

Notification template for Article 131 CRD – Other Systemically Important Institutions (O-SII)

Please send this template to

- notifications@esrb.europa.eu when notifying the ESRB;
- macropru.notifications@ecb.europa.eu when notifying the ECB;
- notifications@eba.europa.eu when notifying the EBA.

Emailing this template to the above-mentioned addresses constitutes an official notification, no further official letter is required. In order to facilitate the work of the notified authorities, please send the notification template in a format that allows electronically copying the information.

1. Notifying national authority																							
1.1 Name of the notifying authority	Austrian Financial Market Authority																						
2. Description of the measure																							
2.1 Concerned institution or group of institutions	<table border="1"> <thead> <tr> <th>Institution</th> <th>Basis</th> <th>LEI</th> </tr> </thead> <tbody> <tr> <td>Erste Group Bank AG</td> <td>consolidated</td> <td>PQOH26KWDF7CG10L6792</td> </tr> <tr> <td>Raiffeisen Bank International AG</td> <td>consolidated</td> <td>9ZHRYM6F437SQJ6OUG95</td> </tr> <tr> <td>UniCredit Bank Austria AG</td> <td>consolidated</td> <td>D1HEB8VEU6D9M8ZUXG17</td> </tr> <tr> <td>Raiffeisenlandesbank Oberösterreich Aktiengesellschaft</td> <td>consolidated</td> <td>I6SS27Q1Q3385V753S50</td> </tr> <tr> <td>BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft</td> <td>consolidated</td> <td>529900ICA8XQYGIKR372</td> </tr> <tr> <td>RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung</td> <td>consolidated</td> <td>529900GPOO9ISPD1EE83</td> </tr> </tbody> </table>		Institution	Basis	LEI	Erste Group Bank AG	consolidated	PQOH26KWDF7CG10L6792	Raiffeisen Bank International AG	consolidated	9ZHRYM6F437SQJ6OUG95	UniCredit Bank Austria AG	consolidated	D1HEB8VEU6D9M8ZUXG17	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	consolidated	I6SS27Q1Q3385V753S50	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft	consolidated	529900ICA8XQYGIKR372	RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung	consolidated	529900GPOO9ISPD1EE83
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2.3 Name of the EU ultimate parent institution	Institution	Ultimate EU parent	LEI																																												
	UniCredit Bank Austria AG	UniCredit S.p.a.	549300TRUWO2CD2G5692																																												
	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	Raiffeisenbankengruppe OÖ Verbund	529900XSTAE561178282																																												
	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische	Promontoria Sacher Holding B.V.	5299004SNO5GECIBWJ18																																												
2.4 Names of subsidiaries	N/A																																														
3. Timing of the measure																																															
3.1 Timing of the Decision	04.12.2017																																														
3.2 Timing of the Publication	The expected date of publication will be in December 2017.																																														
3.3 Disclosure	The amended Capital Buffer Regulation and the identified institutions will be published after the decision on 4 December 2017 on the FMA website.																																														
3.4 Timing of Application	01.01.2018																																														
3.5 Phasing in	See 2.2.																																														
3.6 Review of the measure	November 2018																																														
4. Reason for O-SII identification and activation of the O-SII buffer																																															
4.1 Scores of concerned institution or group of institutions, as per EBA guidelines on the assessment of O-SIIs (Article 131.3)	<table border="1"> <thead> <tr> <th>Institution</th> <th>Size</th> <th>Importance</th> <th>Complexity/ Cross border</th> <th>Inter-connectedness</th> <th>Overall Score</th> </tr> </thead> <tbody> <tr> <td>Erste Group Bank AG</td> <td>2.259</td> <td>2.181</td> <td>2.847</td> <td>1.636</td> <td>2.231</td> </tr> <tr> <td>Raiffeisen Bank International AG</td> <td>1.466</td> <td>1.594</td> <td>2.685</td> <td>1.435</td> <td>1.795</td> </tr> <tr> <td>UniCredit Bank Austria AG</td> <td>1.152</td> <td>1.131</td> <td>1.138</td> <td>1.471</td> <td>1.223</td> </tr> <tr> <td>Raiffeisenlandesbank Oberösterreich Aktiengesellschaft</td> <td>422</td> <td>304</td> <td>356</td> <td>781</td> <td>466</td> </tr> <tr> <td>BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft</td> <td>432</td> <td>497</td> <td>351</td> <td>406</td> <td>421</td> </tr> <tr> <td>RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung</td> <td>285</td> <td>283</td> <td>218</td> <td>512</td> <td>325</td> </tr> </tbody> </table>					Institution	Size	Importance	Complexity/ Cross border	Inter-connectedness	Overall Score	Erste Group Bank AG	2.259	2.181	2.847	1.636	2.231	Raiffeisen Bank International AG	1.466	1.594	2.685	1.435	1.795	UniCredit Bank Austria AG	1.152	1.131	1.138	1.471	1.223	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	422	304	356	781	466	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft	432	497	351	406	421	RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung	285	283	218	512	325
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<p>Please provide information on:</p> <ul style="list-style-type: none"> a. whether you followed the EBA guidelines on the assessment of O-SIIs: YES b. which threshold score has been set to identify O-SIIs: 275 c. which overall score is attributed to the O-SIIs: see 4.1. d. which of the optional indicators have been used to justify supervisory assessment decisions, if any, and what are the scores: N/A e. why these optional indicators are relevant for the Member State: N/A f. why the bank is systemically important in terms of those particular optional indicators: N/A g. whether relevant entities with relative total assets not in excess of 0.02% have 																																															
4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)																																															

	<p>been excluded from the identification process: NO</p> <p>Nevertheless we excluded Raiffeisen Zentralbank (merger with Raiffeisen Bank International on 18.03.2017) from the assessment and therefore included Raiffeisen Bank International in the assessment of the consolidated institutions.</p> <p>h. names and scores of all relevant entities not excluded from the identification process (could be sent in a separate excel file, see 4.1)</p> <p>i. whether non-bank institutions have been included in the calculations: NO</p>												
4.3 Supervisory judgement	NO												
4.4 Calibrating the O-SII buffer	<p>With regard to the calibration methodology FMA and OeNB established three buckets with different buffer rates dependent on the score whereas every identified institution has to hold an O-SII buffer of at least 1 %:</p> <table border="1"> <thead> <tr> <th>Subcategory</th> <th>O-SII Buffer</th> <th>Scores</th> </tr> </thead> <tbody> <tr> <td>Bucket 3</td> <td>2.0 % CET1</td> <td>≥ 1.000</td> </tr> <tr> <td>Bucket 2</td> <td>1.5 % CET1</td> <td>637 – 999</td> </tr> <tr> <td>Bucket 1</td> <td>1.0 % CET1</td> <td>275 – 636</td> </tr> </tbody> </table> <p>The subcategories enable to differentiate the institutions depending on the score. In particular the difference between EGB, RBI UCI Bank Austria (score more than 1.200) and all other identified institutions (score below 500) is very large and could be considered in the best way possible by the calibration.</p> <p>For the following reasons the FMSB together with FMA and OeNB decided to reduce the threshold to 275 bps two years ago:</p> <ul style="list-style-type: none"> - BAWAG has a leading role in payment transactions. - Raiffeisen Niederösterreich-Wien has strong interlinkages with other banks. <p>For consistency reasons we maintained this approach for this and last year. For the following years, FMSB together with FMA and OeNB will discuss, if the reduction to 275 bps is still justified.</p>	Subcategory	O-SII Buffer	Scores	Bucket 3	2.0 % CET1	≥ 1.000	Bucket 2	1.5 % CET1	637 – 999	Bucket 1	1.0 % CET1	275 – 636
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4.5 Effectiveness and proportionality of measure	<p>The O-SII buffer aims to increase the risk-bearing capacity of the systemically important institutions in Austria. However in Austria a systemic risk buffer has been implemented since the beginning of 2016 and the higher of the respective systemic risk buffer and O-SII buffer shall be applied. In the currently prevailing case, this is the systemic risk buffer.</p>												
5. Cross-border and cross-sector impact of the measure													
5.1 Assessment of cross-border effects and the likely impact on the internal market (Recommendation ESRB/2015/2)	<p>In line with the findings on the economic impact of the systemic risk buffer at the national level, cross-border effects are expected to be marginally positive.</p>												
5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	N/A												

6. Combinations and interactions with other measures																						
6.1 Combinations between G-SII and O-SII buffers (Article 131.14)	N/A																					
6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)	<p>Are any of the institutions subject to a systemic risk buffer? YES</p> <p>If yes, please provide the following information:</p> <p>a. What is the level of the systemic risk buffer (in %) applied to the concerned institution</p> <table border="1"> <thead> <tr> <th></th> <th>01.01.2018 – 31.12.2018</th> <th>From 01.01.2019</th> </tr> </thead> <tbody> <tr> <td>Erste Group Bank</td> <td>1.0%</td> <td>2.0%</td> </tr> <tr> <td>Raiffeisen Bank International</td> <td>1.0%</td> <td>2.0%</td> </tr> <tr> <td>Unicredit Bank Austria</td> <td>1.0%</td> <td>2.0%</td> </tr> <tr> <td>BAWAG P.S.K.</td> <td>1.0%</td> <td>1.0%</td> </tr> <tr> <td>Raiffeisen-Holding Niederösterreich-Wien</td> <td>1.0%</td> <td>1.0%</td> </tr> <tr> <td>Raiffeisenlandesbank Oberösterreich</td> <td>1.0%</td> <td>1.0%</td> </tr> </tbody> </table> <p>b. Is the systemic risk buffer applied to all exposures located in your Member State only? NO, the SRB is applied to all exposures.</p> <p>c. Is the systemic risk buffer applied at the same consolidation level as the O-SII buffer? YES</p>		01.01.2018 – 31.12.2018	From 01.01.2019	Erste Group Bank	1.0%	2.0%	Raiffeisen Bank International	1.0%	2.0%	Unicredit Bank Austria	1.0%	2.0%	BAWAG P.S.K.	1.0%	1.0%	Raiffeisen-Holding Niederösterreich-Wien	1.0%	1.0%	Raiffeisenlandesbank Oberösterreich	1.0%	1.0%
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6.3 O-SII requirement for a subsidiary (Article 131.8)	<p>In case the O-SII is a subsidiary of an EU parent institution which is subject to a G-SII or O-SII buffer on a consolidated basis, what is the G-SII or O-SII buffer rate on a consolidated basis of the parent institution?</p> <p>UniCredit S.p.a.: G-SII buffer 1 %</p> <p>For details pls see the decision of the Banca d'Italia.</p>																					
6.4 Interaction with other measures	N/A																					

7. Miscellaneous	
7.1 Contact person(s) at notifying authority	Roland Salomon (roland.salomon@fma.gv.at) Lucas Grafl (lucas.grafl@fma.gv.at) Alexander Gruber (alexander.gruber@fma.gv.at)
7.2 Any other relevant information	N/A