2 029	-13%	16%	17%	1,60	90%
3.16	0,7%	0,9%	-1 079	-3%	16%	17%	1,69	90%
12.15	0,7%	0,9%	988	3%	17%	18%	1,64	90%
9.15	0,6%	0,9%	-1 602	-3%	16%	17%	1,53	91%
6.15	0,6%	0,9%	807	7%	16%	18%	1,49	91%
3.15	0,6%	0,8%	-1 973	2%	16%	17%	1,58	90%
12.14	0,6%	0,8%	-2 149	12%	16%	17%	1,6	91%
9.14	0,6%	0,8%	1 602	22%	16%	17%	1,36	91%
6.14	0,6%	0,8%	-3 699	16%	16%	17%	1,36	90%
3.14	0,6%	0,7%	3 800	30%	16%	17%	1,44	89%
12.13	0,5%	0,6%	-4 256	16%	15%	17%	1,42	89%
9.13	0,5%	0,5%	-395	32%	15%	16%	1,42	89%
6.13	0,5%	0,4%	2 527	33%	15%	16%	1,46	88%
3.13	0,5%	0,3%	3 923	23%	15%	16%	1,5	87%
12.12	0,5%	0,3%	2 439	5%	13%	16%	1,51	88%
9.12	0,5%	0,2%	3 718	-8%	13%	16%	1,47	90%
6.12	0,5%	0,1%	2 779	-27%	12%	15%	1,47	89%
3.12	0,5%	0,0%	5 574	-39%	12%	13%	1,51	89%
12.11	0,5%	0,0%	-2 617	-63%	12%	13%	1,36	90%
9.11	0,4%	0,0%	3 128	-55%	13%	13%	1,36	88%
6.11	0,4%	0,0%	-2 350	-72%	13%	13%	1,35	87%
3.11	0,3%	0,0%	1 529	-63%	12%	13%	1,36	86%
12.10	0,3%	0,0%	1 140	-67%	12%	13%	1,37	85%
9.10	0,2%	0,0%	587	-74%	12%	13%	1,39	87%
6.10	0,2%	0,0%	-572	-71%	12%	12%	1,35	83%
3.10	0,1%	0,0%	54	-73%	11%	12%	1,39	86%
12.09					11%	12%	1,31	85%
9.09					11%	12%	1,30	84%
6.09					12%	12%	1,32	83%
3.09					11%	12%	1,40	83%
12.08					11%	12%	1,46	78%
9.08					11%	13%		85%
6.08					12%	13%		84%
3.08					11%	13%		83%
12.07					12%	13%		77%
9.07					13%	14%		74%
6.07					13%	14%		71%
3.07					13%	15%		73%
12.06					13%	15%		72%
9.06					14%	16%		68%
6.06					14%	18%		68%
3.06					14%	18%		66%
12.05					15%	19%		66%
9.05					16%	21%		63%
6.05					17%	22%		58%
3.05					18%	21%		56%
12.04						0%		57%
9.04						0%		54%
6.04						0%		55%
3.04						0%		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.

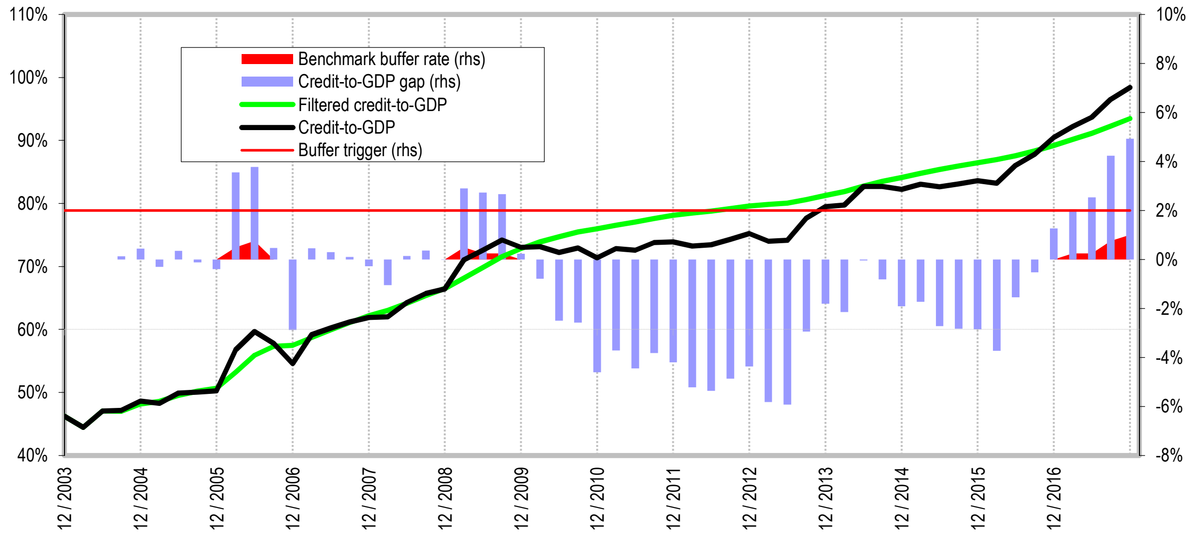
1) The data on LTV ratios for new loans for the period 2004–2008 are based on an expert estimation. 2) Cyclogram time series are recalculated with every extension of time series for the new period, due to this fact the values of the entire time series change between respective vintages. 3) Capital: Own funds of foreign banks´ subsidiaries. 4) Annual increase of spread by more than 2 p.p. or spread exceeding 3 p.p. (last observtaion or average). 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 1.5 p.p. or the level of NPL ratio exceeding 10% in last 12 months. 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 data on NFC debt against NFC sector (sector S11 against S11) for Q3 2017, some indicators in the table containing the respective data are changed in Q3 2017 in comparison with the previous Quarterly Commentary on Macroprudential Policy - January 2018.

B) Countercyclical capital buffer

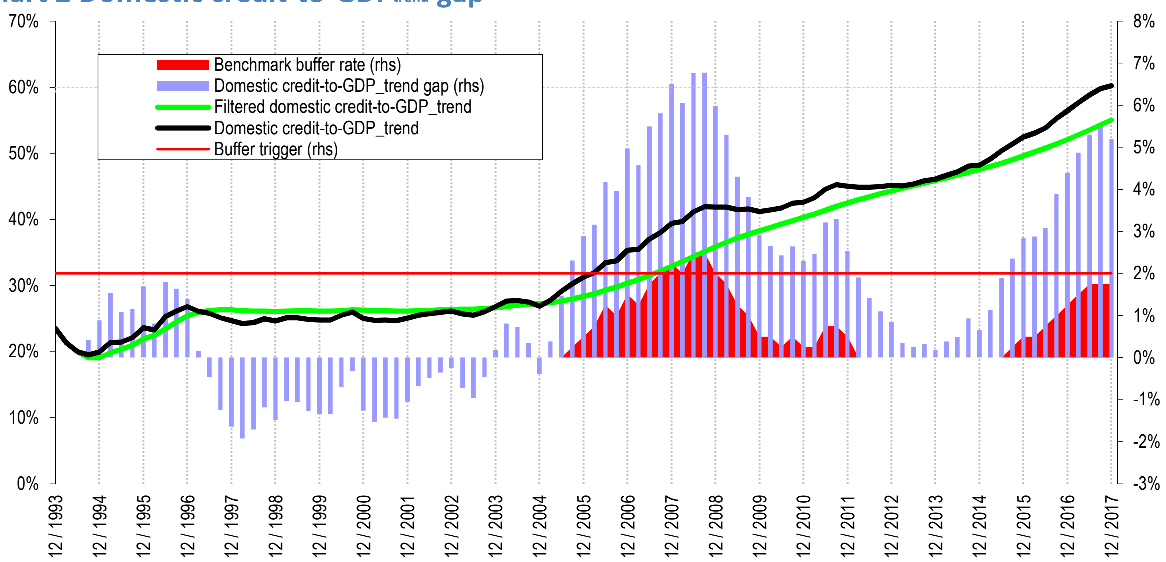
Deviation of the credit-to-GDP ratio from its long-term trend[11]

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.
Due to revised data on NFC debt against NFC sector (sector S11 against S11) for Q3 2017, level of the Credit-to-GDP gap indicator as well as level of buffer guide was slightly revised in Q3 2017.

Chart 2 Domestic credit-to-GDP$_{trend}$ gap[12]

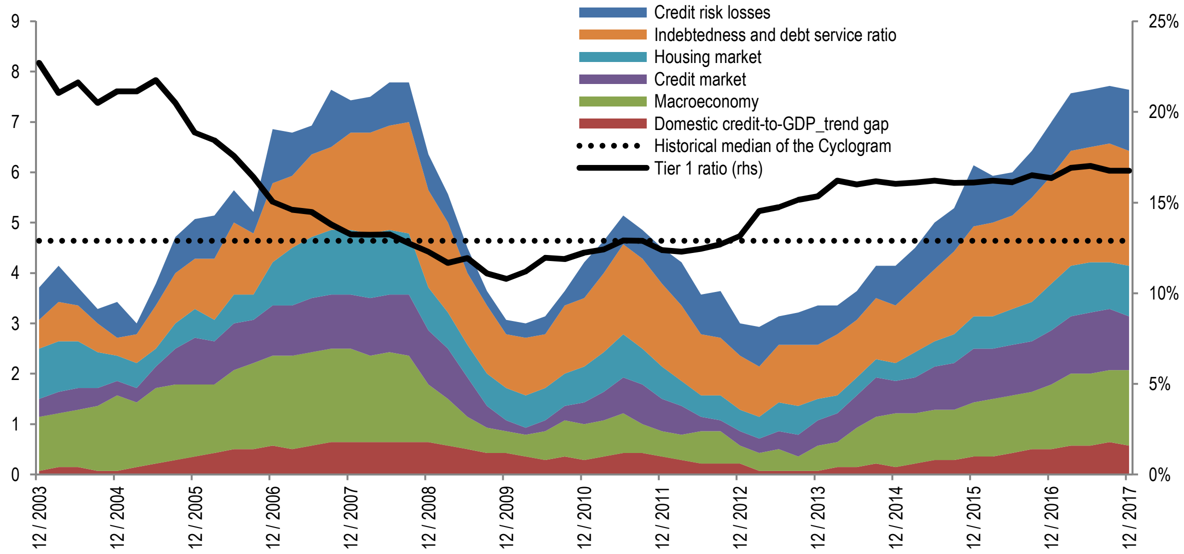


Source: NBS, SO SR.
Domestic credit-to-GDP gap is estimated on credit provided by domestic banking sector to NFCs and households.
Countercyclical capital buffer trigger values and gap values are shown on the right-hand scale.

[11] The buffer guide calibration made in accordance with with ESRB Recommendation No ESRB/2014/1 of 18 June 2014, Annex, Part II.

[12] Ratio pursuant to Article 33g(2)(a) 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, part B2.

Chart 3 Cyclogram[13]



Source: NBS, SO SR and CMN.

Table 4 Buffer guide for the countercyclical capital buffer as at 31 December 2017

Indicator	Buffer guide	Debt/GDP ratio	Deviation of the credit-to-GDP ratio from its long-term trend
Credit-to-GDP gap (Chart 1)	1.00%	98.4%	4.93%
Domestic credit-to-GDP$_{trend}$ gap (Chart 2)	1.75%	59.4%	5.19%
Cyclogram (Chart 3)	2.50%		

Source: NBS.

Note: Due to the shortage of time series, the Credit-to-GDP gap indicator does not actually perform as a reliable buffer guide indicator.

[13] Pursuant to Article 33g(1c) 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, parts C and D.