



Centrálny depozitár cenných papierov SR, a.s.

Scenarios for execution of measures in crisis resolution

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Contents

Definitions	3
Abbreviations.....	3
1. Introduction.....	4
2. SDR over the entire issue.....	5
3. Allocation of ISIN.....	6
4. Practical realisation of actions related to existing/new issues in CDCP.....	7
4.1. Decrease of nominal value of shares.....	8
4.2. Writing down additional capital instruments	9
4.2.1. Writing down total security value.....	9
4.2.2. Partial writing down of security value	11
4.3. Conversion of capital instruments.....	12
5. Communication matrix.....	14

Definitions

crisis situation	A situation where the conditions for the commencement of resolution proceeding set in the Act on resolution or similar regulation transposing the BRRD in another Member State have been met.
Rules of Operation	the Rules of Operation of CDCP
Resolution Council	The Resolution Council established under the Act on Resolution in the Slovak Republic
resolution authority	For purpose of this document the resolution authority is the Resolution Council or other resolution authority established in a Member State under local legal regulation.

Abbreviations

CDCP	Centrálny depozitár cenných papierov SR, a.s.
NNA	National Numbering Agency.
SDR	Suspension of disposal right over securities
ZOCP	Act No. 566/2001 Coll. on securities and investment services and on amendments and supplements to certain acts, as amended
Act on Resolution	Act No 371/2014 Coll. on resolution in the financial market and amending certain laws, as amended

1. Introduction

Purpose of this document is to describe activities of a resolution authority, an issuer, CDCP, or other relevant person (namely administrative receiver) in connection with application of measures imposed by a decision issued by a resolution authority within crisis resolution related to securities issues. Individual scenarios arise from expected measures for crisis resolution in CDCP.

Special rules for provision of issue services in case of crisis resolution are governed in article 10 of the Part I, and article 18 of the Part V of the Rules of Operation.

In case of measures imposed by the Resolution Council under the Slovak legislation (Act on Resolution) is assumed that request for service will be submitted by an issuer (or other authorised person), except submission of the instruction for registration of SDR placed by the Resolution Council.

In case of measures imposed by the resolution authority of another Member State, CDCP considers legislation of respective Member State when request for service is placed. Procedure according to this document is applied adequately.

2. SDR over the entire issue

This section is applied in case the Resolution Council decides on suspension of the disposal right over the entire securities issue according to par. 28(l) of ZOCP.

2.1. Input from the Resolution Council

The Resolution Council submits to CDCP the instruction for registration of the SDR over the entire issue, which includes following information:

Essentials of instruction for SDR	Entry
Issuer	Financial institution X Company ID Registered Address
ISIN	SK0000000001
Valid from	T-1 / T-2
Valid until	dd.mm.yyyy / indefinite

When placing the instruction, the Resolution Council proceeds according to article 18 of the Part V and article 10 of the Part I of the Rules of Operation. The resolution authority from another Member State or other authorised person proceeds according to article 10 of the Part I of the Rules of Operation.

2.2. Activities and acting of CDCP

Based on input from the Resolution Council CDCP will perform following activities.

1. CDCP will register to IS CDCP following corporate event and subsequently informs participants on processing of the corporate action event:

Type of general corporate action	Event type code	Description of event type code	Code of change type
Suspension of the disposal right over entire issue	OTHR	other CA	n/a

2. CDCP will register to IS CDCP the SDR over the entire issue according to the instruction as in the section 1.1.

This section will apply adequately also to cancellation of the SDR over the entire issue where relevant/necessary.

3. Allocation of ISIN

This section is applicable in case where the resolution with use of own funds involves conversion of existing securities to new securities (primary shares). CDCP allocates ISIN based on request of an issuer.

3.1. Input from an issuer

Data required to allocate ISIN¹:

Required information	Entry for security type - Share
Name of issuer	✓
Issuer registered address	✓
Entry in the Register	✓
Issuer Company ID	✓
Issuer VAT ID	✓
Issuer LEI	✓
Security type	Primary share
Nominal value	✓
Currency	EUR
Form of security	book-entry securities
Voting right	with voting right
Restricted transferability or negotiability	unrestricted/restricted negotiability
Redemption of issue rate	Fully redeemed
Kind of security	Bearer

- Placing of request: on regular form for allocation of ISIN/CFI/FISN.
- Form and format of request submission: according to a procedure set in the Rules of Operation (including special rules for provision of issue services in case of crisis resolution).

3.2. Activity and acting of CDCP

Based on request from an issuer, CDCP will perform following actions:

1. Allocation of ISIN/CFI/FISN.
2. Informing issuer on ISIN/CFI/FISN allocation result.

¹ Indicated are expected data based on given type of security. The „✓“ symbol stands for information relevant to given case.

4. Practical realisation of actions related to existing/new issues in CDCP

Following scenarios of crisis resolution are expected in context of existing and new issues in CDCP:

ID		Description	Corporate action applied by CDCP
1	A	Decrease of Common Equity Tier 1 capital instruments of obliged entity <i>(reduction of nominal value – to non-zero value)</i>	General corporate action, Type „DECR – Decrease of the nominal value“.
2	A	1) Debited Additional Tier 1 capital instruments of obliged entity <i>(reduction of nominal to zero value)</i>	Reorganisation, Type „WRTH – valueless securities
		2) Debited Additional Tier1 capital instruments of obliged entity <i>(partial reduction of nominal value)</i>	Reorganisation, Type „PCAL - Partial Redemption – Without Pool Factor Reduction“
	B	Converted of Additional Tier1 capital instruments of obliged entity ²	Reorganisation, Type „CONV – Conversion“ ³ or „EXOF – Exchange“ ⁴ .
3	A	Debited Tier 2 capital instruments of obliged entity	Same as 2 A.
	B	Converted Tier 2 capital instruments of obliged entity	Same as 2 B.

In case of corporate action event processed as reorganisation type, the following information on dates is needed for processing and have to be registered to the IS CDCP by CDCP, or provided to participants:

Field	Entry
Date of announcement	Announcement date, or announcement delivery date
Date of removal from trading	If relevant.
Record date	Date as of which a list of security owners/holders is generated to identify persons entitled to obtain revenue from this security. In this case this is a list of owners/holders who will be debited the security from account.
Payment date ⁵	A date of a business day on which given corporate action will be settled. In case the cash leg is not realised through CDCP, only movement of securities is performed.

² If securities for conversion were not issued as convertible, CDCP will use type „EXOF – Exchange“.

³ Applied in case: Conversion of securities (generally convertible bonds or preference shares) to other form of securities (usually primary shares) for price/rate set in advance.

⁴ Applied in case: Exchange of securities for other securities and/or cash. Exchange can be mandatory or voluntary including exchange of unpaid securities for different securities and/or cash. For example, „exchange offer“, „capital reorganisation“ or „funds separation“.

⁵ Intended date when given instructions related to respective corporate event are settled.

Time sequence of CDCP activities:

CDCP / T2S business day	Calendar day	Resolution Council /Issuer	CDCP
T-5	Monday	Decision issued and delivered to CDCP.	
T-4	Tuesday	Request.	*CDCP as the NNA will allocate ISIN to new shares, if necessary. CDCP will register SDR over the entire issue (if the Resolution Council sends instruction) with validity date from T-2/T-1. CDCP will register to IS CDCP respective corporate action event.
T-3	Wednesday		
T-2	Thursday	Issuer	12:00 – cut-off time for submission of complete requirement by an issuer.
T-1 (record date)	Friday		CDCP will automatically process: 1) [18:00] After the End-of-day on T-1 will prepare account statements to identify owners/holders and respective quantity, which the corporate action applies to. 2) [18:50] Start of a business day T and generation of respective instructions to debit/credit accounts. 3) [from 20:00] Settlement of instructions under item 2.
	Saturday		[02:30] start of maintenance window: processing of services is not possible
	Sunday		-
T (payment date)	Monday		[02:30] end of maintenance window: start of real-time settlement.

* Activities can be performed already on T-5 – depending on delivery time.

4.1. Decrease of nominal value of shares

4.1.1. Input from issuer

An issuer will ask CDCP to decrease nominal value of shares based on decision of the Resolution Council.

ISIN	Nominal value after decrease
SK0000000001	10,00 EUR

- Placing of request: on regular form.
- Form and format of request submission: according to a procedure set in the Rules of Operation (including special rules for provision of issues services in case of crisis resolution) and agreement concluded between issuer and CDCP.
- Processing of request: Order and time limit for processing pursuant to the Rules of Operation or special contractual arrangement does not apply to processing of service request. When processing the service request service, CDCP acts without delay to ensure efficient execution of measures according to decision of a resolution authority.

4.1.2. Activity and acting of CDCP

Based on instruction form an issuer CDCP will perform following activities.

1. CDCP will register to IS CDCP the following corporate action and consequently informs participants on processing of the corporate action event:

CA essentials	Entry
Official identification of CA (COAF)	Allocated automatically by CDCP
ISIN	SK0000000001
Announcement Date	Date when decision was delivered to financial institution
Effectivity Date	Effectivity date of the decision
Nominal value after decreasing	10,00 EUR

Change/decrease of the nominal value will be registered as a change in the static data of given issue, i.e. no movement of securities on owner/holder accounts will occur.

2. Consequently, on the effectivity date CDCP will decrease the nominal value of security and will change the nominal value in the ISIN/CFI/FISN codes registry.

4.2. Writing down additional capital instruments

4.2.1. Writing down total security value

4.2.1.1. Input from issuer

Issuer will request CDCP to decrease the nominal value of securities based on decision of the Resolution Council.

ISIN	Name of issuer LEI identifier	Nominal value Qty	Type Form Security registration place	Nominal value after decrease
SK4000000001	Bank X Company ID LEI	1000,00 EUR 50 000	Bearer Book-entry CDCP	0,00 EUR

- ➔ Placing of request: on regular form.
- ➔ Form and format of request submission: according to a procedure set in the Rules of Operation (including special rules for provision of issue services in case of crisis resolution) and agreement concluded between an issuer and CDCP.
- ➔ Processing of request: Order and time limit for processing pursuant to the Rules of Operation or special contractual arrangement does not apply to processing of service request. When processing the service request CDCP acts without delay to ensure efficient execution of measures according to decision of a resolution authority

4.2.1.2. Activity and acting of CDCP

Based on request form an issue CDCP will perform following activities.

1. CDCP will register to IS CDCP following corporate action event and subsequently will inform participants on processing of corporate action:

CA essentials	Entry
Official identification of CA (COAF)	Automatically allocated by CDCP
Event type	WRTH
ISIN	SK4000000001
Date of announcement	Day when decision is delivered to a bank
Date when removed from trading	If relevant
Record day (T-1)	One day before the payment day
Payment day (T)	Day when change is performed.

2. CDCP consequently:
 - a. during night time settlement on the Payment Day (from 20:00) will debit all bonds from all accounts of owners/holders depending on status on their accounts as of the end of the day defined as a Record Day,
 - b. will cancel registration of the issue in issuer's register, including cancellation of ISIN if all following requirements are met:
 - lapsed 20 business days from maturity date/settlement date, or expiry date of given issue; this provision does not affect possibility of premature redemption,
 - the issue is not marked in T2S by central bank as collateral eligible for auto-collateralisation,

- the issue is not marked in T2S by investor CSD as eligible for settlement.

4.2.2. Partial writing down of security value

4.2.2.1. Input from issuer

Issuer will request CDCP to decrease nominal value of security based on decision issued by the Resolution Council.

ISIN	Issuer name LEI identifier	Nominal value Qty	Type Form Registration place of security	Nominal value after reduction
SK4000000001	Bank X Company ID LEI	1000,00 EUR 50 000	Bearer Book-entry CDCP	700,00 EUR

- ➔ Placing of request: on regular form.
- ➔ Form and format of request submission: according to a procedure set in the Rules of Operation (including special rules for provision of issue services in case of crisis resolution) and agreement concluded between issuer and CDCP.
- ➔ Processing of request: Order and time limit for processing pursuant to the Rules of Operation or special contractual arrangement does not apply to processing of service request. When processing the service request CDCP acts without delay to ensure efficient execution of measures according to decision of a resolution authority

4.2.2.2. Activity and acting of CDCP

On basis of issuer request CDCP will perform following activities.

1. CDCP will register to IS CDCP following corporate action and consequently informs participants on processing of the corporate action event:

CA essentials	Entry
Official identification of CA (COAF)	Automatically assigned by CDCP
Type of event	PCAL
ISIN	SK4000000001
Date of announcement	Date when decision is delivered to financial institution
Date when removed from trading	If relevant
Record date (T-1)	One day before the Payment date (effectivity date).
Payment date (T)	Date when change is realised.

2. CDCP consequently:

- a. during night time settlement on the Payment day (from 20:00) will be reduced the nominal value (300,00 EUR) of bonds at all accounts of owners/holders based on status on their account as of the end of the day which is specified as the Record date.
- b. Will change nominal value of the issue and in the ISIN/CFI/FISN codes registry.

4.3. Conversion of capital instruments

4.3.1. Input from issuer

Issuer will request CDCP to reduce nominal value of shares based on decision issued by the Resolution Council.

ISIN	Issuer name ID LEI	Nominal value Qty	Kind Form Security registration place	Target instrument Nominal value after conversion Conversion rate
SK4000000001	Bank X Company ID LEI	1000,00 EUR 500 000	Bearer Book-entry CDCP	SK000000002 1000,00 EUR to 5,1 unit

- ➔ Placing of request: on regular form, applies also for registration of new issue of shares (including allocation of ISIN).
- ➔ Form and format of request submission: according to a procedure set in the Rules of Operation (including special rules for provision of issue services in case of crisis resolution) and agreement concluded between issuer and CDCP.
- ➔ Processing of request: Order and time limit for processing pursuant to the Rules of Operation or special contractual arrangement does not apply to processing of request for service. When processing the request for service CDCP acts without delay to ensure efficient execution of measures according to decision of a resolution authority.

4.3.2. Activity and action of CDCP

Based on instruction from an issuer CDCP will perform following activities.

1. CDCP will register to IS CDCP following corporate action and subsequently informs participants on processing of the corporate action event:

CA essentials	Entry
Official identification of CA (COAF)	Automatically assigned by CDCP
Type of event	CONV/EXOF
ISIN	SK4000000001

New ISIN	SK0000000002
New for old ⁶	5,1: 1000,00
Date of announcement	Date when decision is delivered to bank
Date when removed from trading	If relevant
Record date (T-1)	One day before the payment date (effectivity date).
Payment date (T)	Date when change is performed.

2. CDCP consequently:

- a. during night-time settlement on the Payment Day (from 20:00) will debit underlying bonds from all owner/holder accounts based on status on their account at the end of the day, which is specified as the Record Date and, at the same time, will credit underlying shares according to defined rate (e.g. an owner who holds on its account bonds in value of 1 000 000,00 EUR, will be credited by CDCP 5 100 units of shares),
- c. will cancel registration of the issue in the issuer's register, including cancellation of the ISIN code when following conditions are met:
 - after lapse of 20 business days from maturity/settlement or expiry date of given issue; this provision does not affect possibility of premature redemption,
 - the issue is not marked by the central bank in T2S as eligible collateral for purpose of auto-collateralisation,
 - the issue is not marked by an investor CSD in T2S as eligible for settlement.

⁶ Number of new securities for given number of existing underlying securities in case of exchange or debiting of underlying securities, e.g. 2 for 1 means: 2 new shares for each 1 debited underlying share = result is - 2 shares.

5. Communication matrix

For execution of measures imposed by a resolution authority to ensure crisis resolution, the following communication matrix is expected as regards placement of requests and instructions to CDCP and billing of CDCP services.

Activity	Person placing request to CDCP	Form of request	Execution time *	Billing of services
SDR over the entire issue	Resolution Council	As agreed (art. 18 Part V of Rules of Operation)	After delivery	Resolution Council
ISIN allocation	Issuer	Existing from	T/T+1 depending of the request delivery time	Issuer
Registration of issue	Issuer	Existing agreements /forms	T/T+1 depending of the request delivery time	Issuer
Corporate action	Issuer	Existing agreements /forms	T/T+1 depending of the request delivery time	Issuer

* Intended processing time of the request. Realisation dates of individual service are set above.