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) Regulation[1]);
- 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 measure[2].

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.

<table>
<tr><th colspan="2">1. Notifying national authority</th></tr>
<tr><td>1.1 Name of the notifying authority</td><td>Magyar Nemzeti Bank</td></tr>
<tr><td>1.2 Country of the notifying authority</td><td>Hungary</td></tr>
<tr><th colspan="2">2. Description of the measure</th></tr>
<tr><td>2.1a Institution or group of institutions concerned</td><td>
<table>
<tr><th>Name of institution</th><th>LEI</th><th>Consolidation level</th></tr>
<tr><td>OTP Bank Nyrt.</td><td>529900W3MOO00A18X956</td><td>highest level of consolidation</td></tr>
<tr><td>MBH Bank Nyrt.</td><td>3H0Q3U74FVFED2SHZT16</td><td>highest level of consolidation</td></tr>
<tr><td>UniCredit Bank Hungary Zrt.</td><td>Y28RT6GGYJ696PMW8T44</td><td>highest level of consolidation</td></tr>
<tr><td>Kereskedelmi és Hitelbank Zrt.</td><td>KFUXYFTU2LHQFQZDQG45</td><td>highest level of consolidation</td></tr>
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[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.

Raiffeisen Bank Zrt.	5493001U1K6M7JOL5W45	highest level of consolidation
ERSTE BANK HUNGARY Zrt.	549300XWJHRKLHU2PS28	highest level of consolidation
CIB Bank Zrt.	549300MSY5NIVC0BME80	highest level of consolidation

2.1b Changes to the list of institutions concerned

No change has been made since the last notification.

2.2 Level of the buffer applied

Name of institution	New O-SII buffer	Previous O-SII buffer
OTP Bank Nyrt.	2%	2%
MBH Bank Nyrt.	1%	1%
UniCredit Bank Hungary Zrt.	1%	1%
Kereskedelmi és Hitelbank Zrt.	1%	1%
Raiffeisen Bank Zrt.	0.5%	0.5%
ERSTE BANK HUNGARY Zrt.	0.5%	0.5%
CIB Bank Zrt.	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
UniCredit Bank Hungary Zrt.	UniCredit Group (UCG)	549300TRUWO2CD2G5692
Kereskedelmi és Hitelbank Zrt.	KBC Groep	213800X3Q9LSAKRUWY91
Raiffeisen Bank Zrt.	Raiffeisen Bank International AG	9ZHRYM6F437SQJ6OUG95
ERSTE BANK HUNGARY Zrt.	Erste Group Bank AG	PQOH26KWDF7CG10L6792
CIB Bank Zrt.	Gruppo Intesa Sanpaolo (ISP)	2W8N8UU78PMDQKZENC08

2.4 Names of subsidiaries

Name of parent O-SII identified	Name of O-SII subsidiary	LEI of O-SII subsidiary
OTP Bank Nyrt.	OTP Banka Hrvatska d.d. (Croatia)	5299005UJX6K7BQKV086
	DSK Bank AD (Bulgaria)	529900GEH0DAUTAXUA94
	OTP banka d.d. (Slovenia)	549300J0GSZ83GTKBZ89

3. Timing for the measure

3.1 Timing for the decision

05/11/2025

3.2 Timing for publication

05/12/2025

3.3 Disclosure

The names of the institutions and their O-SII capital buffer requirements will be published on the webpage of the MNB.

3.4 Timing for application

01/01/2026

3.5 Phasing in

No phasing in is taking place since 1 January 2024.

Name of institution	Date1	Date2	Date3	Date4	Date5

3.6 Review of the measure

The MNB shall annually review the group of institutions identified as O-SIIs and their respective O-SII buffer requirements. The next identification exercise is expected to be carried out in the Autumn of 2026.

(Sections 89 (3) and 90 (3) b) of the Hungarian Banking Act

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)

Table 1 – Standard scores according to the EBA GL mandatory indicators

Name of institution	Size	Substitut-ability	Com-plexity	Intercon-nectedness	Overall Score
OTP Bank Nyrt.	1211	940	759	816	3762
MBH Bank Nyrt.	354	274	110	317	1055
Kereskedelmi és Hitelbank Zrt.	169	224	285	162	839
UniCredit Bank Hungary Zrt.	145	241	172	197	755
Raiffeisen Bank Zrt.	128	233	192	171	724
ERSTE BANK HUNGARY Zrt.	139	148	90	191	569
CIB Bank Zrt.	96	82	84	111	373

The MNB identified the O-SII institutions according to its methodology determined and published first in 2015. This year, in 2025, the identification method has been revised, for the details see 4.3. The modifications do not change the set of O-SII

	banks; the aim was to get a better representation of the systemic importance of the institutions that would have been identified without the modifications as well. First, the scoring methodology described in EBA/GL/2014/10 Title II (6-8) was carried out, applying only the mandatory indicators of Annex 1 of the guidelines (see the above table for the results). Second, the scores calculated in the first step according to Title II were reweighted and according to Title III weighted optional indicators were added resulting in the final complete indicator set. The final scores are derived from the equally weighted (i.e., a 20 percent weight for each) arithmetic mean of the indicator category scores. Table 2 – Overall scores according to the mandatory and selected optional indicators

Institution	Size	Importance	Complexity	Inter-connectedness	Additional optional indicators (Title III)	**Final overall score**
OTP Bank Nyrt.	969	752	304	326	1129	**3479**
MBH Bank Nyrt.	283	219	44	127	626	**1300**
Kereskedelmi és Hitelbank Zrt.	135	179	114	65	488	**980**
UniCredit Bank Hungary Zrt.	116	193	69	79	400	**857**
Raiffeisen Bank Zrt.	103	186	77	69	302	**736**
ERSTE BANK HUNGARY Zrt.	112	118	36	76	317	**660**
CIB Bank Zrt.	77	65	34	44	224	**444**

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4.2 Methodology and indicators used for designation of the O-SII **(Article 131.3)**	a. The MNB followed the EBA/GL/2014/10 guidelines on the assessment of O-SIIs. FINREP data were used for every available case following the guidelines' instructions, but it had to be supplemented by supervisory data reported to MNB for a significant number of institutions (these are typically the non-O-SII banks). b. In 2020 the threshold was lowered from 350 bps to 275 bps in accordance with EBA/GL/2014/10 Title II. For more detailed reasoning, see the notification on the decision that was taken by the Financial Stability Board of the MNB on 29 November 2020. At the same time, the lowering of the threshold has not influenced the identification this year. c. No credit institution domiciled in Hungary has been excluded because of its total asset size. d. See the annexed excel file. e. Non-bank institutions have not been included in the calculation, because their sectoral and institutional level systemic importance has been assessed as marginal.
4.3 Supervisory judgement	The scores resulting from the weighted aggregate of the optional indicators are listed in Table 2 of 4.1 for every institution (see column Additional optional indicators (Title III)). There is no institution that has been identified as O-SII solely as a result of the inclusion of the Optional indicators and has not been identified as an O-SII based on the standard (Title II) indicators and scores in step 1 (see point a. about the two-phases identification process followed by the MNB). The inclusion of Optional indicators is motivated by their contribution to the accuracy of the representation of relative systemic importance as the buffer calibration is based on the final scores.

	a. The MNB followed a two-step identification methodology in accordance with the guidelines. First, all the institutions that scored equal or higher than 350 bps using the 10 mandatory indicators following the standard identification methodology described in EBA/GL/2014/10 Title II were selected as O-SIIs. Second, a supplementary method was applied in accordance with Title III (13-14) to include the 7 Optional indicators listed below in point d. These indicators were included in order to provide a more robust and relevant country-specific representation of systemic risks in relation to systemic importance. Optional indicators have been quantitatively assessed by aggregating the indicators in a supplementary, additional criterion group. The supplementary criterion group was added to the 4 standard criterion groups with a 40 percent weight, while the weights of Complexity and Interconnectedness was reduced to 10 percent each and the weights of Size and Importance is kept at 20 percent. amongst the groups. In the supplementary criterion group weights for Optional indicators d1. and d2. is fixed at 10 percent each, while weights for indicators d3-7. were assigned according to a sum of squares type concentration index. For the latter, higher weights were assigned to those indicators which were characterized by higher values of the concentration index. In this way critical activities pursued by fewer important institutions with considerable market shares are deemed to be more important systemically. b. The optional indicators taken from Annex 2 of the guidelines which have been found relevant are the following: d1. Private sector deposits from domestic depositors – market share-based indicator composed of the optional indicators listed as “Retail deposits” and “Corporate deposits” in Annex 2 and defined to include domestic household and non-financial corporation customers. The data sources used to calculate the indicator are the same as those defined and used for the mandatory indicator named Private sector deposits from depositors in the EU in Annex 1. d2. Private sector loans to domestic recipients – market share-based indicator composed of the optional indicators listed as “Retail loans” and “Business loans” in Annex 2 and defined to include domestic household and non-financial corporation customers. The data sources used to calculate the indicator are the same as those defined and used for the mandatory indicator named Private sector loans to recipients in the EU in Annex 1. d3. Off-balance sheet items – market share-based indicator aggregating outstanding credit facilities, guarantees and other off-balance sheet items carrying credit risk defined with a domestic geographical scope. d4. Share in clearing and settlement system – summarizes information about the market share of retail customers’ transactions in the clearing system (based on the volume and number of transactions). d5. Assets under custody – market share in outstanding assets under custody. d6. Interbank claims and/or liabilities – centrality-based analysis transformed into an additive indicator of unsecured interbank loans and deposits. d7. Market transaction volumes or values – centrality-based analysis transformed into an additive indicator of FX swap transactions between credit institutions. c. The Optional indicators add substantial information about critical financial activities that are the least likely to be represented by the mandatory indicators. The indicators of private sector loans and private sector

	deposits of domestic households and non-financial corporations (d1. and d2.) have been added to align better the compositional structure of the scores with the extensive country-specific contribution of the financial intermediation provided to the private sector to systemic importance of the O-SIIs. The other Optional indicators were selected based on analysis of correlations between basic and supplementary indicators and further expert judgement. Also these indicators proxy critical functions with high country specific importance and problematic substitutability for agents of the real economy (d3. and d4.) or the financial system (d5.) and help to describe financial interconnectedness of credit institutions including network analysis approach highlighting the most important inter-bank market segments (d6. and d7.). d. To see how the systemic importance is augmented for each bank and for each indicator, see Table 2 of Box 4.1. There is no institution that has been identified as O-SII solely as a result of the inclusion of the Optional indicators and has not been identified as an O-SII based on the standard (Title II) indicators and scores in step 1 (see point c. about the two-phases identification process followed by the MNB). The inclusion of Optional indicators is motivated by their contribution to the accuracy of the representation of relative systemic importance as the buffer calibration is based on the final scores.
4.4 Calibrating the O-SII buffer	No changes were made to the calibration methodology compared to last year's review. The MNB revises the O-SII buffer requirements according to its methodology determined and published in 2015. The first step of the calibration is based on the formation of homogeneous groups in systemic importance to which the assignment of identical buffer rates can be justified. Following this approach three groups have been distinguished. As a general principle, institutions identified as O-SIIs are assigned at least a buffer rate of 0.5 percent. MNB assigns the maximum 2-percent buffer rate to the group with the highest score, and leaves open the possibility of setting a higher buffer rate if deemed necessary. Buffer rate calibration is undertaken based on the final scores resulting from the identification process. Different methods have been applied to support group formation. Peer analysis was also utilized for within-country and international comparison. Cluster analysis on different levels of the decomposed final score (indicator category score components (listed in the Table in 4.1) and indicators were examined) was applied to minimize within group variance and to assess the sensitivity of different grouping alternatives. The BCBS (2013) equal expected impact approach has been used to group institutions based on a probabilistic model (the final scores proxied the external impact and the distribution of the return on risk-weighted assets represented the probability of loss incidences). As a second step, expert judgement has been brought in to check the validity of the results and to highlight hardly quantifiable aspects of the calibration. The 2025 revision of the identification and the re-estimation of the calibration have revealed a score distribution believed to be more accurately reflecting systemic relevance. The MNB will evaluate during its 2026 review of the rates whether some adjustments in the buffer rates might be reasonable in the futu; however, for 2026 the buffer rates applicable are kept the same as they were in the year before.
4.5 Effectiveness and proportionality of measure	The O-SII buffer is a targeted prudential instrument provided by CRD to decrease the probability of failure and the consequent system wide impact of institutions that pose the greatest systemic risk as a combination of their size, the criticality of the financial functions they provide, and their highly connected positions. The increased resilience may impede the emergence of financial contagion caused by the default of highly interconnected institutions. It can safeguard the continued provision of critical financial services after taking massive losses, as market

	substitution of critical financial services in case of an O-SII failure may not be feasible in the short run. Moreover, the potential burden imposed by the default of these institutions on depositors and bondholders, the industry and in extreme cases on the government budget also motivates the introduction of a preventive regulatory instrument (complementing the efficient recovery and resolution system). Buffer rates have been assigned to different institutions proportionally by classifying O-SIIs into three groups according to their expected impact represented by their scores (see the link referred in 4.4). The highest buffer rate was assigned to OTP Bank Nyrt., which has a size around one-third of the whole market, plays a prominent role in intermediating funds to and from the real economy, is highly interconnected with the financial system and operates with the greatest degree of cross-border complexity among domestic systemically important institutions. All other institutions identified as O-SIIs contribute significantly to the supply of financial products and services to the real economy, are significantly interconnected with other credit institutions, and have considerable shares in financial transactions carried out through the major institutions of the domestic financial infrastructure.
5. Sufficiency, consistency and non-overlap of the policy response	
5.1 Sufficiency of the policy response	The CRD designates the O-SII capital buffer as a singly available policy instrument to macroprudential authorities to strengthen the resilience and correct misaligned incentives of systemically important banks. The MNB has been prescribing a significant non-zero buffer rate to every identified institution in proportion to their systemic importance represented by the scores covering an extended range of relevant systemic risk indicators. The proportionality of the buffer rates with the scores provides sufficient additional loss absorbing capacity to mitigate the different expected systemic impacts of O-SII banks' failure according to the risk tolerance of the regulator. Maintaining the buffers that have been in place previously safeguards the availability of solvency capital in the long run, while the capitalization of the banking system is sufficient to further promote the sustainable supply of credit and banking services.
5.2 Consistency of application of the policy response	Across Member States consistency is provided by following the relevant European requirements and guidelines, the CRD and the EBA/GL/2014/10, in carrying out the annual O-SII identification and the setting of the buffer rates. The level of the buffer rates is comparable to those set by other Member States for O-SII banks with similar systemic importance scores. Also, the proposed buffer rates are above the ECB O-SII buffer rate floors. Within Hungary, consistency is realized across banks by the proportionality of the buffer rates to the O-SII scores and in time by the stability of the methodology applied.

5.3 Non-overlap of the policy response	O-SIIs are subject to intensified supervisory attention and appropriate resolution planning; there are no other macroprudential policy instruments used to preventively address the systemic risks related to the systemic importance of these credit institutions and targeted by the O-SII buffer.
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/2015/2[3])**	a. Based on the assessment of the transmission channels of cross-border risk adjustment and regulatory arbitrage provided by the ESRB Handbook on Operationalising Macro-prudential Policy in the Banking Sector (Chapter 11), the possible negative cross-border impact of the measure is expected to be limited. b. • Inward spillovers: The possible cross-border impact (leakages and regulatory arbitrage) is expected to be limited in Hungary. A possible channel of circumvention, the extension in systemic importance of branches or systemically less important institutions has not been observed in the previous years. • Outward spillovers and the overall impact on the Single Market: The MNB still does not expect material negative cross-border effects on other Member States or on the Single Market. The increased resilience of the O-SIIs is beneficial for their stakeholders in other Member States and contributes to the functioning, financial integration and harmonized regulation of the single market. Within the identified O-SIIs only OTP Group has substantial cross-border activity. As the O-SII buffers are applied on the highest level of consolidation, the realised O-SII buffer of the OTP Group does not incentivize the cross-border reallocation of banking activities from or to other Member States. Five of the seven identified O-SIIs are foreign parents' subsidiaries operating in Hungary. The relatively limited size of these subsidiaries within their respective banking groups does not make a significant impact likely.
6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	Although systemically important banks face higher capital buffer requirements than non-OSII banks, the latter are going to be automatically identified as O-SIIs if they grow significantly in size, in providing critical financial functions or in their interconnectedness. Consequently, if any such non-OSII credit institution grows due to its regulatory advantage of not being covered by the O-SII capital buffer regulation, the O-SII buffer requirements are going to be imposed on it following the regular yearly revision of systemic importance (or in case any unique incidence may render the revision necessary in-between the regular yearly reassessments). Non-bank financial intermediaries play only a limited, systemically non-significant role in substituting for various critical financial intermediary functions that the banking system provides. Furthermore, any cross-sectoral leakage that may increase the systemic relevance of non-bank financial institutions (e.g. investment firms) will be evaluated regularly and taken into account when identifying systemic institutions, but has not been observed so far.

[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).

7. Combinations and interactions with other measures	
7.1 Combinations between G-SII and O-SII buffers **(Article 131.14)**	The MNB has not identified any institutions as G-SIIs within its jurisdiction.

Name of institution	O-SII buffer	G-SII buffer
	%	%
	%	%
	%	%

7.2 Combinations with systemic risk buffers (SyRBs)

(Article 131.15 CRD)

To preventively strengthen the resiliency of the banking system in face of sector-specific risks that have emerged in both the RRE and CRE sectors, the MNB is going to activate a new SyRB measure form 1 January 2026 which covers every banking institution under its jurisdiction. The SyRB is going to cover loan exposures secured by residential or commercial immovable property located in Hungary to either domestic natural or legal person debtors/counterparties. The SyRB rate is uniformly 1% for every banking institution. (For further details, see the pertaining notification.)

Despite of the introduction of a non-zero SyRB in 2026, by definition, the sum of the systemic risk buffer rate as calculated for the purposes of paragraph 10, 11 or 12 of Article 133 CRD and the O-SII buffer rate to which the same institution is subject to is not going to be higher than 5% due to the upper limit of 1% included in the implementation design of both SyRBs, thus the procedure set out in paragraph 15 of Article 131 shall not apply.

For further information on the systemic risk buffer, see the announcements on the following website:

https://www.mnb.hu/en/financial-stability/macroprudential-policy/the-macroprudential-toolkit/systemic-risk-buffer-syrb

Name of institution	SyRB rate	SyRB application level	Sum of G-SII/O-SII and SyRB rates
OTP Bank Nyrt.	1%	consolidated	3%
MBH Bank Nyrt.	1%	consolidated	2%
Kereskedelmi és Hitelbank Zrt.	1%	consolidated	2%
UniCredit Bank Hungary Zrt.	1%	consolidated	2%
Raiffeisen Bank Zrt.	1%	consolidated	1.5%
ERSTE BANK HUNGARY Zrt.	1%	consolidated	1.5%
CIB Bank Zrt.	1%	consolidated	1.5%
	%		

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

Name of O-SII subsidiary	Name of the EU parent of the O-SII subsidiary	Buffer applicable to O-SII EU parent
UniCredit Bank Hungary Zrt.	UniCredit Group	1.25%
Kereskedelmi és Hitelbank Zrt.	KBC Group	1.5%

	Raiffeisen Bank Zrt.	Raiffeisen Bank International AG	1.75%
	ERSTE BANK HUNGARY Zrt.	Erste Group Bank AG	1.75%
	CIB Bank Zrt.	Gruppo Intesa Sanpaolo	1.25%
8. Miscellaneous			
8.1 Contact person(s)/mailbox at notifying authority	**Mr. TAMÁS NAGY** Director DIRECTORATE FINANCIAL STABILITY AND MONETARY POLICY INSTRUMENTS H-1054 Budapest, Szabadság tér 8-9. Phone: +36 (1) 428 2600/2639 Mobil: +36 (20) 354 1282 E-mail: nagyt@mnb.hu		
8.2 Any other relevant information			
8.3 Date of the notification	05/11/2025		