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DECREE
of Národná banka Slovenska
of 14 November 2017
laying down national discretions for institutions under a separate regulation

Národná banka Slovenska, in accordance with Article 114b(3) of Act No 483/2001 Coll. on banks, as amended, and in accordance with Article 160a(3) of Act No 566/2001 Coll. on securities and investment services, as amended, has adopted this Decree:

Article 1

Under the national discretion exercised in accordance with Article 89(1)(b) of a separate regulation,¹ an undertaking that is not a financial sector entity means either a payment system operator² that is not a payment services provider, or a foundation.³

Article 2

Under the national discretion exercised in accordance with Article 89(3) of a separate regulation,¹ a risk-weight of 1,250% is applied to the greater of the following:

- (a) the amount of qualifying holdings in undertakings referred to in Article 89(1) of that regulation in excess of 15% of the eligible capital of the institution;
- (b) the total amount of qualifying holdings in undertakings referred to in Article 89(2) of that regulation which exceeds 60% of the eligible capital of the institution.

Article 3

Under the national discretion exercised in accordance with Article 178(2)(d) of a separate regulation,¹ the materiality threshold for a credit obligation past due is:

- (a) at least €250 for exposures mentioned in Article 147(2)(c) of that regulation;
- (b) at least €50 for exposures mentioned in Article 147(2)(d) of that regulation.

Article 4

Under the national discretion exercised in accordance with Article 282(6) of a separate regulation,¹ the mark-to-market method set out in Article 274 of that regulation is used.

Article 5

Under the national discretion exercised in accordance with the third indent of Article 395(1) of a separate regulation,¹ the limit is set at €50 million.

Article 6

¹ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013), as amended.

² Article 45(3)(b) and (c) and Article 57 of Act No 492/2009 Coll. on payment services (and amending certain laws), as amended.

³ Act No 34/2002 Coll. on foundations (and amending Civil Code, as amended), as amended.

(1) Under the national discretion exercised in accordance with Article 400(2) of a separate regulation,¹ the provisions set out in paragraphs (2) to (6) hereunder apply.

(2) The exposures listed in Article 400(2)(a) of a separate regulation¹ are exempted from the application of Article 395(1) of that regulation for 80% of the nominal value of the covered bonds, provided that the conditions set out in Article 400(3) of that regulation are fulfilled.

(3) The exposures listed in Article 400(2)(b) of a separate regulation¹ are exempted from the application of Article 395(1) of that regulation for 80% of their exposure value, provided that the conditions set out in Article 400(3) of that regulation are fulfilled.

(4) The lower of the following totals is exempted from the exposures listed in Article 400(2)(c) of a separate regulation¹ incurred by the institution to the undertakings referred to therein:

- (a) the institution's exposures to a group of connected clients including its parent undertaking and the parent undertaking's subsidiaries other than the subsidiaries of the institution;
- (b) the institution's exposures to a group of connected clients including the institution's subsidiaries.

(5) The exposures listed in Article 400(2)(d) of a separate regulation¹ are exempted in full from the application of Article 395(1) of that regulation, provided that the conditions set out in Article 400(3) of that regulation and in another regulation⁴ are fulfilled

(6) Provided that the conditions set out in Article 400(3) of a separate regulation¹ are fulfilled:

- (a) the exposures listed in Article 400(2)(e) to (h), (j) and (k) of that regulation are exempted in full from the application of Article 395(1) of that regulation;
- (b) the exposures listed in Article 400(2)(i) of that regulation are exempted from the application of Article 395(1) of that regulation up to the maximum amount allowed in Article 400(2)(i).

Article 7

Under the national discretion exercised in accordance with Article 471(1) of a separate regulation,¹ equity holdings in insurance undertakings, reinsurance undertakings and insurance holding companies are deducted from Common Equity Tier 1 items. This is without prejudice to Decisions adopted by Národná banka Slovenska in accordance with Article 49(1) of that regulation.

Article 8

Under the national discretion exercised in accordance with Article 478(3) of a separate regulation,¹ the applicable percentage is, pursuant to Article 478(2) of that regulation,¹ 100%.

Article 9

Under the national discretion exercised in accordance with Article 486(6) of a separate regulation¹, the applicable percentage during the period from 1 January 2018 to 31 December 2021 is, pursuant to Article 486(5) of that regulation,¹ 0%.

Article 10

⁴ Annex II to Regulation (EU) 2016/445 of the European Central Bank of 14 March 2016 on the exercise of options and discretions available in Union law (ECB/2016/4) (OJ L 78, 24.3.2016).

This Decree repeals Decree No 23/2014 of Národná banka Slovenska of 9 December 2014 laying down national discretions for institutions under a separate regulation (Notification No 405/2014 Coll.).

Article 11

This Decree enters into force on 1 January 2018.

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Governor

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