

Classification of loans and deposits. The set-up regularisation and use of risk provisions.

The Official Journal no. 146 as per 26 February 2008 contains Regulation no. 4 amending:

- Regulation no. 5/2002 of the National Bank of Romania regarding classification of loans and deposits, as well as the set-up, regularisation and use of risk provisions; and
- the Norms issued by the National Bank of Romania to Regulation no. 5/2002.

One amendment to Regulation no. 5/2002 consists in setting the provision coefficients separately for loans granted in foreign currency or loans correlated to the exchange rate of a foreign currency apart from all the other loans.

Credit institutions as well as non-banking financial institutions are legally obliged to convey the internal norms to the supervisory commission of NBR in 30 days from the entering into force of the amendments.

The NBR supervisory commission should convey to the credit institutions the decision regarding the validation of the internal norms, or, if the case, the amendments that should be brought to these norms and the time of accomplishment.

The order approving Regulation no. 4 contains also an Appendix with the loans classification, as well as the specific provisions required for credit risk at a specified date.

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