Methodological Guideline No 1/2015 of 12 November 2015 concerning the calculation of annual contributions to the National Resolution Fund for 2015

In accordance with Article 89 et seq. of Act No 371/2014 Coll. on resolution in the financial market and amending certain laws, the Resolution Council established under Article 3(1) of the same Act (hereinafter 'the Council') has issued this

Methodological Guideline:

Article 1
General provisions and basic legal framework

(1) This Methodological Guideline is issued with respect to the obligation of selected institutions to contribute to resolution funding by paying annual, risk-weighted financial contributions to the national resolution fund (hereinafter 'the Fund') for the year 2015; the obligation is laid down in Act No 371/2014 Coll. on resolution in the financial market and amending certain laws (hereinafter 'the Act'), which entered into force on 1 January 2015 and transposes into Slovak law Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (hereinafter 'the Directive'). The methodology for calculating risk-weighted financial contributions is detailed in Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to ex ante contributions to resolution financing arrangements (hereinafter 'the Delegated Regulation').

(2) Pursuant to the legal regulations referred to in paragraph (1), the contributions of individual institutions are determined in proportion to the risk profile of the institution. As the basis for assessing the risk profile of institutions, the Delegated Regulation defines four risk pillars and their relative risk weights. At the same time, the risk indicators to be used in the calculation are defined within each pillar, as are their relative risk weights.

(3) The Delegated Regulation provides the national resolution bodies with flexibility in determining the part of the 'Additional risk indicators to be determined by the resolution authority' pillar that is to be used for the calculation of the contributions.

Article 2
Scope

This Methodological Guideline includes a partial methodology for the collection of contributions to the Fund, i.e. it defines the fourth risk pillar – 'Additional risk indicators to be determined by the resolution authority' (the authority in this case being the Council).

Article 3
Additional risk indicators to be determined by the resolution authority

(1) The Delegated Regulation specifies three sets of indicators within the fourth pillar, and their respective risk weights, as follows:

Additional risk indicators	Weights **Weight of the pillar: 20%**
	Weights of risk indicators
a) Trading activities, off-balance sheet exposures, derivatives, complexity and resolvability	45%
b) Membership in an Institutional Protection Scheme	45%
c) Extent of previous extraordinary public financial support	10%

(2) When determining the various risk indicators in the 'Additional risk indicators to be determined by the resolution authority' pillar, the Council takes into account the importance of those indicators in the light of the probability that the institution concerned would enter resolution and of the consequent probability of making use of the resolution financing arrangement where the institution would be resolved.

(3) Within the 'Trading activities, off-balance sheet exposures, derivatives, complexity and resolvability' indicator, the Council takes into account the following elements that may lead to an increase in the risk profile of the institution:

Elements that may lead to an increase in the risk profile	Weights
a) the importance of trading activities relative to the balance sheet size	33.3%
b) the importance of the off-balance sheet exposures relative to the balance sheet size;	33.3%
c) the importance of the amount of derivatives relative to the balance sheet size	33.3%

(4) The importance of trading activities relative to the balance sheet size is calculated as the sum of the portfolio fair valued through profit and loss and the available-for-sale portfolio as a ratio to total assets.

(5) The importance of the off-balance sheet exposures relative to the balance sheet size is calculated as selected off-balance sheet liabilities (including future credits, guarantees and letters of credit) as a ratio to total assets.

(6) The importance of the amount of derivatives relative to the balance sheet size is calculated as the total nominal value of derivatives held for trading and hedging derivatives as a ratio to total assets.

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