

**OFFICIAL INFORMATION  
OF THE CZECH NATIONAL BANK**

of 8 April 2024

**regarding the method for calculating risk weights for the purposes of setting  
contributions to the Deposit Insurance Fund**

- I. This Official Information shall replace Annex 2 of Official Information of the Czech National Bank regarding the method for calculating risk weights for the purposes of setting contributions to the Deposit Insurance Fund, Issue 5/2018 of 5 March 2018 CNB Bull., as amended by Official Information of the Czech National Bank regarding the method for calculating risk weights for the purposes of setting contributions to the Deposit Insurance Fund, Issue 5/2023 of 17 March 2023.
- II. This Official Information shall apply from the date of its publication.

Member of the Bank Board

Jan Procházka, duly signed

Annex: Updated Annex 2 – List of risk indicators, their weights and boundaries for the calculation of the individual risk score

Annex 2 is worded as follows:

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Annex 2

**List of risk indicators, their weights and boundaries for the calculation of the individual risk score**

Risk indicator	Indicator weight (IW)			IRS function upper boundary (a) lower boundary (b)
	Min. weight	Flexible weight	Final weight	
<b>Capital:</b>	<b>18.0%</b>	<b>6.0%</b>	<b>24.0%</b>	
<p><b><u>Indicator No. 1:</u></b></p> <p><b>Leverage ratio<sup>1</sup></b> = <math>\frac{\text{Tier 1 Capital}}{\text{Total exposure measure}} \cdot 100</math></p> <p>(the resulting indicator value is set as the ratio of the average values at the end of Q1, Q2, Q3 and Q4 of the previous calendar year*; in %, to two decimal places)</p>	9.0%	3.0%	12.0%	<p><b>Decreasing function</b> <b>a = 10</b> <b>b = 4</b></p>

<sup>1</sup> The leverage ratio pursuant to Article 429 of Regulation (EU) No 575/2013 of the European Parliament and of the Council is applied. A figure for branches of banks from non-Member States has been available since 1 January 2022 – on the basis of Article 12a(5)(d) of Act No. 21/1992 Coll., on Banks, Article 70a of Decree No. 163/2014 Coll., as amended by Decree No. 354/2021 Coll. (in compliance with Article 70a(1), capital for the purpose of calculating the leverage ratio of a branch of a bank from a non-Member State means Tier 1 Capital set similarly pursuant to Article 56(2) to (4) of the Decree) and Article 6(5) of Decree No. 346/2013 Coll., as amended.

<p><b>Note:</b> Data on an <b>individual</b> basis pursuant to Article 429 of Regulation (EU) No 575/2013 of the European Parliament and of the Council reported in accordance with Regulation (EU) 2021/451, as amended, are applied:</p> <p>Tier 1 Capital: corep_of C_01.00 – Capital (l. 0015 c. 0010)</p> <p>Total exposure measure (the total exposure measure of the leverage ratio – the use of a temporary definition of Tier 1 Capital): corep_lr C_47.00 – Calculation of the leverage ratio (l. 0300 c. 0010)</p>				
<p><b>Indicator No. 2:</b>  <math display="block">\text{CET1 ratio} = \frac{\text{Common Equity Tier 1 (CET1) Capital}}{\text{Total Risk Exposures}} \cdot 100</math>           (the resulting indicator value is set as the ratio of the average values at the end of Q1, Q2, Q3 and Q4 of the previous calendar year*; in %, to two decimal places)</p>	9.0%	3.0%	12.0%	<p><b>Decreasing function</b> a = 22 b = 15</p>
<p><b>Note:</b> Data on an <b>individual</b> basis reported in accordance with Regulation (EU) 2021/451, as amended, are applied:</p> <p>Common Equity Tier 1 capital: corep_of C_01.00 – Capital (l. 0020 c. 0010)</p> <p>Total risk exposures (total volume of the risk exposure): corep_of C_02.00 – Capital requirements (l. 0010 c. 0010)</p>				
<b>Liquidity and funding</b>	<b>18.0%*</b>	<b>6.0%*</b>	<b>24.0%*</b>	
<p><b>Indicator No. 3a:</b>  <math display="block">\text{LCR} = \frac{\text{Liquidity buffer}}{\text{Net liquidity outflow}} \cdot 100</math>           (the resulting indicator value is set as the ratio of the average values at the end of Q1, Q2, Q3 and Q4 of the previous calendar year*; in %, to two decimal places)</p>	9.0%	3.0%	12.0%	<p><b>Decreasing function</b> a = 180 b = 100</p>

**Note:**

Data on an **individual** basis pursuant to Article 412 of Regulation (EU) No 575/2013 of the European Parliament and of the Council reported in accordance with Regulation (EU) 2021/451, as amended, are applied:

Liquidity buffer:

corep\_lcr\_da C\_76.00 – Liquidity coverage – calculations, total currencies (l. 0010, c. 0010)

Net liquidity outflow:

corep\_lcr\_da C\_76.00 – Liquidity coverage – calculations, total currencies (l. 0020, c. 0010)

In the case of a liquidity sub-group, the indicator value is set as described above for the sub-group as a whole and is applied to the individual sub-group members.

**Indicator No. 3b:**

$$\text{Net stable funding ratio (NSFR)} = \frac{\text{Available stable funding}}{\text{Required stable funding}} \cdot 100$$

(the resulting indicator value is set as the ratio of the average values at the end of Q1, Q2, Q3 and Q4 of the previous calendar year\*; in %, to two decimal places )

9.0%

3.0%

12.0%

**Decreasing  
function  
a = 150  
b = 100**

**Note:**

Data on an **individual** basis pursuant to Article 428b of Regulation (EU) No 575/2013 of the European Parliament and of the Council reported in accordance with Regulation (EU) 2021/451, as amended:

Available stable funding:

(note: the figure also includes available stable funding from derivatives)

corep-nsfr C\_84.00 – NSFR summary (IV) – available stable funding (l. 0120, c. 0030)

Required stable funding:

corep-nsfr C\_84.00 – NSFR summary (III) – required stable funding (l. 0010, c. 0020)

In the case of a liquidity sub-group, the indicator value is set as described above for the sub-group as a whole and is applied to the individual sub-group members.

Asset quality	13.0%	5.0%	18.0%	
<p><b>Indicator No. 4:</b></p> <p><b>NPL ratio = <math>\frac{\text{Non-performing loans and receivables}}{\text{Total loans and receivables}} \cdot 100</math></b></p> <p>(the resulting indicator value is set as the ratio of the average values at the end of Q1, Q2, Q3 and Q4 of the previous calendar year*; in %, to two decimal places)</p>	13.0%	5.0%	18.0%	<p><b>Increasing function</b></p> <p><b>a = 10</b></p> <p><b>b = 1</b></p>
<p><b>Note:</b></p> <p>Data on an <b>individual</b> basis reported in accordance with Decree No. 346/2013 Coll., on the submitting of statements by banks and foreign bank branches to the Czech National Bank and Decree No. 426/2013 Coll., on the submitting of statements by credit unions to the Czech National Bank are applied:</p> <p>Non-performing loans and receivables:  <math>\text{finrep9 F}_{18.00} - \text{Performing and non-performing exposures (I)} (l.0090 \text{ c. } 0060) + (l.0120 \text{ c. } 0060) + (l. 0150 \text{ c. } 0060) + (l. 0193 \text{ c. } 0060) + (l. 0196 \text{ c. } 0060) + (l. 0197 \text{ c. } 0060) + (l. 0223 \text{ c. } 0060) + (l. 0226 \text{ c. } 0060) + (l. 0227 \text{ c. } 0060)</math></p> <p>Total loans and receivables:  <math>\text{finrep9 F}_{18.00} - \text{Performing and non-performing exposures (I)} (l.0090 \text{ c. } 0010) + (l.0120 \text{ c. } 0010) + (l.0150 \text{ c. } 0010) + (l.0193 \text{ c. } 0010) + (l.0196 \text{ c. } 0010) + (l.0197 \text{ c. } 0010) + (l.0223 \text{ c. } 0010) + (l.0226 \text{ c. } 0010) + (l.0227 \text{ c. } 0010)</math></p> <p>The ratio is set as a ratio of non-performing and total loans and receivables from general government, non-financial corporations and households (gross) for financial assets at amortised cost, financial assets at fair value through OCI and financial assets other than for trading designated at fair value through profit/loss, and financial assets at fair value through profit and loss.</p> <p>If these loans and receivables comprise only receivables from payment services, the arithmetic mean of the values of the indicators of all other credit institutions and branches of banks from a non-Member State determined in accordance with the above formula in the given calendar year is applied to set the value of the indicator.</p>				

<b>Business model and management</b>	<b>13.0%</b>	<b>4.0%</b>	<b>17.0%</b>	
<p><b>Indicator No. 5:</b></p> $\text{Risk exposure ratio} = \frac{\text{Total Risk Exposures}}{\text{Total Assets}} \cdot 100$ <p>(the resulting indicator value is set as the ratio of the average values at the end of Q1, Q2, Q3 and Q4 of the previous calendar year*; in %, to two decimal places)</p>	6.5%	2.0%	8.5%	<p><b>Increasing function</b>  <b>a = 100</b>  <b>b = 30</b></p>
<p><b>Note:</b>  Data on an <b>individual</b> basis reported in accordance with Regulation (EU) 2021/451, as amended, and Decree No. 346/2013 Coll., on the submitting of statements by banks and foreign bank branches to the Czech National Bank and Decree No. 426/2013 Coll., on the submitting of statements by credit unions to the Czech National Bank are applied:</p> <p>Total risk exposures (total volume of the risk exposure):  corep_of C_02.00 – Capital requirements (l. 0010 c.0010)</p> <p>Total assets:  finrep9 F_01.01 – Balance sheet: assets (l. 0380 c. 0010)</p>				
<p><b>Indicator No. 6:</b></p> $\text{Return on assets (RoA)} = \frac{\text{Profit (loss) after tax}}{\text{Total Assets}} \cdot 100$ <p>(the resulting indicator value is set as the ratio of the average value of profit as of 31 December for the previous two calendar years** to the average value of assets as of the end of Q1, Q2, Q3 and Q4 for the previous two calendar years***; in %, to two decimal places)</p>	6.5%	2.0%	8.5%	<p><b>Decreasing function</b>  <b>a = 1.5</b>  <b>b = 0</b></p>

**Note:**

Data on an **individual** basis reported in accordance with Decree No. 346/2013 Coll., on the submitting of statements by banks and foreign bank branches to the Czech National Bank and Decree No. 426/2013 Coll., on the submitting of statements by credit unions to the Czech National Bank are applied:

Profit (loss) after tax:

finrep9 F\_02.00 – Profit and loss statement (l. 0670 c. 0010)

Total assets:

finrep9 F\_01.01 – Balance sheet: assets (l. 0380 c. 0010)

<b>Potential losses for the DGS</b>	<b>13.0%</b>	<b>4.0%</b>	<b>17.0%</b>	
<b>Indicator No. 7:</b> <b>Non-encumbrance of assets</b> = $\frac{\text{Unencumbered Assets}}{\text{Covered Deposits}} \cdot 100$ (the resulting indicator value is set as the ratio of the average values at the end of Q1, Q2, Q3 and Q4 of the previous calendar year*; in %, to two decimal places)	13.0%	4.0%	17.0%	<b>Decreasing function</b> <b>a = 500</b> <b>b = 50</b>
<b>Note:</b> Data on an <b>individual</b> basis pursuant to Article 411(5) of Regulation (EU) No 575/2013 of the European Parliament and of the Council reported in accordance with Regulation (EU) 2021/451, as amended, and Decree No. 346/2013 Coll., on the submitting of statements by banks and foreign bank branches to the Czech National Bank and Decree No. 426/2013 Coll., on the submitting of statements by credit unions to the Czech National Bank are applied:  <b>Calculation for a bank and a branch of a bank from a non-Member State:</b> Unencumbered assets: ae F_32.01 – Assets of the reporting institution (l. 010 c. 060) Covered deposits: DISIFE24_1 DIS24_01 – Insured client deposits (l. 1 c. 2)  <b>Calculation for a credit union:</b> Unencumbered assets: ae F_32.01 – Assets of the reporting institution (l. 010 c. 060) Covered deposits: DOZAS24_1 DIS24_01 – Insured client deposits (l. 1 c. 2)				
<b>Total (for all indicators)</b>	<b>75.0%</b>	<b>25.0%</b>	<b>100.0%</b>	

- \* If a credit institution merged or demerged in the previous calendar year or later before the amount of the contribution was set, the average value is set as a quarter of the sum of values reported by all entities participating in the conversion (i.e. dissolved and successor credit institutions and branches of a bank from a non-Member State) at the end of Q1, Q2, Q3 and Q4 of the previous calendar year.
- \*\* If a credit institution merged or demerged in the previous calendar year or later before the amount of the contribution was set, the average value is set as half of the sum of values reported by all entities participating in the conversion (i.e. dissolved and successor credit institutions and branches of a bank from a non-Member State) as of 31 December for the previous two calendar years.
- \*\*\* If a credit institution merged or demerged in the previous calendar year or later before the amount of the contribution was set, the average value is set as one-eighth of the sum of values reported by all entities participating in the conversion (i.e. dissolved and successor credit institutions and branches of a bank from a non-Member State) at the end of Q1, Q2, Q3 and Q4 for the previous two calendar years.

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