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DECREE of the
National Bank of Slovakia
of 11 May 2010

stipulating the details of an application for prior approval of the National Bank of Slovakia pursuant to Article 28 (1) of the Act on Banks

Pursuant to Article 28 (7) of Act No. 483/2001 Coll. on banks and on amendments and supplements to certain laws, as amended, (hereinafter referred to as the 'Act'), the National Bank of Slovakia stipulates the following:

Article 1

(1) The application for prior approval of the National Bank of Slovakia (hereinafter referred to as the 'application for prior approval') to acquire interest in a bank or exceed qualified interest in a bank so that the interest in the share capital of the bank or voting rights of the bank reaches or exceeds 20%, 30% or 50%, or so that the bank becomes a subsidiary of a person which acquires such interest in one or several operations directly, or by action in concert, shall contain the following information:

- a) If the applicant is a natural person:
 1. Name and surname, or their business name in the case of a natural business person - if their business name is not the same as their name and surname;
 2. Date and place of birth, personal identification number; if the applicant is a foreigner¹), their date and place of birth;
 3. Nationality;
 4. Permanent address; in the case of a natural business person their place of business, if it is not the same as their permanent address, and their identification number, if assigned; if the applicant is a foreigner, also their permanent or temporary address in the Slovak Republic, if residing in the Slovak Republic;
- b) If the applicant is a legal entity, their business name, legal form, domicile, identification number, if assigned, the name of the register at which they are registered, their registration number, if assigned;
- c) Business name, domicile and identification number of the bank in which they wish to acquire or exceed qualified interest; or of the bank that is to become their subsidiary;
- d) Information on bank shares which the applicant wishes to acquire, namely:
 1. Their type, nominal amount, and number - differentiated by nominal amounts;
 2. Total value;
 3. Interest in share capital (in %);
- e) Information on bank's voting rights which the applicant wishes to acquire, namely:
 1. The number of votes;
 2. The share in voting rights (in %);
- f) Information on bank shares which the applicant owns at the time of applying for a prior approval, namely:

¹ Article 1 (2) of Act No. 48/2002 Coll. on residence of foreigners and on amendments and supplements to certain laws.

1. Their type, nominal amount, and number - differentiated by nominal amounts;
 2. Total value;
 3. Interest in share capital (in %);
- g) Information on bank's voting rights which the applicant has at the time of applying for a prior approval, namely:
1. The number of votes;
 2. The share in voting rights (in %);
- h) The proposed date of acquiring or exceeding qualified interest in a bank, the proposed date when the bank becomes their subsidiary;
- i) Justification of the wish to acquire interest in a bank or exceed qualified interest in the share capital of the bank or voting rights of the bank or to acquire the bank as a subsidiary; including applicant's declaration that they acquire the share on their own account, that they do not act on the basis of an agreement with other bank's shareholders, and that there is no applicant's written obligation to transact or execute shareholder's rights for the benefit of a third party; if the application concerns acquiring or exceeding qualified interest by means of an indirect share or a significant influence, the application for prior approval also includes information on the way and purpose of acquiring or exceeding qualified interest by means of an indirect share or significant influence;
- j) Information on applicant's interests and activities that could be in conflict with the bank's interests, as well as a suggested settlement of such conflict.

(2) The application as outlined in Paragraph 1, shall include the following documents:

- (a) Business plan draft based on a proposed bank strategy for the first three years of its activity; its structure shall be in line with the structure of a balance sheet and profit-and-loss statement created for banks, also including the following:
1. Main objectives of the bank and the manner of achieving them;
 2. Expected financial data for the following three years on an individual and consolidated basis of the bank;
 3. Expected evolution in the bank's organization and management, including suggested personnel changes in the bank's Board of Directors and Supervisory Board;
- (b) Graphic presentation of the qualified interest of the applicant and a graphic presentation of the structure of the group with close relations to the applicant; if the person concerned is a foreigner, also a declaration confirming compliance with requirements stated in Article 7 (2) (i) and (j) of the Act;
- (c) Written declaration of the applicant that no petition of bankruptcy has been filed for their property, there have been no restructuring proceedings, no proceedings for discharge of debts; that no supervisory or enforced administration has been initiated or compulsory settlement allowed;
- (d) Written information on administrative sanctions imposed on the applicant during the period of three years prior to submitting the application for prior approval, namely sanctions imposed by a lawful and enforceable decision taken in an administrative or other similar procedure;
- (e) Written information about the fact if the applicant has been refused to be granted an authorization or other license to pursue business activities during the period of three

years prior to submitting the application for prior approval; and written information on their withdrawal;

- (f) Written information on the impact of the planned acquiring or exceeding qualified interest, or of the planned act of acquiring a bank as a subsidiary, on the bank's ability to continue fulfilling its legal obligations;
- (g) Written information on the legal title of acquiring or exceeding qualified interest or the acquiring of a bank as a subsidiary and documents confirming this legal title, if there is such legal title at the time of submitting the application for prior approval;
- (h) List detailing business names, legal forms, domiciles, identification numbers, if assigned, amount of share capital and interests in share capital (in %) of legal entities, the share of voting rights of legal entities in which the applicant has a qualified interest, or where the applicant is a member of their Statutory or Inspection bodies, or is represented in their Statutory or Inspection bodies, or guarantees for their obligation with a substantial part of their property, the scope of the obligation which the applicant guarantees for and documents confirming these facts;
- (i) Written information if the applicant has held negotiations with current bank shareholders and if there is an accord of views on the future evolution of the bank.

(3) Further documents which the application as outlined in Paragraph 1 shall include, if the applicant is:

a) Natural person:

1. Applicant's professional CV;
2. Abstract from the criminal record not older than 3 months; if the person concerned is a foreigner¹, a similar irreproachability confirmation issued by a respective body of the country of their habitual residence;
3. Applicant's written declaration of compliance with the conditions as stated in Article 7 (15) (b) to (g) of the Act;
4. List detailing the names, surnames, permanent addresses and personal identification numbers of persons² close to the applicant who, at the time of submitting the application for prior approval, are in labour relation or other relation with the bank, foreign bank, branch of a foreign bank or financial institution as stated in Article 6 (17) of the Act, detailing its business name, legal form, domicile and identification number, if assigned;
5. Review of applicant's property and financial situation;
6. Written information on the origin, volume and structure of financial means which are to be used for acquiring or exceeding the qualified interest; including information on the amount of own resources intended for performing this action and documents confirming these facts;
7. Written information about resources other than own which will be used for acquiring or exceeding the qualified interest, and about the legal title on the basis of which these resources have been acquired, as well as documents confirming this legal title;
8. Statements of accounts in banks and foreign banks as of the date of submitting the application for prior approval;

² Article 116 of Act No. 40/1964 Coll. Civil Code as amended.

9. If the applicant is liable to pay natural person income tax in line with a special provision³), their income certificate for at least the three immediately preceding years; e.g. income-tax return or a certificate of annual account of advance payments on the salaried-occupation income tax for the three immediately preceding periods of taxation; if the person concerned is a foreigner¹), a similar natural-person income tax certificate for at least the three immediately preceding years;
10. Applicant's written declaration that the financial resources which will be used for acquiring or exceeding the qualified interest in a bank do not come from criminal activities⁴);

b) Natural business person:

1. Applicant's professional CV;
2. Abstract from the criminal record not older than 3 months; if the person concerned is a foreigner¹), a similar irreproachability confirmation issued by a respective body of the country of their habitual residence;
3. Applicant's written declaration of compliance with the conditions as stated in Article 7 (15) (b) to (g) of the Act;
4. List detailing names, surnames, permanent addresses and personal identification numbers of persons² close to the applicant who, at the time of submitting the application for prior approval, are in labour relation or other relation with the bank, foreign bank, branch of a foreign bank or financial institution as stated in Article 6 (17) of the Act, detailing its business name, legal form, domicile and identification number, if assigned;
5. Abstract from the Company or Trade Register not older than 3 months, or a different business authorization; if the person concerned is a foreigner¹), a similar certificate issued by a respective body, not older than 3 months;
6. Review of the applicant's property and financial situation;
7. Written information on the origin, volume and structure of financial means which are to be used for acquiring or exceeding qualified interest; including the information on the amount of own resources intended for performing this action and documents confirming these facts;
8. Written information about resources other than own which are to be used for acquiring or exceeding the qualified interest and about the legal title on the basis of which these resources have been acquired, as well as documents confirming this legal title;
9. Statements of accounts in banks and foreign banks as of the date of submitting the application for prior approval;
10. Audited Financial Statements, if subject to auditing, for the three immediately preceding years; if the applicant started with their business activity later than 3 years before submitting the application for prior approval, only Financial Statements covering the period since the start of their business activity; if the Financial Statements subject to auditing have not been audited by the date of submitting the

³ Article 3 (1) of Act No. 595/2003 Coll. on income tax as amended.

⁴ Act No. 297/2008 Coll. on protection against legalization of proceeds and on protection against financing of terrorism and on amendments and supplements to certain acts, as amended.

application for prior approval, also non-audited Financial Statements shall be presented;

11. Declaration of income tax for the three immediately preceding years; if the applicant started their business activity later than 3 years before submitting the application for prior approval, only declarations of income tax covering the period since the start of their business activity shall be presented; if the person concerned is a foreigner¹), a similar certificate of income of a natural business person issued by a respective body, not older than 3 months;
12. Applicant's written declaration that the financial resources which are to be used for acquiring or exceeding the qualified interest in a bank do not come from criminal activities⁴);

c) Legal entity:

1. Applicant's Statutory Body members' professional CVs;
2. Abstract from the criminal record regarding the applicant's Statutory Body members not older than 3 months; if a person concerned is a foreigner¹), a similar irreproachability confirmation issued by a respective body of the country of their habitual residence;
3. Written declaration of applicant's Statutory Body members' compliance with the conditions as stated in Article 7 (15) (b) to (g) of the Act;
4. List detailing names, surnames, permanent addresses and personal identification numbers of persons close² to applicant's Statutory Body members who, at the time of submitting the application for prior approval, are in labour relation or other relation with the bank, foreign bank, branch of a foreign bank or financial institution as stated in Article 6 (17) of the Act, detailing its business name, legal form, domicile and identification number, if assigned;
5. Abstract from the Company Register or other certificate issued by a respective body confirming the establishment of the legal entity not older than 3 months; if the legal entity concerned has its domicile abroad, an abstract from a Register or other record-keeping office where it is registered, not older than 3 months;
6. List of natural and legal entities whose shares represent qualified interest in share or voting rights; persons exercising control over the applicant, or of whom the applicant is a subsidiary, shall be detailed separately, including the information as stated in Paragraph 1 (a) and (b) and information on the way of exercising control over the applicant;
7. Review of applicant's property and financial situation;
8. Written information on the origin, volume and structure of financial means which are to be used for acquiring or exceeding the qualified interest; including information on the amount of own resources intended for performing this action and documents confirming these facts;
9. Written information about resources other than own which are to be used for acquiring or exceeding qualified interest and about the legal title on the basis of which these resources have been acquired as well as documents confirming this legal title;
10. Audited Financial Statements, if subject to auditing, including Auditor's Report and Management Report or other similar reports, if Management Reports or other similar

reports are drawn up in line with the corresponding legal regulations of the particular country, approved by the General Assembly or other respective body of the applicant, for the three immediately preceding accounting periods; if the applicant is part of a consolidated unit, also audited consolidated Financial Statements including an Auditor's Report shall be presented for the three immediately preceding accounting periods; if the legal entity was established later than 3 years before submitting the application for prior approval, the stated documents shall be presented covering the period only since its establishment; if the Financial Statements subject to auditing have not been audited by the date of submitting the application for prior approval, also non-audited Financial Statements shall be presented;

11. Applicant's written declaration that the financial resources which are to be used for acquiring or exceeding the qualified interest in a bank do not come from criminal activities⁴);
12. Rating evaluation, if made for the applicant, in the period of the three immediately preceding years;
13. Written comments on the objective of a foreign bank to acquire or exceed qualified interest in a bank or to acquire a bank as a subsidiary, issued by a body performing inspection over the foreign bank, as well as a written assurance of such inspection body to inform the National Bank of Slovakia in due time in writing about changes in keeping their own resources in relation to requirements for banks' own resources and liquidity of foreign banks, and about other facts which could have a negative impact on the ability of the foreign bank to perform its obligations.

(4) If, in line with Article 28 (1) (a) of the Act, by acquiring interest the bank becomes part of a consolidated unit, as stated in articles 44 to 49 of the Act, whose part is also a financial holding company; or if it became a part of a financial conglomerate, as stated in articles 49 (a) to (o) of the Act, whose part is also a mixed financial holding company; the application, as outlined in Paragraph 1, shall include not only documents as detailed in paragraphs 2 and 3, but also documents regarding the applicant's Statutory Body members of the financial holding company and the mixed financial holding company, namely:

- a) Professional CVs and certificates on achieved education and experience;
- b) Abstract from the criminal record not older than 3 months; if a person concerned is a foreigner ¹), a similar irreproachability confirmation issued by a respective body of the country of their habitual residence;
- c) Written declaration of applicant's Statutory Body members' compliance with the conditions as stated in Article 7 (15) (b) to (g) and Article 25 (1) of the Act.

(5) Provisions of paragraphs 1 to 3 shall be reasonably applied on acquiring or exceeding qualified interest in a bank or acquiring a bank as a subsidiary as stated in the Article 28 (1) (a) of the Act by means of an indirect share or a significant interest.

Article 2

(1) The application for prior approval for consolidating, merging, or splitting a bank, including a merger of another legal entity with the bank, shall include the following:

- a) Information on persons applying for prior approval, namely their business name, legal form, domicile and identification number, if assigned;
- b) Reasoning of consolidating, merging, or splitting a bank;
- c) Suggested date of consolidating, merging, or splitting a bank.

(2) The application, as outlined in Paragraph 1, shall include the following documents:

- (a) Draft of a contract for consolidation or merging, or a project for the bank split;
- (b) Regulations or a draft of regulations which will form part of the Memorandum of Foundation or the Foundation Charter of the succession bank;
- (c) Business plan draft of the succession bank based on a proposed strategy of action of the bank after consolidating, merging, or splitting the bank, covering the period of the first three years of its activity; its structure shall be the same as the structure of a balance sheet and profit-and-loss statement created for banks, also including the following:
 - 1. Main objectives of the succession bank and the manner of achieving them;
 - 2. Expected financial data for the following three years on an individual and consolidated basis of the succession bank;
 - 3. The expected evolution in the succession bank's organization and management, including suggested personnel changes in the bank's Board of Directors and Supervisory Board;
- (d) Timetable of organizational, legal and financial procedures necessary to be done in the process of consolidating, merging, or splitting a bank;
- (e) Proposal of General Assembly's decision to consolidate, merge or split a bank;
- (f) Proposal of a system of organization, including a graphic presentation of the organizational structure of the succession bank;
- (g) Certificates evidencing the professional skills and reliability of persons suggested to become members of the Statutory Body, Supervisory Board, a proxy, executive bank officers reporting directly to the Statutory Body and a head of the Internal Inspection and Audit Unit after consolidating, merging, or splitting a bank; namely:
 - 1. Professional CVs and certificates on achieved education and experience;
 - 2. Abstract from the criminal record not older than 3 months; if the person concerned is a foreigner¹), a similar irreproachability confirmation issued by a respective body of the country of their common residence;
 - 3. Written declaration of the proposed Statutory Body members' compliance with the conditions as stated in Article 7 (15) (b) to (g) and Article (25) (1) of the Act;
 - 4. Written declaration of the proposed Supervisory Body members' compliance with the conditions as stated in Article 7 (15) (b) to (g) and Article (25) (2) of the Act;
 - 5. Written declaration of the proposed chief bank executive reporting directly to the Statutory Body of compliance with the conditions as stated in Article 7 (15) (b) to (g) of the Act;
 - 6. Written declaration of the proposed head of the Internal Inspection and Audit Unit of compliance with the conditions as stated in Article 7 (15) (b) to (g) and Article (25) (6) of the Act;
 - 7. Written declaration of the proposed proxy of compliance with conditions as stated in Article 7 (15) (b) to (g) and Article (25) (1) of the Act;

8. List detailing names, surnames, permanent addresses, personal identification numbers and work positions of persons close² to persons suggested to become members of the Statutory Body, a proxy, members of the Supervisory Board, executive bank officers reporting directly to the Statutory Body and a head of the Internal Inspection and Audit Unit who, at the time of submitting the application for prior approval, are in labour relation or other relation with the bank, foreign bank, branch of a foreign bank or financial institution as stated in Article 6 (17) of the Act, detailing its business name, legal form, domicile and identification number, if assigned;
 9. List of legal entities where persons stated in Subparagraph g) have qualified interest, or are members of their Statutory or Inspection Bodies, or guarantee for their obligations with a substantial part of their property; as well as documents confirming these facts, namely a declaration of guarantee, a contract enabling substantial influence, a contract providing share transfer, or a similar certificate; the following information shall also be included: business name, legal form, domicile, identification number, if assigned, the amount of share capital and interest in the share capital (in %) of legal entities, and the share of voting rights in legal entities;
- (h) Certificates as stated in Paragraph g) points 1 and 2, if the person concerned is a mortgage administrator or their representative, when consolidating, merging, or splitting a bank;
 - (i) Written declaration of the bank that its consolidating, merging, or splitting will not be to the detriment of the bank's creditors;
 - (j) Documents as stated in Article 1 (3) (c), points 1 to 6, 10 to 12.

Article 3

(1) The application for prior approval for returning a bank license shall include the following:

- a) The business name, domicile and identification number of the bank wishing to return the license;
- b) Justification of the bank license return;
- c) Suggested date for the bank license return.

(2) The application, as outlined in Paragraph 1, shall include the following documents:

- a) Abstract from the Company Register of the bank wishing to return the license, not older than 3 months;
- b) Draft of the General Assembly's decision to return the bank license;
- c) Written declaration of the bank that the bank license return will not be to the detriment of the bank's creditors;
- d) Timetable of organizational, legal and financial procedures necessary to be done in the process of the bank license return.

Article 4

- (1) The application for prior approval for reducing the bank's registered capital, unless the reduction is a result of settling a loss, shall include the following:
- a) The business name, domicile and identification number of the bank wishing to reduce its registered capital;
 - b) Information on the reduced registered capital;
 - 1. The registered capital amount after it is reduced;
 - 2. The way of reducing the registered capital;
 - 3. Justification of reducing the registered capital;
 - c) Suggested date of reducing the registered capital.

- (2) The application, as outlined in Paragraph 1, shall include the following documents:
- a) Draft of the General Assembly's decision to reduce the bank's registered capital;
 - b) Timetable of organizational, legal and financial procedures necessary to be done in the process of reducing the registered capital;
 - c) Certificates stating the registered capital amount and a list of the bank's shareholders including their interest in the bank's share capital (in %) as of the day of submitting the application for prior approval, namely an Abstract from the Company Register, Abstract from the Register of Issuers, or other similar certificate.

Article 5

- (1) The application for prior approval for dissolving a bank for reasons other than those specified in Article 28 (1) (b), or for changing its legal form, shall include the following:
- a) The business name, domicile and identification number of the bank which is to be dissolved or its legal form is to be changed;
 - b) Justification of dissolving the bank or changing its legal form;
 - c) Date suggested for dissolving the bank or changing its legal form.

- (2) The application, as outlined in Paragraph 1, shall include the following documents:
- a) Draft of the General Assembly's decision to dissolve the bank or to change its legal form;
 - b) Written declaration of the bank that dissolving the bank for reasons other than those specified in Article 28 (1) (b) or changing its legal form will not be to the detriment of the bank's creditors;
 - c) Timetable of organizational, legal and financial procedures necessary to be done in the process of dissolving the bank or changing its legal form.

Article 6

- (1) The application for prior approval for selling a bank, branch office of a foreign bank, or their parts, shall include the following:
- a) The business name, domicile and identification number of the bank which, or whose part, is to be sold; or the business name and domicile of a foreign bank as well as the

- location of a branch of a foreign bank in the area of the Slovak Republic which, or whose part, is to be sold;
- b) The business name, domicile and identification number, if assigned, of the legal entity which is to buy the bank, branch office of a foreign bank, or their parts;
 - c) Justification of selling the bank, branch office of a foreign bank, or their parts; and a suggested date of such sale;

(2) The application, as outlined in Paragraph 1, shall include the following documents:

- a) Abstract from the Company Register or other certificate issued by a respective body confirming the establishment of the legal entity which is to buy the bank, branch office of a foreign bank, or their parts;
- b) Draft of the General Assembly's decision to sell the bank, branch office of a foreign bank, or their parts;
- c) Timetable of organizational, legal and financial procedures necessary to be done in the process of selling the bank, branch office of a foreign bank, or their parts;
- d) Business plan draft based on a proposed action strategy of the bank after selling the bank, branch office of a foreign bank, or their parts, covering the first three years of its activity; its structure shall be the same as the structure of a balance sheet and profit-and-loss statement created for banks;
- e) Contract for a future contract for selling a bank, branch office of a foreign bank, or their parts, if such contract is to be drawn up;
- f) Draft of a contract for the sale of a bank, branch office of a foreign bank, or their parts;
- g) Written comments on the objective of a foreign bank to the branch office of a foreign bank or their parts, issued by a body performing inspection over it;
- h) Written declaration of the bank that the sale of a bank, branch office of a foreign bank, or their parts will not be to the detriment of the bank's creditors;
- (i) Documents as stated in Article 1 (3) (c), points 1 to 4, 6 to 12.

Article 7

(1) The application for prior approval for using the shares issued by a bank as the subject of security on obligations of the holder of these shares or of another person except for cases where the subject of such security are shares accounting on the whole for less than 5% of the bank's registered capital in one or certain operations directly or through concerted action, shall include the following:

- a) The business name, domicile and identification number, if assigned, or the name, surname, permanent address and personal identification number of the bank's shareholder wishing to use the shares issued by a bank as the subject of security on obligations;
- b) The business name, domicile and identification number, if assigned, or name, surname, permanent address and personal identification number of the person that is to accept the shares issued by a bank as the subject of security on obligations;
- c) Review of shares and voting rights which are to be the subject of security on obligations;

d) Justification of the transfer of shares including the period in which the shares are to be the subject of security on obligations.

(2) The application, as outlined in Paragraph 1, shall include the following documents, if the person to accept the bank shares as a subject of security on obligations is:

- a) Natural person: certificates as stated in Article 1 (3) (a), points 1, 2 and 5;
- b) Natural business person: certificates as stated in Article 1 (3) (b), points 1, 2, 5 and 6;
- c) Legal entity: certificates as stated in Article 1 (3) (c), points 5, 6 and 7.

Article 8

(1) The application for prior approval as stated in articles 1 to 7 shall also contain a written declaration of the applicant asserting that all stated data and all presented documents and certificates are complete, correct, true, real and current; the date and place of drawing the application for prior approval as well as officially authenticated signatures of people authorized to act on behalf of the applicant.

(2) If the application for prior approval as stated in articles 1 to 7 is submitted by complying persons, the application shall contain a letter of authorization with officially authenticated signatures of people authorized to act on behalf of the donor of power who has been appointed as a common representative by constituents to act on behalf of them in the application for prior approval proceedings.

(3) Documents as stated in articles 1 to 7 shall be presented in their original copies, and if not possible, their officially authenticated copies shall be presented. If the application for prior approval and documents presented as a part thereof are written in a foreign language, they shall also be presented in their officially authenticated translation into the national language.

(4) If the applicant has already presented documents as stated in articles 1 to 7, or some thereof, to the National Bank of Slovakia before filing their application for prior approval, they can be replaced by a declaration stating that the mentioned documents and certificates are complete, correct, true, real and current; such declaration shall also contain officially authenticated signatures of people authorized to act on behalf of the applicant and a list of documents already presented at the National Bank of Slovakia and the date when presented.

Article 9

This repeals Decree of the National Bank of Slovakia of 28 July 2005 No. 3/2005 stipulating the details of an application for prior approval pursuant to Article 28 (1) of Act No. 483/2001 Coll. on banks and on changes and amendments to certain laws as amended (Notification No. 369/2005 Coll.).

Article 10

This Decree shall become effective on 1 June 2010.

Jozef Makúch
Governor

Issuing body: Regulatory and Risk Management Methodology Department
Banking Sector and Securities Dealers Regulatory Section

Tel.: +421 2 5787 3301

Fax: +421 2 5787 1118