

DECISION

The Bank Board of Národná banka Slovenska, in its capacity as the competent body of second instance pursuant to Section 32(1) of Act No 747/2004 on financial market supervision (and amending certain laws) as amended (hereinafter '*Act No 747/2004*' or '*the Financial Market Supervision Act*' or '*the Supervision Act*') has, in accordance with Division Three of the Supervision Act (Sections 12 to 34a), conducted second-instance proceedings on an appeal dated 28 September 2020 which was lodged with Národná banka Slovenska (NBS) on 29 September 2020 by the insurance undertaking NOVIS Insurance Company, NOVIS Versicherungsgesellschaft, NOVIS Compagnia di Assicurazioni, NOVIS Poist'ovňa, a.s. – whose company registration number (IČO) is 47 251 301 and which has its registered office at Námestie Ľudovíta Štúra 2, 811 02 Bratislava and is registered in the Commercial Register maintained by Bratislava I District Court (Section: Sa; File number: 5851/B) (hereinafter referred to as '*NOVIS*' or '*the party to proceedings*' or '*the party*') – against a first-instance decision of Národná banka Slovenska of 9 September 20, taken by NBS's Financial Market Supervision Unit / Supervision and Financial Consumer Division and recorded as File No NBS1-000-053-337, Document No 100-000-249-678 (hereinafter '*the decision on an interim measure*' or '*the interim measure*' or '*the first-instance decision*'), by which, in accordance with Section 25(1)(a) of the Supervision Act, NOVIS was ordered, in order to accomplish the purpose of the proceedings that commenced upon its receipt of the first-instance decision, to do the following: **(I)** to refrain from concluding unit-linked insurance contracts, which prescribe, for the client's benefit, investing or earning returns on part of the received premiums, if the total value of the assets that the party to proceedings invests for the benefit of clients in accordance with the rules of the insurance funds under its management (hereinafter '*the asset value*') as at the last day of a given calendar month is lower than the sum of the *surrender values* of all the unit-linked insurance contracts concluded between the party to proceedings and its clients, being the values which the clients would be entitled to claim upon their early termination of the insurance contract, (hereinafter '*the surrender value*') as at that date; as from the receipt of the first-instance Decision, the party to proceedings is required to comply with this obligation from the first day of the month following the month in which the asset value as at the last date is lower than the surrender value as at that date to the last day of the calendar month in which the asset value as at the last day is at least equal to the surrender value as at that date; this obligation applies to the entirety of the insurance business conducted by the party to proceedings under authorisation number ODT-13166/2012-16, valid from 7 October 2013, and to the entirety of its insurance business conducted in accordance with

Section 15 of Act No 39/2015 on insurance (and amending certain laws) as amended (hereinafter 'Act No 39/2015' or 'the Insurance Act') through the establishment of a branch in the territory of another Member State of the European Union, and conducted in accordance with Section 17 of the Insurance Act in the territory of another Member State of the European Union under the freedom to provide services, without establishing a branch; and simultaneously to notify Národná banka Slovenska of the following, as at 31 August 2020, by no later than ten days after receiving the first-instance decision, and thereafter as at the last day of each calendar month, by no later than the tenth day of the following calendar month: a) the aggregate outstanding balance of its clients' insurance accounts (excluding loyalty bonuses specified in the insurance contracts), broken down between the individual insurance funds under its management; b) the surrender value; c) the asset value, broken down between the individual insurance funds under its management and by the underlying assets within those funds; and d) the outstanding balance of its bank accounts and of its other financial assets not included in point (c); and **(II)** as from the receipt of the first-instance decision, to invest all received premiums in accordance with the contractual obligations under all of its insurance contracts with clients and in accordance with the rules of the insurance funds under its management.

In regard to the appeal of NOVIS, the Bank Board of Národná banka Slovenska (hereinafter '*the NBS Bank Board*')

has decided as follows:

The NBS Bank Board, in accordance with Section 32(2) of the Supervision Act, hereby: **amends** the first-instance decision on the interim measure of Národná banka Slovenska of 9 September 2020 – taken by NBS's Financial Market Supervision Unit / Supervision and Financial Consumer Division and recorded as File No NBS1-000-053-337, Document No 100-000-249-678 – **by inserting the words 'and (b)'** in the introductory sentence after the words 'in accordance with Section 25(1)(a)'; **revokes** the section of part I of the first-instance decision's operative part (hereinafter 'operative part') concerning restrictions on the concluding of insurance contracts and **refers it back for further first-instance proceedings and a new decision**; and **upholds** the section of part I of the operative part concerning NOVIS's notification obligation. At the same time, the NBS Bank Board **upholds** part II of the operative part, and **rejects** the appeal of NOVIS against the upheld section of part I of the operative part and against the upheld part II of the operative part.