

**DECREE  
of  
Národná banka Slovenska  
of 29 November 2011**

**amending Decree of Národná banka Slovenska No 15/2010  
on disclosures by banks and branches of foreign banks**

In accordance with Article 37(18)(c) to (g) of Act No. 483/2001 Coll. on Banks and on amendments to certain laws as amended (hereinafter the “Act”), Národná banka Slovenska stipulates as follows:

Article 1

Decree of Národná banka Slovenska of 21 September 2010 No 15/2010 on disclosures by banks and branches of foreign banks (Notification No 387/2010 Coll.) shall be amended as follows:

1. In Article 1(2)(d) to (f), the words “of paragraph (14)” shall be replaced with words “of paragraph (15)”.

2. In Article 1(11), point 6 is added to (b) that shall read:

“6. for specific risk of debt instruments for securitisation exposures.”.

3. In Article 1, paragraph (16) shall read:

“(16) The following information regarding securitisation, divided into the trading book and the banking book, shall be disclosed:

- (a) the bank's objectives in relation to securitisation;
- (b) the role of the bank with regard to securitisation;
- (c) the extent of the bank's involvement in securitisation;
- (d) the methods used to calculate risk-weighted exposure amounts in relation to securitisation including types of securitisation exposures to which each of the methods is applied;
- (e) the effect of provision of non-contractual support on the bank's own funds;
- (f) the description of other risks, including the liquidity risk related to the securitisation exposures;
- (g) the information on the type of risks in terms of seniority of underlying securitisation exposures and in terms of exposures underlying those latter securitisation exposures assumed and retained with re-securitisation activity;
- (h) the description of the processes in place to monitor changes in the credit and market risk of securitisation exposures including how the behaviour of the underlying assets impacts securitisation exposures and the description of how those processes differ for re-securitisation exposures;
- (i) the description of the bank's policy governing the use of hedging and unfunded protection to mitigate risks of retained securitisation and re-securitisation exposures including identification of material hedge counterparties by relevant type of risk exposure;
- (j) the information on the types of SSPE that the bank, as sponsor, uses to securitize third-party exposures, including whether the bank has exposures to those SSPEs; where the bank has exposures to these entities, in what form and to what extent, separately for on- and off-balance sheet exposures;
- (k) the list of the entities that the bank manages or advises and that invest in either the securitisation positions that the bank has securitised or in SSPEs that the bank sponsors;
- (l) the summary of the accounting policies for securitisation activities, including information on:

1. whether the transactions are treated as sales or financings;
  2. the recognition of gains on sales;
  3. the treatment of synthetic securitisations;
  4. the methods, key assumptions, inputs and changes from the previous period for valuing securitisation exposures;
  5. the valuation method for exposures awaiting securitisation and whether these exposures are recorded in the bank's trading book or banking book;
  6. policies for recognising liabilities in the balance sheet for arrangements that could require the bank to provide financial support for securitisation exposures;
- (m) the names of the ECAIs or ECAs whose customer ratings are used for securitisations and the types of exposure broken down by each ECAI or ECA;
- (n) the description of own calculation of risk weighted exposures of securitisation positions including the structure of own assessment process and the relation between own assessment and external ratings; the use of own assessment other than for the purposes of own funds calculation, using the own assessment approach; the control mechanisms for the own assessment process including discussion of independence, accountability, and own assessment process review; the exposure types to which the own assessment process is applied; and the stress factors used for determining credit enhancement levels, by exposure type;
- (o) the description of significant changes to any of the quantitative disclosures in points (p) to (z) since the immediately preceding disclosure;
- (p) the total outstanding amount of exposures securitised by the bank, broken down into exposures under traditional securitisation and exposures from synthetic securitisation and securitisations for which the bank acts only as sponsor;
- (q) the total amount of on-balance sheet securitised exposures retained or purchased and off-balance sheet securitisation exposures;
- (r) the total amount of exposures awaiting securitisation;
- (s) for securitised facilities subject to the early amortisation treatment, the aggregate amount of drawn exposures attributed to the originator's and investors' interests respectively, the aggregate own funds requirements incurred by the bank against the originator's interest and the aggregate own funds requirements incurred by the bank against the investor's shares of drawn balances and undrawn exposures;
- (t) the total amount of securitisation exposures that are deducted from own funds or risk-weighted at 1250%;
- (u) the summary of the securitisation activities, including the amount of exposures securitised and recognised gain or loss on sale;
- (v) the aggregate amount of securitised exposures retained or purchased and the associated own funds requirements, broken down into securitisation and re-securitisation exposures and further broken down into an adequate number of risk-weight or own funds requirement bands, for each own funds requirements approach used;
- (x) the aggregate amount of re-securitised exposures retained or purchased, broken down by
1. the exposure before and after its protection is considered;
  2. the exposure to a protection provider;
  3. the protection provider creditworthiness categories;
  4. the protection provider business name/name;
- (y) the total amount of impaired and past due exposures securitised, broken down by exposure type and the losses recognised by the bank during the relevant period;
- (z) the total outstanding exposures securitised by the bank and subject to the own funds requirement for market risk, broken down into traditional, synthetic and by exposure type.”

4. In Article 1(17), point 4 is added to (a) that shall read:

- “4. the description of methods to calculate own funds requirements to cover default risk and the risk of positions migration in the trading book, which risks are incremental to those

generated by value-at-risk models, and a description of risks measured using the own model for market risk calculation, including the description of approach used by the bank to determine the maturity of liquidity, and the description of methods used to achieve own funds assessment that is consistent with the required soundness standard and the approaches used in the validation of the model;”.

5. In Article 1, paragraph (17)(d) shall read:

“d) the highest, the lowest and the mean of the following:

1. the daily value-at-market risk calculation for the reporting period and as per the period end;
2. the stressed value-at-market risk calculation for the reporting period and as per the period end;
3. own funds requirements to cover default risk and the risk of positions migration in the trading book, which risks are incremental to those generated by the models for value-at-risk calculation for the reporting period and as per the period end.”.

6. In Article 1(17), point (f) is added that shall read:

“(f) the amount of own funds required to cover default risk and the risk of positions migration in the trading book which are incremental to those generated by the models for value-at-risk calculation, together with the weighted average maturity of liquidity for each sub-portfolio.”.

7. In Article 1, paragraph 26 is added that shall read:

“(26) Information on remuneration of persons in accordance with Article 23a(1) of the Act shall include the following:

(a) the information concerning the decision-making process used for determining the remuneration policy, number of members of the bank’s remuneration committee, if it exists, and a description of its activities or information concerning the person responsible for the bank’s remuneration system in accordance with Article 23d of the Act to the extent of disclosing the respective person’s position and job description at the bank;

(b) the information on the individual performance assessment criteria of persons in accordance with Article 23a of the Act which the bank will apply in determining the amount of variable component of total remuneration;

(c) the information on the link between variable component of total remuneration and individual performance of persons in accordance with Article 23a(1) of the Act;

(d) the information on the criteria, including performance criteria, on which the entitlement to individual parts of variable components of total remuneration is based in accordance with Article 23a(1) of the Act;

(e) the description and explanation of individual parts of variable components of total remuneration in accordance with Article 23b(1) of the Act;

(f) the aggregate quantitative information on the guaranteed fixed component and the variable component of total remuneration broken down by business areas of the bank;

(g) the aggregate quantitative information on remuneration concerning

1. the amounts of remuneration for the calendar year split into the basic component of salary, fixed and variable components of total remuneration, and the number of recipients;
2. the amounts and forms of the variable component of total remuneration broken down by its individual parts;
3. the amounts of the outstanding variable component of total remuneration in accordance with Article 23b(3) of the Act;
4. the amounts of remuneration in accordance with Article 23b(3) of the Act awarded during the calendar year, paid out and reduced with regard to individual performance of persons;
5. the amount of signing-on payments made during the calendar year, and the number of recipients of such payments;

6. the amounts of severance payments awarded during the calendar year, the number of recipients and the highest such award to a single person.”.

8. In Article 2(2) to (4), the words “and (i)” are added after the words “(16)(a)”.

9. In Article 2(2), the words “and (26)(g) points 1 and 4 to 6” are added after the words “Article 1(3)”.

10. In Article 2(5), the following sentence is added at the end:

“The information specified in Article 1(26)(g) points 1 and 4 to 6 shall be disclosed as at the last day of the relevant calendar year and no later than 90 days after the last day of that calendar year.”.

11. The Annex to the Decree shall read:

“Annex to Decree No 15/2010

The schedule of transposed legally binding acts of the European Union:

1. Council Directive 89/117/EEC of 13 February 1989 on the obligations of branches established in a Member State of credit institutions and financial institutions having their head offices outside that Member State regarding the publication of annual accounting documents (OJ Special edition, Chapter 6/Vol. 1).

2. Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast) (OJ L 177, 30.6.2006) as amended by

- Commission Directive 2007/18/EC of 27 March 2007 (OJ L 87, 28.3.2007);
- Directive 2007/44/EC of the European Parliament and of the Council of 5 September 2007 (OJ L 247, 21.9.2007);
- Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 (OJ L 319, 5.12.2007);
- Directive 2008/24/EC of the European Parliament and of the Council of 11 March 2008 (OJ L 81, 20.3.2008);
- Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 (OJ L 267, 10.10.2009);
- Directive 2009/111/EC of the European Parliament and of the Council of 16 September 2009 (OJ L 302, 17.11.2009);
- Commission Directive 2010/16/EU of 9 March 2010 (OJ L 60, 10.3.2010).

3. Directive 2006/49/EC of the European Parliament and of the Council of 14 June 2006 on the capital adequacy of investment firms and credit institutions (recast) (OJ L 177, 30.6.2006) as amended by

- Directive 2008/23/EC of the European Parliament and of the Council of 11 March 2008 (OJ L 76, 19.3.2008);
- Commission Directive 2009/27/EC of 7 April 2009 (OJ L 94, 8.4.2009);
- Directive 2009/111/EC of the European Parliament and of the Council of 16 September 2009 (OJ L 302, 17.11.2009).

4. Directive 2010/76/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 2006/48/EC and 2006/49/EC as regards capital requirements for the trading book and for re-securitisations, and the supervisory review of remuneration policies (OJ L 329, 14.12.2010).”.

Article 2

This Decree shall enter into force on 31 January 2012.

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