

Notification template for Article 131 of the Capital Requirements Directive (CRD) – Other Systemically Important Institutions (O-SIIs)

Template for notifying the European Central Bank (ECB) and the European Systemic Risk Board (ESRB) of the setting or resetting of an O-SII buffer under Article 131(7) CRD and of the identity of O-SIIs under Article 131(12) CRD

Please send/upload this template to:

- macropru.notifications@ecb.europa.eu when notifying the ECB (under Article 5 of the Single Supervisory Mechanism (SSM) Regulation¹);
- [DARWIN/ASTRA](#) when notifying the ESRB.

The ESRB will forward this notification to the European Commission, to the European Banking Authority (EBA) and to the competent and designated authorities of the Member States concerned without delay and will publicly disclose the names of the O-SIIs on its website. This notification will be made public by the ESRB once the relevant authorities have adopted and published the notified macroprudential measure².

E-mailing/uploading this template to the above addresses constitutes official notification; no further official letter is required. To facilitate the work of the notified authorities, please send the notification template in a format that allows the information to be read electronically.

1. Notifying national authority			
1.1 Name of the notifying authority	Hrvatska narodna banka (HNB)		
1.2 Country of the notifying authority	Croatia		
2. Description of the measure			
2.1a Institution or group of institutions concerned	Name of institution	LEI	Consolidation level
	Zagrebačka banka d.d., Zagreb	PRNXTNXHBI0TSY1V8P17	Sub-consolidated and individual level
	Privredna banka Zagreb d.d., Zagreb	549300ZHFZ4CSK7VS460	Sub-consolidated and individual level
	Erste&Steiermärkische Bank d.d. Rijeka	549300A2F46GR0UOM390	Sub-consolidated and individual level
	Raiffeisenbank Austria d.d., Zagreb	52990011UZV70CZRAU55	Sub-consolidated and individual level
	OTP banka Hrvatska d.d., Zagreb	5299005UJX6K7BQKV086	Sub-consolidated and individual level
	Hrvatska poštanska banka d.d., Zagreb	529900D5G4V6THXC5P79	Consolidated and Individual level
	Addiko Bank d.d.	RG3IZJKPYQ4H6IQPIC08	Individual level

¹ Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63).

² On request by the notifying authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.

2.1b Changes to the list of institutions concerned	No changes occurred.		
2.2 Level of the buffer applied	At what level is the fully phased-in buffer (in %) applied to the institution(s)?		
	Name of institution	New O-SII buffer	Previous O-SII buffer
	Zagrebačka banka d.d., Zagreb	2%	2%
	Privredna banka Zagreb d.d., Zagreb	2%	2%
	Erste&Steiermärkische Bank d.d. Rijeka	2%	2%
	Raiffeisenbank Austria d.d., Zagreb	1.5%	2%
	OTP banka Hrvatska d.d., Zagreb	1.5%	2%
	Hrvatska poštanska banka d.d., Zagreb	0.5%	0.5%
	Addiko Bank d.d.	0.5%	0.5%
2.3 Name of the ultimate EU parent institution	Name of identified O-SII	Ultimate EU parent institution	LEI of ultimate parent institution
	Zagrebačka banka d.d., Zagreb	UniCredit S.p.A.	549300TRUWO2CD2G5692
	Privredna banka Zagreb d.d., Zagreb	Intesa Sanpaolo S.p.A.	2W8N8UU78PMDQKZENC08
	Erste&Steiermärkische Bank d.d. Rijeka	Erste Group Bank AG	PQOH26KWDF7CG10L6792
	Raiffeisenbank Austria d.d., Zagreb	Raiffeisen Bank International AG	9ZHRYM6F437SQJ6OUG95
	OTP banka Hrvatska d.d., Zagreb	OTP Bank Nyrt.	529900W3MOO00A18X956
	Hrvatska poštanska banka d.d., Zagreb		
	Addiko Bank d.d.	AI LAKE (Luxembourg) Holding S.a.r.l.	529900AZGQJII2UBR22
2.4 Names of subsidiaries	Not applicable		
	Name of parent O-SII identified	Name of O-SII subsidiary	LEI of O-SII subsidiary
3. Timing for the measure			
3.1 Timing for the decision	What is the date of the official decision? <u>For SSM countries when notifying the ECB</u> : provide the date on which the decision referred to in Article 5 of the Single Supervisory Mechanism Regulation (SSMR) will be taken. 21/11/2022		
3.2 Timing for publication	What is the date of publication of the notified measure?		

	28/11/2022																																																						
3.3 Disclosure	Official decision to identified O-SI institutions via registered post and publication on HNB's web page .																																																						
3.4 Timing for application	What is the intended date of application of the measure? 01/01/2023																																																						
3.5 Phasing in	Not applicable <table border="1"> <thead> <tr> <th>Name of institution</th> <th>Date1</th> <th>Date2</th> <th>Date3</th> <th>Date4</th> <th>Date5</th> </tr> </thead> <tbody> <tr> <td></td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> </tr> <tr> <td></td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> </tr> </tbody> </table>	Name of institution	Date1	Date2	Date3	Date4	Date5		%	%	%	%	%		%	%	%	%	%																																				
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3.6 Review of the measure	At least annually. HNB intends to perform its review each year in autumn, based on reported data as of end-December of the preceding year.																																																						
4. Reason for O-SII identification and activation of the O-SII buffer																																																							
4.1 Scores of institutions or group of institutions concerned, as per EBA guidelines on the assessment of O-SIIs (Article 131.3 CRD)	<p>Please list here the names, overall scores and category scores of the O-SIIs identified based on</p> <ol style="list-style-type: none"> size; importance for the economy of the relevant Member State or the Union, capturing substitutability/financial institution infrastructure; complexity, including the additional complexities from cross-border activity; interconnectedness of the institution or (sub-)group with the financial system. <table border="1"> <thead> <tr> <th>Name of institution</th> <th>Size</th> <th>Substitutability</th> <th>Complexity</th> <th>Interconnectedness</th> <th>Overall Score</th> </tr> </thead> <tbody> <tr> <td>Zagrebačka banka d.d., Zagreb</td> <td>2741</td> <td>2854</td> <td>3725</td> <td>2235</td> <td>2889</td> </tr> <tr> <td>Privredna banka Zagreb d.d., Zagreb</td> <td>2444</td> <td>2143</td> <td>3158</td> <td>1448</td> <td>2298</td> </tr> <tr> <td>Erste&Steiermärkische Bank d.d. Rijeka</td> <td>1599</td> <td>1543</td> <td>1311</td> <td>3573</td> <td>2006</td> </tr> <tr> <td>Raiffeisenbank Austria d.d., Zagreb</td> <td>747</td> <td>894</td> <td>782</td> <td>1086</td> <td>878</td> </tr> <tr> <td>OTP banka Hrvatska d.d., Zagreb</td> <td>904</td> <td>945</td> <td>543</td> <td>407</td> <td>700</td> </tr> <tr> <td>Hrvatska poštanska banka d.d., Zagreb</td> <td>482</td> <td>415</td> <td>42</td> <td>269</td> <td>302</td> </tr> <tr> <td>Addiko Bank d.d.</td> <td>293</td> <td>348</td> <td>140</td> <td>187</td> <td>242</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Please provide other relevant information (indicator values, methodology, calculations and formulas, data sources, information set used for denominators) in a separate Excel file. - see attached excel file</p>	Name of institution	Size	Substitutability	Complexity	Interconnectedness	Overall Score	Zagrebačka banka d.d., Zagreb	2741	2854	3725	2235	2889	Privredna banka Zagreb d.d., Zagreb	2444	2143	3158	1448	2298	Erste&Steiermärkische Bank d.d. Rijeka	1599	1543	1311	3573	2006	Raiffeisenbank Austria d.d., Zagreb	747	894	782	1086	878	OTP banka Hrvatska d.d., Zagreb	904	945	543	407	700	Hrvatska poštanska banka d.d., Zagreb	482	415	42	269	302	Addiko Bank d.d.	293	348	140	187	242						
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<p>4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)</p>	<p>a. The identification process followed the methodology set out in the EBA Guidelines (EBA/GL/2014/10);</p> <p>b. Threshold: 275 basis points. Lower threshold is used to account for institutions with scores lower than 350 basis points, but still distinctively higher from scores of other institutions. According to their size, complexity and potential impact on the economy they belong to the group of institutions of systemic importance;</p> <p>c. All credit institutions were included in calculation (including ones not exceeding 0.02% of relative total assets and branches for the purpose of calculating system-wide aggregates – denominators);</p> <p>d.</p> <table border="1" data-bbox="571 551 1444 983"> <thead> <tr> <th>Name of the institution</th> <th>Size</th> <th>Substitutability</th> <th>Complexity</th> <th>Interconnectedness</th> <th>Overall Score</th> </tr> </thead> <tbody> <tr><td>Zagrebačka banka d.d.</td><td>2741</td><td>2854</td><td>3725</td><td>2235</td><td>2889</td></tr> <tr><td>Privredna banka Zagreb d.d.</td><td>2444</td><td>2143</td><td>3158</td><td>1448</td><td>2298</td></tr> <tr><td>Erste&Steiermärkische Bank d.d.</td><td>1599</td><td>1543</td><td>1311</td><td>3573</td><td>2006</td></tr> <tr><td>Raiffeisenbank Austria d.d.</td><td>747</td><td>894</td><td>782</td><td>1086</td><td>878</td></tr> <tr><td>OTP banka d.d. Hrvatska</td><td>904</td><td>945</td><td>543</td><td>407</td><td>700</td></tr> <tr><td>Hrvatska poštanska banka d.d.</td><td>482</td><td>415</td><td>42</td><td>269</td><td>302</td></tr> <tr><td>Addiko Bank d.d.</td><td>293</td><td>348</td><td>140</td><td>187</td><td>242</td></tr> <tr><td>Sberbank d.d.</td><td>192</td><td>286</td><td>58</td><td>130</td><td>167</td></tr> <tr><td>Podravska banka d.d.</td><td>73</td><td>63</td><td>18</td><td>103</td><td>64</td></tr> <tr><td>Kreditna banka Zagreb d.d.</td><td>74</td><td>64</td><td>9</td><td>108</td><td>64</td></tr> <tr><td>Istarska kreditna banka Umag d.d.</td><td>77</td><td>86</td><td>14</td><td>33</td><td>53</td></tr> <tr><td>KentBank d.d.</td><td>58</td><td>56</td><td>18</td><td>45</td><td>44</td></tr> <tr><td>Karlovačka banka d.d.</td><td>54</td><td>49</td><td>10</td><td>42</td><td>39</td></tr> <tr><td>Partner banka d.d.</td><td>36</td><td>32</td><td>9</td><td>31</td><td>27</td></tr> <tr><td>Wüstenrot stambena štedionica d.d.</td><td>36</td><td>38</td><td>1</td><td>19</td><td>23</td></tr> <tr><td>Banka Kovanica d.d.</td><td>27</td><td>31</td><td>27</td><td>6</td><td>23</td></tr> <tr><td>Croatia banka d.d.</td><td>32</td><td>27</td><td>9</td><td>11</td><td>20</td></tr> <tr><td>Slatinska banka d.d.</td><td>27</td><td>32</td><td>4</td><td>5</td><td>17</td></tr> <tr><td>Imex banka d.d.</td><td>22</td><td>21</td><td>8</td><td>3</td><td>14</td></tr> <tr><td>Vaba d.d. banka Varaždin</td><td>14</td><td>14</td><td>16</td><td>10</td><td>14</td></tr> <tr><td>Samoborska banka d.d.</td><td>10</td><td>9</td><td>0</td><td>8</td><td>7</td></tr> </tbody> </table> <p>e. Non-bank institutions were not included in the calculations</p>	Name of the institution	Size	Substitutability	Complexity	Interconnectedness	Overall Score	Zagrebačka banka d.d.	2741	2854	3725	2235	2889	Privredna banka Zagreb d.d.	2444	2143	3158	1448	2298	Erste&Steiermärkische Bank d.d.	1599	1543	1311	3573	2006	Raiffeisenbank Austria d.d.	747	894	782	1086	878	OTP banka d.d. Hrvatska	904	945	543	407	700	Hrvatska poštanska banka d.d.	482	415	42	269	302	Addiko Bank d.d.	293	348	140	187	242	Sberbank d.d.	192	286	58	130	167	Podravska banka d.d.	73	63	18	103	64	Kreditna banka Zagreb d.d.	74	64	9	108	64	Istarska kreditna banka Umag d.d.	77	86	14	33	53	KentBank d.d.	58	56	18	45	44	Karlovačka banka d.d.	54	49	10	42	39	Partner banka d.d.	36	32	9	31	27	Wüstenrot stambena štedionica d.d.	36	38	1	19	23	Banka Kovanica d.d.	27	31	27	6	23	Croatia banka d.d.	32	27	9	11	20	Slatinska banka d.d.	27	32	4	5	17	Imex banka d.d.	22	21	8	3	14	Vaba d.d. banka Varaždin	14	14	16	10	14	Samoborska banka d.d.	10	9	0	8	7
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<p>4.3 Supervisory judgement</p>	<p>Expert judgement complemented the scoring process. It resulted in identification of one additional O-SII, Addiko Bank d.d. Decision was based on the fact that two out of four mandatory criteria are above the threshold (see 4.1.), and taking into account the continuity criteria, as this is the first year that the bank, in preceding years identified as O-SII, was below the threshold based on the overall score. Additionally, the optional indicators of geographical breakdown of bank's activity point to elevated importance of the bank in the region of Eastern Croatia, where the bank's share in receivables and deposits remains significant.</p>																																																																																																																																				
<p>4.4 Calibrating the O-SII buffer</p>	<p>Along with the scores of systemic importance obtained in the scoring process, HNB uses the equal expected impact approach as recommended by the ESRB Handbook on Operationalising Macro-prudential Policy in the Banking Sector.</p> <p>Potential impact of O-SIIs and non-SIIs in distress is equilibrated via adjusting the probability of distress for O-SII in relation to the probability of distress of a (reference) non-SII based on historical distribution of the ratio of net income to RWAs (return on RWA). Determined O-SII buffer rates are based on the results of the EEI approach, taking into account also indicators of systemic importance, historical losses in the system and expert judgement, in relation to other macroprudential instruments as a segment of a coordinated central bank policy aimed at achieving and maintaining financial stability.</p>																																																																																																																																				
<p>4.5 Effectiveness and proportionality of measure</p>	<p>The O-SII buffer rates are proportional to the higher risk that these institutions pose to the financial system due to their size, complexity and importance for the economy.</p>																																																																																																																																				
<p>5. Sufficiency, consistency and non-overlap of the policy response</p>																																																																																																																																					
	<p>Identified O-SI institutions and the level of applied OSII buffers are assessed sufficient to mitigate the systemic risk these banks pose to the stability of the</p>																																																																																																																																				

5.1 Sufficiency of the policy response	financial system, by ensuring their capital resilience. The buffer levels reflect the systemic importance of each O-SII.												
5.2 Consistency of application of the policy response	The O-SII buffers contribute to fulfilling policy objectives outlined in ESRB's Recommendation on intermediate objectives and instruments of macro-prudential policy (ESRB/2013/1).												
5.3 Non-overlap of the policy response	No other policy instruments are used to address the same systemic risk.												
6. Cross-border and cross-sector impact of the measure													
6.1 Assessment of cross-border effects and the likely impact on the Internal Market (Recommendation ESRB/2015/2³)	The CNB Decision on the Reciprocity of Macroprudential Policy Measures Adopted by Relevant Authorities of Other European Union Member States and Assessment of Cross-border Effects of Macroprudential Policy Measures (OG. 60/2017) provides the framework for the assessment of cross-border effects (leakages and regulatory arbitrage) for the implementation of Croatian macroprudential policy measures in own jurisdiction, in other Member States and on the Single Market, following the Recommendation/2015/2. Results of this assessment show that cross-border effects of the measure are expected to be non-significant.												
6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	See 6.1 above												
7. Combinations and interactions with other measures													
7.1 Combinations between G-SII and O-SII buffers (Article 131.14)	<p>There are no G-SIIs in Croatia.</p> <table border="1" data-bbox="572 1637 1437 1783"> <thead> <tr> <th data-bbox="572 1637 927 1682">Name of institution</th> <th data-bbox="935 1637 1209 1682">O-SII buffer</th> <th data-bbox="1217 1637 1437 1682">G-SII buffer</th> </tr> </thead> <tbody> <tr> <td data-bbox="572 1693 927 1727"></td> <td data-bbox="935 1693 1209 1727" style="text-align: center;">%</td> <td data-bbox="1217 1693 1437 1727" style="text-align: center;">%</td> </tr> <tr> <td data-bbox="572 1738 927 1771"></td> <td data-bbox="935 1738 1209 1771" style="text-align: center;">%</td> <td data-bbox="1217 1738 1437 1771" style="text-align: center;">%</td> </tr> <tr> <td data-bbox="572 1783 927 1794"></td> <td data-bbox="935 1783 1209 1794" style="text-align: center;">%</td> <td data-bbox="1217 1783 1437 1794" style="text-align: center;">%</td> </tr> </tbody> </table>	Name of institution	O-SII buffer	G-SII buffer		%	%		%	%		%	%
Name of institution	O-SII buffer	G-SII buffer											
	%	%											
	%	%											
	%	%											
7.2 Combinations with systemic risk buffers (SyRBs) (Article 131.15 CRD)	<p>Are any of the institutions identified as O-SIIs subject to a systemic risk buffer?</p> <p>If yes, please provide the following information:</p> <p style="margin-left: 40px;">a. What is/are the systemic risk buffer rates(s)?</p>												

³ Recommendation of the European Systemic Risk Board of 15 December 2015 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2015/3) (OJ C 97, 12.3.2016, p. 9).

- b. At what level is/are the systemic risk buffer rate(s) applied (i.e. consolidation level and/or individual)?
- c. Is the sum of the systemic risk buffer rate(s) and the O-SII buffer rate (or the higher of the G-SII and O-SII buffer rates, if a group is subject to a G-SII buffer and to an O-SII buffer at consolidated level) to which the same institution is subject over 5%?

All credit institutions (both O-SIIs and non O-SIIs) in Croatia are subject to a systemic risk buffer. A SyRB rate of 1.5% is applied to all exposures (domestic and foreign), while the O-SII buffer and the SyRB should be maintained on both individual and consolidated level where applicable. The two buffer rates are cumulative and their sum is below 5% for all O-SIIs.

For more information, see <https://www.hnb.hr/en/core-functions/financial-stability/macprudential-measures/structural-systemic-risk-buffer>

The table shows the sums of the SyRB rate of 1.5% and calibrated O-SII buffer rates. Due to the cap for the subsidiaries, Privredna banka Zagreb d.d.* maintains a lower O-SII buffer rate than set by the national calibration methodology, thus the sum of SyRB and O-SII rate that this bank has to maintain is lower compared to the rate showed in the table (See also 7.3 below).

Name of institution	SyRB rate	SyRB application level	Sum of G-SII/O-SII and SyRB rates
Zagrebačka banka d.d., Zagreb	1.5%	Subconsolidated and individual level	3.5%
Erste&Steiermärkische Bank d.d. Rijeka	1.5%	Subconsolidated and individual level	3.5%
Privredna banka Zagreb d.d., Zagreb	1.5%	Subconsolidated and individual level	3.5%*
Raiffeisenbank Austria d.d., Zagreb	1.5%	Subconsolidated and individual level	3.0%
OTP banka Hrvatska d.d., Zagreb	1.5%	Subconsolidated and individual level	3.0%
Hrvatska poštanska banka d.d., Zagreb	1.5%	Consolidated and Individual level	2%
Addiko Bank d.d.	1.5%	Individual level	2%
	%		%

7.3 O-SII requirement for a subsidiary (Article 131.8 CRD)

If the O-SII is a subsidiary of an EU parent institution 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?

Does the cap for the subsidiary prevent the implementation of a higher O-SII buffer based on the domestic buffer setting methodology?

The cap for the subsidiary prevents the implementation of a higher O-SII buffer based on the domestic buffer setting methodology for one credit institution:

- Privredna banka Zagreb d.d., Zagreb where the O-SII buffer rate to be maintained in 2023 is 1.75%. The bank is subsidiary of Intesa Sanpaolo S.p.A. (see 2.3), subject to 0.75% O-SII buffer.

Name of O-SII subsidiary	Name of the EU parent of the O-SII subsidiary	Buffer applicable to O-SII EU parent
Zagrebačka banka d.d., Zagreb	UniCredit S.p.A.	1%
Privredna banka Zagreb d.d., Zagreb	Intesa Sanpaolo S.p.A.	0.75%

	Erste&Steiermärkische Bank d.d. Rijeka	Erste Group Bank AG	1%
	Raiffeisenbank Austria d.d., Zagreb	Raiffeisen Bank International AG	1%
	OTP banka Hrvatska d.d., Zagreb	OTP Bank Nyrt.	1%
8. Miscellaneous			
8.1 Contact person(s)/mailbox at notifying authority	Ms. Lana Ivicic Financial Stability Department Hrvatska narodna banka Phone: +385 1 456 50 09 E-mail: lana.ivicic@hnb.hr		
8.2 Any other relevant information	Not for publication before 28 November 2022		
8.3 Date of the notification	Please provide the date on which this notification was uploaded/sent. 07/11/2022		