



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

Please send this template to

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1. Notifying national authority																	
1.1 Name of the notifying authority	National Bank of Slovakia																
2. Description of the measure																	
2.1 Concerned institution or group of institutions	The institutions to which the measure is applied:																
	<table border="1"> <thead> <tr> <th>Bank</th> <th>LEI code</th> </tr> </thead> <tbody> <tr> <td>Všeobecná úverová banka, a.s.</td> <td>549300JB1P61FUTPEZ75</td> </tr> <tr> <td>Slovenská sporiteľňa, a.s.</td> <td>549300S2T3FWVXWJ189</td> </tr> <tr> <td>Tatra banka, a.s.</td> <td>3157002JBF4I478MD587</td> </tr> <tr> <td>Československá obchodná banka, a.s.</td> <td>52990096Q5LMCH1WU462</td> </tr> <tr> <td>Poštová banka, a.s.</td> <td>315700PLTAXHBHZZP5J02</td> </tr> </tbody> </table>	Bank	LEI code	Všeobecná úverová banka, a.s.	549300JB1P61FUTPEZ75	Slovenská sporiteľňa, a.s.	549300S2T3FWVXWJ189	Tatra banka, a.s.	3157002JBF4I478MD587	Československá obchodná banka, a.s.	52990096Q5LMCH1WU462	Poštová banka, a.s.	315700PLTAXHBHZZP5J02	The measure is applied on both individual and sub-consolidated level.			
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2.2 Level of the buffer applied	Bank	O-SII buffer from 1st January 2018															
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2.3 Name of the EU ultimate parent institution	Bank	Ultimate parent	LEI code														
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2.4 Names of subsidiaries	Bank	Subsidiary	LEI code														
	Československá obchodná banka, a.s.	ČSOB stavebná sporiteľňa, a.s.	097900BEMW000006310														
3. Timing of the measure																	
3.1 Timing of the Decision	The official decision is planned on 30 May 2017																

3.2 Timing of the Publication	The decision will be published within 10 working days after the decision is taken.	
3.3 Disclosure	The decision will be published on the website of the National Bank of Slovakia and will be also delivered via mail to all the identified O-SIIs.	
3.4 Timing of Application	Under Article 33d of the Slovak Banking Act (Article 131(12) CRD IV) the list of O-SIIs and the O-SII buffers should be reviewed at least annually. NBS identified O-SIIs in Slovakia and set the O-SII buffer and the systemic risk buffer for these institutions first in May 2015, with the activation of the measures from 1 January 2016. The decision to reset O-SII buffers based on the annual revision should be applicable from 1 January 2018.	
3.5 Phasing in	As this decision is about to reset O-SII buffers, there is no phase-in planned and the O-SII buffers will be fully applied from 1 January 2018.	
3.6 Review of the measure	The next decision should be taken in May 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)	Bank	Overall score (in basis points)
	Všeobecná úverová banka, a.s.	2 155
	Slovenská sporiteľňa, a.s.	1 702
	Tatra banka, a.s.	1 359
	Československá obchodná banka, a.s.	1 173
	Poštová banka, a.s.	568
4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)	<p>Please provide information on:</p> <ol style="list-style-type: none"> whether you followed the EBA guidelines on the assessment of O-SIIs The EBA guidelines were fully followed when identifying O-SIIs. which threshold score has been set to identify O-SIIs Due to the relatively small number of banks in the Slovak banking sector the threshold was set to 425 basis points which overall score is attributed to the O-SIIs See section 4.1 above which of the optional indicators have been used to justify supervisory assessment decisions, if any, and what are the scores 3 optional indicators have been used: total RWA, retail loans and retail deposits why these optional indicators are relevant for the Member State The Slovak banking sector is relatively traditional and conservative, focusing mainly on the domestic market. Therefore, the retail sector is particularly important for the banks, both on the assets and liabilities side of the balance sheet. Also, risk exposures are a key indicator of the “risk adjusted size” of the banks. why the bank is systemically important in terms of those particular optional indicators The indicators have been included to better capture the specificities of the whole banking sector. Therefore, there is no single bank that can be pointed out in this regard. whether relevant entities with relative total assets not in excess of 0.02% have been excluded from the identification process As the Slovak banking sector consists only of 13 banks/subsidiaries and 15 branches, all banks as well as branches have been included in the calculations. names and scores of all relevant entities not excluded from the identification process (could be sent in a separate excel file, see 4.1) whether non-bank institutions have been included in the calculations Non-bank institutions have not been included in the calculation 	

4.3 Supervisory judgement	<p>O-SIIs have been identified by adding the three optional indicators to the list of the 10 mandatory indicators. These optional indicators have been included in a 5th category (criterion) “optional indicators”. The weights have been set in line with the EBA methodology: every criterion has an equal weight and within every criterion all indicators are equally weighted. The list of identified O-SIIs would be the same using only the mandatory indicators or using the adjusted list of indicators divided into 5 criterions.</p>
4.4 Calibrating the O-SII buffer	<p>Identified O-SIIs are required to maintain a combination of O-SII buffer and SRB (see section 6). The O-SII buffers have been calibrated, together with the SRB, mainly based on the score of the identified institutions.</p> <p>Compared to the last decision, however, the overall (O-SII and SRB) buffer rate for the identified O-SIIs is decreased by one percentage point. There are two main factors behind this decision:</p> <ol style="list-style-type: none"> 1. In June 2016 the Macroprudential Forum of the ECB agreed on a methodology that the ECB will use to set the minimum level of the O-SII buffer for O-SIIs identified in SSM countries. 2. The macroprudential authorities in all SSM countries have now identified the O-SIIs in their countries and set the corresponding O-SII buffers. All O-SIIs and their buffers can now be compared for level playing field reasons. <p>While the ECB methodology sets only the minimum O-SII buffer rate, currently there is a relatively large gap between the targeted buffer rate for Slovak O-SIIs and the minimum ECB rate. To decrease the gap and also to be more in line with the buffer rate of other SSM O-SIIs (relative to their overall score) it has been decided to decrease the buffer rate for Slovak O-SIIs.</p> <p>On the other hand, due to prudential reasons, the buffer rate for the largest O-SIIs in Slovakia is set to be equal to the currently applied buffer rate of 2%.</p>
4.5 Effectiveness and proportionality of measure	<p>As the decision is only to reset the O-SII buffers and SRB within the annual review, this point is not relevant.</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>As the decision is only to reset the O-SII buffers and SRB within the annual review, this point is not relevant.</p>
5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	<p>As the decision is only to reset the O-SII buffers and SRB within the annual review, this point is not relevant.</p>
6. Combinations and interactions with other measures	
6.1 Combinations between G-SII and O-SII buffers (Article 131.14)	<p>N/A: there are no G-SIIs identified in Slovakia.</p>

6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)	The SRB have been set for the identified O-SIIs as well. As all O-SIIs are subsidiaries of institutions that have been already identified as O-SIIs, based on Article 131(8) CRD IV the maximum O-SII buffer rate is largely limited.			
	Bank	Targeted sum of O-SII buffer and SRB	Structure of the buffer from 1 January 2018	
	Všeobecná úverová banka, a.s.	2%	1% O-SII buffer + 1% SRB	
	Slovenská sporiteľňa, a.s.	2%	1% O-SII buffer + 1% SRB	
	Tatra banka, a.s.	1.5%	0.5% O-SII buffer + 1% SRB	
	Československá obchodná banka, a.s.	1%	1% O-SII buffer	
	Poštová banka, a.s.	1%	1% O-SII buffer	
	O-SII buffers and SRBs should each be maintained on both an individual and sub-consolidated basis. The O-SII buffer applies to the institution's total risk exposure amount, while the SRB applies to all the institution's exposures in the Slovak Republic. As the SRB buffer applies only to domestic exposures, it is to be cumulative with the O-SII buffer (Article 133(5) CRD IV).			
6.3 O-SII requirement for a subsidiary (Article 131.8)	Bank	Ultimate parent	O-SII buffer	G-SII buffer
	Všeobecná úverová banka, a.s.	Intesa Sanpaolo Spa	0.75%	N/A
	Slovenská sporiteľňa, a.s.	Erste Group Bank AG*	2%	N/A
	Tatra banka, a.s.	Raiffeisen-Landesbanken-Holding GmbH*	2%	N/A
	Československá obchodná banka, a.s.	KBC Group NV	1.5%	N/A
	Poštová banka, a.s.	J&T Finance Group SE	Not applied	N/A
	* ERSTE Group Bank and Raiffeisen Bank International should maintain an O-SII buffer of 2% with a gradual phase in. Until end-2018 the level of O-SII buffer for these banks will not exceed 1%.			
6.4 Interaction with other measures	No interaction.			

7. Miscellaneous	
7.1 Contact person(s) at notifying authority	Ján Klacso, phone: +421 2 5787 2899, mail: jan.klacso@nbs.sk
7.2 Any other relevant information	N/A