

Content of question:

The exchange rate between the Slovak koruna and the euro having been fixed at 30.1260 EUR/SKK, is it acceptable for a liable entity to monitor and report Slovak korunas and euros as one currency (FX position) and to apply historical scenarios based on euros to Slovak korunas for the purpose of market risk modelling?

Answered by: **Josef Jílek, Tomáš Schütz**

Approved by: **Pavel Vacek**

Date: **18 August 2008**

Piece of law	<b>Decree No. 123/2007 Coll.</b>
Provision	<b>Article 153, 2</b> <b>Article 168</b>
Explanation	The fixed rate between the Slovak koruna and the euro applies only to the period starting from 1 January 2009 and the exchange rate can display some differences until that time. However, we are of the opinion that it can be deemed acceptable if a liable entity monitors and reports Slovak korunas and euros as one currency (FX position) and treats both currencies in the above-mentioned manner for the purpose of market risk modelling.