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115 03 PRAHA 1
CZECH REPUBLIC

GOVERNOR

Prague, 16 December 2015

By DARWIN

Mr Mario Draghi
Chair
European Systemic Risk Board

**NOTIFICATION LETTER – OTHER SYSTEMICALLY IMPORTANT
INSTITUTIONS IN THE CZECH REPUBLIC UNDER ARTICLE 131 OF CRD IV**

Dear Mr Chair,

I hereby provide you with notification of other systemically important institutions (O-SIIs) in the Czech Republic in accordance with Article 131(12) of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (CRD IV). Having regard to Article 131(1) and (3) of CRD IV, the Czech National Bank (CNB) as the competent authority in the Czech Republic has identified seven other systemically important institutions within its jurisdiction.

During the identification process, the CNB fully followed the EBA Guidelines on the criteria to determine the conditions of application of Article 131(3) of CRD IV in relation to the assessment of other systemically important institutions (EBA/GL/2014/10, hereinafter the ‘EBA Guidelines’).

In compliance with Article 5 of the EBA Guidelines, the CNB calculated a score for each relevant entity at least at the highest consolidation level of the part of the group that falls under its jurisdiction, including subsidiaries in other Member States and third countries. Investment firms were, in compliance with Article 12 of the EBA Guidelines, excluded from the calculation, as they do not play a substantial role in the Czech financial system.

In accordance with Article 9 of the EBA Guidelines, the CNB also raised the threshold for designating relevant entities to 425 basis points so as to ensure the homogeneity of the group of O-SIIs designated in this way. The following entities were identified as O-SIIs due to exceeding the score of 425 basis points:

Československá obchodní banka, a.s.

Komerční banka, a.s.

Česká spořitelna, a.s.

UniCredit Bank Czech Republic and Slovakia, a.s.

Jakabovič & Tkáč (consolidating liable entity J&T Banka, a.s.)

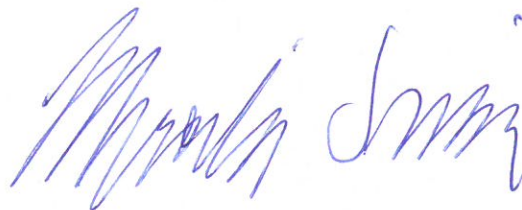
PPF FH B.V. (consolidating liable entity PPF Banka, a.s.)

Furthermore, in accordance with Article 13 of the EBA Guidelines the CNB assessed whether further relevant entities should be designated as O-SIIs. With regard to its relatively high score and other important indicators one more institution was identified as an O-SII:

Raiffeisenbank, a.s.

The reasons for including this particular institution in the O-SII category are its size and its significant share in private sector deposits and private sector loans in the domestic banking sector. These features make the institution relevant in terms of systemic risk in the domestic economy.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Miroslav Jirák', is written in a cursive style.