

**EESTI PANK**  
**Governor's Decree No 31**  
**of 21 December 2010**

**Amendment to Eesti Pank Governor's Decree No. 4 of 27 March 2007, "Reports on prudential ratios of credit institutions and consolidation groups of credit institutions"**

This Decree is established under subsections 71 (7), 79 (6)–(8), and 86<sup>1</sup>(3) of the Credit Institutions Act.

§ 1. The following amendments shall be introduced in Appendix 1 "Capital adequacy report" of Eesti Pank Governor's Decree No. 4 of 27 March 2007, "Reports on prudential ratios of credit institutions and consolidation groups of credit institutions" (hereinafter *Decree*) (RTL 2007, 28, 510; 2010, 6, 112):

1) in clause 4 the phrase "Fixed assets revaluation reserve 2204" shall be replaced by the text "Revaluation reserves 2204";

2) in sub-clause 5(13) the words "in subsection 73(5), clause 73(5<sup>1</sup>) and subsection 73(6)" shall be replaced by "in subsection 73(5), (6) and (7)";

3) the second and third sentence shall be omitted from sub-clause 5(18);

4) the words "without accrued interest" shall be added to the end of the second sentence of sub-clause 5(20);

5) sub-clause 5(21) shall be phrased as follows:

**"21) Item 2202 "Preferred stock"**

"This comprises the nominal value of cumulative fixed term preferred stock issued by credit institutions less redeemed preferred stocks at balance sheet value (at cost) as at the end of the reporting period.";

6) in sub-clause 5(22) the words "in subsection 78(2)" shall be replaced by the words "in subsection 78(7)";

7) in sub-clause 5(23) the words "fixed assets revaluation reserve" shall be replaced by the words "revaluation reserves";

8) the words "pursuant to subsections 7(5)–(7) of the decree on prudential ratios" shall be added to the end of sub-clause 5(25)“;

9) in sub-clause 5(30) the words "in subsection 78(1)" shall be replaced by "in subsection 78(6)";

10) sub-clause 5(45) shall be phrased as follows:

**"45) Item 2403 "Tier 2 own funds for calculation of capital adequacy"**

This comprises the Tier 2 own funds used for the calculation of capital adequacy, taking into account the limitations laid down in subsections 78(5) to 78(11) of the Credit Institutions Act.";

11) in sub-clause 5(46) the words "in subsections 78(2) to 78(6)" shall be replaced by "in subsections 78(9) to 78(11)";

12) in sub-clause 5(62) the words "31 December 2009" shall be replaced by "31 December 2011".

§ 2. The following amendments shall be made to Appendix 13 of the decree, “Report on large exposures”:

1) in clause 2 the words “in subsection 85(6)” shall be replaced by “in subsection 85(9)” and the words “in subsection 85(1<sup>2</sup>)” shall be replaced by “in subsection 85(3)”;

2) sub-clause 4(7) shall be phrased as follows:

“7) Deductions

This comprises the positions that are deducted from the exposure under section 332 of the decree on prudential ratios or by which the value of the exposure is reduced or the exposure is considered against the provider of the collateral under section 333 of the decree on prudential ratios.

Identification codes of deductions are as follows:

Positions with 0 per cent risk weights	1
Financial collaterals and guarantees	2
Secured claims	3
Covered bonds	5
Medium risk off-balance sheet items	7
Low-risk off-balance sheet items	8
Consolidated positions	9
Other deductions	10

Identification code 1 shall indicate claims or contingent claims specified in subsections 332(2) and (3) of the decree on prudential ratios to which the risk weight of 0 per cent shall be applied under the Standardised Approach.

Identification code 2 shall indicate the guarantees and financial collaterals specified in sections 333(1)–(4) of the decree on prudential ratios.

Identification code 3 shall indicate the claims covered by monetary deposits and certificates of deposit provided for in subsections 332(5) and (6), and claims covered by mortgage specified in subsections 332(11) and (12) of the decree on prudential ratios.

Identification code 5 shall indicate covered bonds that meet the requirements laid down in section 36 of the decree on prudential ratios.

Identification code 7 shall indicate medium-risk off-balance sheet items specified in subsection 332(9) of the decree on prudential ratios.

Identification code 8 shall indicate low-risk off-balance sheet items specified in subsection 332(7) of the decree on prudential ratios that can be deducted from the exposure.

Identification code 9 shall indicate exposures against Member State companies included in the same consolidation group as the credit institution, which do not fall under the limits of concentration of exposures in accordance with subsection 85(10) of the Credit Institutions Act.

Identification code 10 shall indicate positions unspecified above that can be deducted from the exposure in accordance with the decree on prudential ratios. This code shall also indicate the claims provided for in subsections 332(4), (10) and (11) of the decree on prudential ratios.

If no deductions are made, the identification code of deductions is 0 (zero).”;

**3)** the second sentence of sub-clause 4(8) shall be phrased as follows:

In case of identification code 2 the sum by which the exposure is reduced or considered against the provider of the collateral under subsections 333(1)–(4) of the decree on prudential ratios shall be indicated.

**4)** The phrase “residential real estate” shall be omitted from the third sentence of sub-clause 4(8).

**§ 3.** In the first sentence of sub-clause 4(6) of Appendix 16 “Report on credit institutions’ liquidity” of the decree, the word “balance” shall be replaced by “balance (including accrued interest)”.

**§ 4.** The decree shall be implemented as of 31.12.2010. The report on large exposures as at 31.12.2010 shall be submitted by 31.01.2011 at the latest.

Andres Lipstok  
Governor