# Notification template for Articles 133 and 134(5) of the Capital Requirements Directives (CRD) – Systemic risk buffer (SyRB)

**Template for notifying the European Central Bank (ECB)and European Systemic Risk Board (ESRB) of the setting or resetting of one or more systemic risk buffer rates pursuant to Article 133(9) CRD and to request that the ESRB issue a recommendation to other Member States to reciprocate the measure under Article 134(5) 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 the notification to the European Commission, the European Banking Authority (EBA) and the competent and designated authorities of the Member States concerned without delay. 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.

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| **1. Notifying national authority and scope of the notification** | |
| **1.1 Name of the notifying authority** | National Committee for Macroprudential Oversight (NCMO) |
| **1.2 Country of the notifying authority** | Romania |
| **1.3 Type of measure (also for reviews of existing measures)** | Which SyRB measure do you intend to implement?<br>☒ Change the level of an existing SyRB |
| **2. Description of the measure** | |
| **2.1 Institutions covered by the intended SyRB** | Please indicate whether the SyRB applies to:<br>☒ All institutions authorised in the Member State |

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authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.

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| | ☐ One or more subsets of credit institutions in the sector (please provide the names and identifiers (Legal Entity Identifier (LEI) code) of institutions covered) |

| Name of institution | LEI code | Consolidation level |
|---|---|---|
| | | |
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☐ A subsidiary whose parent is established in another Member State. (Please provide the names and identifiers (LEI code) of subsidiaries)

| Name of subsidiary | Name of the parent | LEI code of the subsidiary |
|---|---|---|
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| **2.2 Exposures covered by the SyRB**<br><br>**(Article 133(5) CRD)** | Please indicate the exposures to which the SyRB applies:<br><br>☒ (a) all exposures located in the Member State that is setting the buffer;<br><br>☐ (b) the following sectoral exposures located in the Member State that is setting the buffer:<br>(i) ☐ all retail exposures to natural persons that are secured by residential property;<br>(ii) ☐ all exposures to legal persons that are secured by mortgages on commercial immovable property;<br>(iii) ☐ all exposures to legal persons excluding those specified in point (ii);<br>(iv) ☐ all exposures to natural persons excluding those specified in point (i);<br><br>☐ (c) subsets of any of the sectoral exposures identified in point (b). Please specify the subsets in Section 2.3;<br><br>☒ (d) all exposures located in other Member States;<br><br>☒ (e) exposures located in third countries. |
| **2.3 Subsets of sectoral exposures** | Where the systemic risk buffer applies to subsets of any of the sectoral exposures identified (see point 2.2 (c)), please specify:<br><br>- The elements of the dimensions and subdimensions that were used to identify the subset(s) of sectoral exposures as laid down in the EBA Guidelines on the appropriate subsets of exposures in the application of SyRB: |

| Dimensions/subdimensions | Elements |
|---|---|
| 1. Type of debtor or counterparty sector | |
| *1.a Economic activity* | |
| 2. Type of exposure | |

| | |
|---|---|
| *2.a Risk profile* | |
| 3. Type of collateral | |
| *3.a Geographical area* | |

- Assessment conducted in accordance with Section 5 of the EBA Guidelines on the systemic relevance of the risks stemming from this subset, taking into account:
  (i) size
  (ii) riskiness
  (iii) interconnectedness.
- Why it would not have been appropriate to set the systemic risk buffer at the level of a sector (as in point 2.2(b)) to cover the risk targeted?

**Not applicable**

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**2.4 Exposures located in other Member States and in third countries**

The SyRB is applicable to all exposures, including external exposures. Still, the amount of Romanian banking system's exposures to other member states and to third countries is reduced, therefore no material cross-border effects are expected.

**2.5 Buffer rate**

**(Article 133(9)(e) CRD)**

| Exposures | New SyRB rate | | Previous SyRB rate | |
|---|---|---|---|---|
| | **All institutions** (SyRB rate) | **Set of institutions** (range of SyRB rates) | **All institutions** (SyRB rate) | **Set of institutions** (range of SyRB rates) |
| (a) All exposures located in the Member State that is setting the buffer | 0%-2% | % - % | 0%-2% | |
| (b) *The following sectoral exposures located in the Member State that is setting the buffer:* | | | | |
| (i) All retail exposures to natural persons that are secured by residential property | % | % - % | | |
| (ii) All exposures to legal persons that are secured by mortgages on commercial immovable property | % | % - % | | |
| (iii) All exposures to legal persons excluding those specified in point (ii) | % | % - % | | |
| (iv) All exposures to natural persons excluding those specified in point (i) | % | % - % | | |
| (c) All exposures located in other Member States | 0%-2% | % - % | 0%-2% | |
| (e) Exposures located in third countries | 0%-2% | % - % | 0%-2% | |
| (f) *Subsets of any of the sectoral exposures identified in point (b):* | | | | |
| (i) Please specify the subset [Dimension/subdimensions] | % | % - % | | |

The level of the buffer rate was already set by the *NCMO Recommendation No. 9/2017 on the systemic risk buffer in Romania*. The measure was notified on January 31, 2018 and was implemented starting with June 30, 2018.

The vulnerabilities identified across the national financial system when the SRB was implemented are still considered relevant:

(i) the possibility of a renewed increase in non-performing loan ratios, following the rise in interest rates and the slowdown in the balance sheet clean-up process;

(ii) the tensions surrounding macroeconomic equilibria.

The level of the systemic risk buffer is set at 0 percent, 1 percent or 2 percent, according to the 12 months average of the non-performing loans ratio and the coverage ratio with provisions reported by each individual credit institution, in accordance with the methodology established in the implementation process of the SRB:

| **Non-performing loans ratio** | **Coverage ratio with provisions** | **Buffer rate (% of CET1 capital applied to total RWA)** |
|---|---|---|
| < 5% | > 55% | 0% |
| > 5% | > 55% | 1% |
| < 5% | < 55% | 1% |
| > 5% | < 55% | 2% |

This approach was implemented in order to support the credit risk management process and to increase the resilience of the banking sector against unanticipated shocks, amid structural unfavourable circumstances

The most recent revaluation was performed based on the 12 months average calculated for the asset quality assessment indicators (non-performing loans rate and coverage ratio) for the period July 2021 - June 2022, which is the basis of the capital requirement represented by the SyRB applicable between January 1 and June 30, 2023. In the table below is presented the level of the Systemic Risk Buffer, applicable at the highest level of consolidation, to the credit institutions Romanian legal entities:

| **Set of institutions** | | | | |
|---|---|---|---|---|
| **Exposures** | **Name of institution** | **LEI code** | **New SyRB rate** | **Previous SyRB rate** |
| All exposures | Alpha Bank S.A. | 529900TKT32Z5LP7XF90 | 1% | 1% |
| All exposures | Banca Comercială Română S.A. | 549300ORLU6LN5YD8X90 | 0% | 0% |
| All exposures | Techventures Bank S.A. | 529900HO7D9PZWCL4924 | 2% | 2% |
| All exposures | Banca Română de Credite şi Investiţii S.A. | 315700BEHT3NJAG8RX82 | 0% | 0% |
| All exposures | BRD - Groupe Société Générale S.A. | 5493008QRHH0XCLJ4238 | 0% | 0% |
| All exposures | Banca Transilvania S.A. | 549300RG3H390KEL8896 | 0% | 0% |

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|---|---|---|---|---|
| All exposures | Credit Europe Bank S.A. | 549300Y0HU846VCZER04 | 1% | 1% |
| All exposures | CEC Bank S.A. | 2138008AVF4W7FMW8W87 | 1% | 2% |
| All exposures | Banca Cooperatista Creditcoop | 3157006K4C7PJT790450 | 0% | 0% |
| All exposures | Banca de Export-Import a României Eximbank S.A. | 635400F6HLXKXNJJX605 | 0% | 0% |
| All exposures | First Bank S.A. | 549300UH7FDPRNBABQ46 | 0% | 0% |
| All exposures | Garanti Bank S.A. | 549300UZRCTIM0HREY46 | 0% | 0% |
| All exposures | Banca Comercială Intesa SanPaolo S.A. | 549300CGLRBLXD8PLZ18 | 1% | 2% |
| All exposures | Libra Internet Bank S.A. | 315700WKDD4ZSRL7HW38 | 0% | 0% |
| All exposures | OTP Bank S.A. | 5299003TM0P7W8DNUF61 | 0% | 0% |
| All exposures | Patria Bank S.A. | 54930034L83M3E7JWI25 | 1% | 1% |
| All exposures | Porsche Bank S.A. | 529900XIGDAMPGRLP324 | 1% | 0% |
| All exposures | ProCredit Bank S.A. | 5299006OMGUYDLEXQ337 | 0% | 0% |
| All exposures | Raiffeisen Bank S.A. | 549300RFKNCOX56F8591 | 0% | 0% |
| All exposures | UniCredit Bank S.A. | 5493003BDYD5VPGUQS04 | 0% | 1% |
| All exposures | Vista Bank S.A. | 54930017QGBKEZSPKH30 | 1% | 1% |

If different buffer requirements apply to different subsets of institutions, please specify for each institution mentioned under 2.1.

Not applicable

| Set of institutions | | | | |
|---|---|---|---|---|
| **Exposures** | **Name of institution** | **LEI code** | **New SyRB rate** | **Previous SyRB rate** |
| | | | % | |
| | | | % | |
| | | | % | |

## 3. Timing for the measure

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| **3.1 Timing for the decision** | 24/09/2018 |
| **3.2 Timing for publication** | 25/09/2018 |

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| **3.3 Disclosure** | The *NCMO Recommendation No. 9/2017 on the systemic risk buffer in Romania* and the *NCMO Recommendation No. R/7/2018 on the systemic risk buffer in Romania* were published on the NCMO website – http://www.cnsmro.ro/en/politica-macroprudentiala/lista-recomandarilor/<br><br>The *NCMO Recommendation No. 9/2017 on the systemic risk buffer in Romania* was implemented by the National Bank of Romania, as the competent authority, by issuing the *NBR Order no.4/2018 on the systemic risk buffer* (published in Monitorul Oficial al României, Part I, no. 433 of 22 May 2018).<br><br>The *NCMO Recommendation No. R/7/2018 on the systemic risk buffer in Romania* was implemented by the National Bank of Romania, as the competent authority, by issuing the *NBR Order No. 8/2018 on the systemic risk buffer* (published in Monitorul Oficial al României, Part I, No.1031 of 5 December 2018).<br><br>Both NBR orders are also published on the NBR website under Legislație/ Index de reglementări BNR (Romanian only).<br><br>Starting with January 1, 2019, the *NBR Order No. 8/2018 on the systemic risk buffer* replaced the *NBR Order no.4/2018 on the systemic risk buffer.*<br><br>According to the provisions of the *NCMO Recommendation No. R/7/2018 on the systemic risk buffer in Romania*, implemented by the *NBR Order No. 8/2018 on the systemic risk buffer* the calculation intervals for the asset quality assessment indicators, which are the basis for determining the SyRB level for each credit institution, have been standardized.<br><br>The information regarding the implementation of the systemic risk buffer in Romania (including the applicable legislation, the methodology, the motivation, the level, the institutions which are subject to the SyRB etc) is published on the NBR website - http://www.bnr.ro/The-systemic-risk-buffer-17993.aspx |
| **3.4 Timing for application** | 1 January – 30 June 2023 |
| **3.5 Phasing in** | Without phase-in |
| **3.6 Review/deactivation of the measure** | The level of the systemic risk buffer is set at 0 percent, 1 percent or 2 percent, based on the 12 months average of the non-performing loans ratio and the coverage ratio with provisions reported by each individual credit institution, in accordance with the methodology set by the *NBR Order No. 8/2018 on the systemic risk buffer*, as follows:<br><br>1. The level of the capital buffer for systemic risk to be maintained by credit institutions, Romanian legal persons, is established according to the average values for the indicators regarding the rate of non-performing loans and the degree of coverage with provisions (as specified in the *NCMO Recommendation No. R/9/2017 on the systemic risk buffer in Romania*; details are included in the section 2.2 – Buffer rate).<br><br>2. The indicators mentioned in point 1 are determined according to the following calculation formulas:<br><br>2.1. Non-performing loans rate = value of non-performing loans and advances / total value of loans and advances<br><br>2.2. Coverage ratio with provisions = the value of the accumulated depreciation, of the cumulative change of the fair value due to the credit risk and |

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| | of the provisions for non-performing exposures, related to loans and advances / value of non-performing loans and advances<br><br>3. The systemic risk buffer is determined as follows:<br><br>3.1. In order to maintain the capital buffer for the period January 1 - June 30 of each calendar year (N), the credit institutions that are the object of supervision on a consolidated basis exercised by the National Bank of Romania according to the provisions of art. 297 of the NBR Regulation no. 5/2013, with the subsequent modifications and completions, determine the average of the non-performing loans rates and the average of coverage ratio with provisions based on the data reported in the consolidated financial reports, prepared for prudential purpose, for the reference dates 30.09. (N-2), 31.12. (N-2), 31.03. (N-1) and 30.06. (N-1), in the Form 18.00, provided in Annex III to the *Implementing Regulation (EU) no. 680/2014 of the Commission of April 16, 2014 establishing technical implementing standards regarding the reporting for the purposes of supervision of institutions in accordance with Regulation (EU) no. 575/2013 of the European Parliament and of the Council*, as subsequently amended and supplemented, as follows:<br><br>a) value of non-performing loans and advances - form 18.00, rows 070 + 191 + 221, column 060. For the reference dates afferent to the year 2017, the credit institutions will use the values in the form 18.00, rows 070 + 250, column 060;<br><br>b) total value of loans and advances - form 18.00, rows 070 + 191 + 221, column 010. For the reference dates afferent to the year 2017, the credit institutions will use the values in the form 18.00, rows 070 + 250, column 010;<br><br>c) the value of the accumulated impairment, the cumulative change of the fair value due to the credit risk and the provisions for non-performing exposures, related to loans and advances - form 18.00, rows 070 + 191 + 221, column 150. For the reference dates afferent to the year 2017, the credit institutions will use the values reported in the form 18.00, rows 070 + 250, column 150.<br><br>3.2. To maintain the capital buffer for the period 1 July to 31 December of each calendar year (N), in order to determine the average of the non-performing loans rates and the average of coverage ratio with provisions, the credit institutions mentioned in sub-item. 3.1 will use the data included in the consolidated financial statements, prepared for prudential purposes, for the reference data 31.03. (N-1), 30.06. (N-1), 30.09. (N-1) and 31.12. (N-1), in form 18.00, provided in Annex III to the *Implementing Regulation (EU) no. 680/2014*, with subsequent modifications and completions, using the same specifications mentioned in sub-item. 3.1 lit. a) -c).<br><br>3.3. In order to maintain the capital buffer for the period January 1 - June 30 of each calendar year (N), the credit institutions that are subject to supervision only on an individual basis exercised by the National Bank of Romania determine the average of the non-performing loan rates and the average of coverage ratio with provisions based on the data reported in the monthly financial reports, reported at individual level for prudential purposes, for the reference dates representing the end of each calendar month from July (N-2) to June (N-1), in the form 18.00, provided by the *Methodological norms regarding the preparation of FINREP financial statements at the individual level, in accordance with the International Financial Reporting Standards, applicable to credit institutions for prudential supervision purposes*, approved by the *NBR Order no. 9/2017* or, as |

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| | the case may be, through the NBR Order no. 6/2014, as subsequently amended and supplemented, as follows:<br><br>a) value of non-performing loans and advances - form 18.00, provided by the annex to the NBR Order no. 9/2017, rows 070 + 191 + 221, column 060. For the reference dates afferent to the year 2017, the credit institutions will use the values in the form 18.00, provided by the annex to the NBR Order no. 6/2014, with the subsequent modifications and completions, rows 070 + 250, column 060;<br><br>b) total value of loans and advances - form 18.00, provided by the annex to the NBR Order no. 9/2017, rows 070 + 191 + 221, column 010. For the reference dates afferent to the year 2017, the credit institutions will use the values in the form 18.00, provided by the annex to the NBR Order no. 6/2014, with the subsequent modifications and completions, rows 070 + 250, column 010;<br><br>c) the value of the accumulated impairment, the cumulative change of the fair value due to the credit risk and the provisions for non-performing exposures, related to loans and advances - form 18.00, provided by the annex to the NBR Order no. 9/2017, rows 070 + 191 + 221, column 150. For the reference dates afferent to the year 2017, the credit institutions will use the values in the form 18.00, provided by the annex to the NBR Order no. 6/2014, with subsequent amendments and additions, rows 070 + 250, column 150.<br><br>3.4. To maintain the capital buffer for the period 1 July to 31 December of each calendar year (N), the credit institutions that are subject to supervision only on an individual basis exercised by the National Bank of Romania determine the average of the non-performing loans rates and the average of coverage ratio with provisions based on the data reported in the monthly financial statements, reported at individual level for prudential purposes, for the reference dates representing the end of each calendar month from January (N-1) to December (N-1), in the form 18.00, provided by the Methodological norms regarding the drafting of FINREP financial statements at individual level, in compliance with the International Financial Reporting Standards, applicable to credit institutions for prudential supervision purposes, approved by the NBR Order no. 9/2017, using the same specifications mentioned in sub-item. 3.3 lit. a) -c).<br><br>**Thus, the *NBR Order No. 8/2018 on the systemic risk buffer* clearly states in Article 2 that the credit institutions compute the level of the Systemic Risk Buffer in accordance with the methodology provided.**<br><br>The level and the scope of the SyRB is reviewed periodically, i.e. at least every second year according the provisions of Article 133(10)(b) of the CRD. |
| **4. Reasons for the notified SyRB** | |
| **4.1 Description of the macroprudential or systemic risk in your Member State**<br><br>**(Article 133(9)(a) of the CRD)** | The introduction of a systemic risk buffer is a macroprudential policy option, based on the following considerations: (i) the need to address the issue of non-performing loans from a macroprudential perspective, taking into account the possibility of a renewed increase in non-performing loan ratios, following the rise in interest rates and the slowdown in the balance sheet clean-up process, (ii) the tensions surrounding domestic macroeconomic equilibria, including through the shaping of a legislative framework with potentially adverse effects on the management of risks in the banking sector and lingering uncertainties about the regional and international context. |

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| | These risks are widespread in the whole banking sector, therefore the SyRB is applicable to all the credit institutions, Romanian legal entities. |
| **4.2 Reasons why the dimension of the macroprudential or systemic risks threatens the stability of the financial system in your Member State**<br><br>**(Article 133(9)(b) CRD)** | The rationale behind implementing the systemic risk buffer is circumscribed to the following two perspectives: (i) ensuring an adequate management of credit risk from a macroprudential perspective, amid the possible return of non-performing loans onto an upward path, in the context of unfavourable circumstances related to credit institutions' potential future efforts to clean up their balance sheets and (ii) preserving financial stability, assuming that the tensions surrounding domestic macroeconomic equilibria and regional and global uncertainties will persist.<br><br>The European initiatives concerning NPL resolution highlight the importance of tackling this issue from a macroprudential perspective, due to the significant negative effects on banking sector activity and, therefore, on the real economy. Moreover, the tightening on macroeconomic equilibria can lead to significant negative second-round effects on the financial sector, in case of unanticipated external or internal shocks. |
| **4.3 Indicators used for activation of the measure** | The level of the systemic risk buffer is set according to the 12 months average of the non-performing loans ratio and the coverage ratio with provisions reported by each individual credit institution. The details are shown in the section 3.6. |
| **4.4 Effectiveness and proportionality of the measure**<br><br>**(Article 133(9)(c) CRD)** | The implementation of a systemic risk buffer applicable to all exposures aims at supporting the credit risk management process and at increasing the resilience of the banking sector against unanticipated shocks, amid structural unfavourable circumstances. The proportionality of the measure is argued through the calibration methodology which is based on historical information used as forward guidance to assess potential vulnerabilities given by of a renewed increase in non-performing loan ratios.<br><br>Moreover, it provides incentives for the banking sector to further support the balance sheet clean-up process, with significant positive effects on financial stability. |
| **4.5 Reason why the systemic risk buffer is not duplicating the functioning of the O-SII buffer provided for in Article 131 CRD**<br><br>**(Article 133(9)(f) CRD)** | The two buffers aim to mitigate different risks. |
| **5. Sufficiency, consistency and non-overlap of the policy response** | |
| **5.1 Sufficiency of the policy response** | The effects of using the SyRB macroprudential instrument became apparent in terms of curbing the NPL ratio and increasing the coverage ratio. Specifically, around three years after its implementation, the non-performing loan ratio in the banking sector shed more than 30 percent (March 2022 versus December 2018). This positive trend illustrates both credit institutions' sustained efforts in the balance sheet clean-up process and the effectiveness of this macroprudential instrument, alongside the NBR's involvement as a supervisory authority in this process. The coverage ratio went up significantly during this period, from 62.1 percent at the end of 2018 Q2 to 69.2 percent at March 2022. Recent developments generated by the SyRB application have placed Romania |

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| | among the best performing EU Member States in terms of NPL coverage by provisions. At March 2022, Romania ranked topmost in the EU by the level of this indicator.<br><br>Also, the outbreak of the COVID – 19 pandemic showed the importance of the builded capital reserves in order to support credit activity during stress conditions. |
| **5.2 Consistency of application of the policy response** | The SyRB was implemented to pursue the ultimate and intermediate objective of macro-prudential policy, i.e. strengthening the resilience of financial infrastructures. Its design was set in accordance with Article 133 of the CRD, and since its implementation, in 2018 no change in methodology occurred. Moreover, the fact that credit institutions compute the level of the Systemic Risk Buffer in accordance with the methodology provided ensures the consistency and the predictability of the measure. |
| **5.3 Non-overlap of the policy response** | Other macroprudential instruments could not address the identified risks, due to the following arguments:<br><br>- the countercyclical capital buffer (CCyB) – the buffer is designed to counter pro-cyclicality in the financial system, by dampening excessive credit growth during the upswing of the financial cycle and providing capital reserves in case of a downturn.<br><br>- Pillar II capital requirements – this instrument is institution – specific, while the identified vulnerabilities are system-wide and concern the linkages between the financial sector and the real economy, therefore they should not be subject to Pillar II requirements which tackle risks from a microprudential perspective.<br><br>- the other systemically important institutions buffer (O-SII) – this instrument covers the risks related to the size of individual institutions. |
| **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**<br><br>**(Article 133(9)(d) of the CRD and Recommendation ESRB/2015/2[3])** | Considering the reduced amount of Romanian banking system's exposures to other member states and to third countries, no material cross-border effects are expected.<br><br>The SRB applicable to Romanian credit institutions is not expected to have a negative impact on the internal market. The SRB will foster financial stability within the Romanian banking sector.<br><br>With respect to the impact on the internal market, 94.25% of total exposures in the balance sheet of the Romanian banks as of Q2 2022 are of a domestic nature. Moreover, 99.72% of exposures to household and non-financial companies come from domestic debtors. The Romanian banking sector has a relatively modest importance on the foreign markets in terms of both assets and cross-border loans. Direct cross-border loans and through branches sum up 5.69% of the total loans in the balance sheet of the Romanian banking sector, most of them being loans granted to other financial institutions (only 0.19% of total loans are cross border loans granted to household and non-financial companies). Moreover, these figures becomes insignificant when compared to the European banking sector (according the latest available figures – Consolidated Banking Data - the share of the Romanian banking sector in the total assets of the Euro Zone banking sector was only 0.13% as of Q1 2022). Under these circumstances, our assessment is that the above-mentioned |

[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).

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| | measure has little potential to generate significant cross-border effects via the risk adjustment spillover channel.<br><br>Concerning the regulatory arbitrage channel, the structure of the banking groups indicates a marginal contribution of the foreign entities to the own funds of the groups or to their capital ratios. As of December 2021 the contribution of foreign entities to the domestic group capital ratio was 1.9% per total banking groups. |
| **6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State** | No leakages and regulatory arbitrage are expected within Romania, as the SyRB is applicable at the highest level of consolidation. |
| **6.3 Request for reciprocation by other Member States**<br><br>**(Article 134(5) CRD and Recommendation ESRB/2015/2)** | Taking into account that the implementation of the Systemic Risk Buffer in Romania aims at mitigating the identified vulnerabilities arising from the balance sheets of the credit institutions, which are Romanian legal entities, as well as the reduced linkages described in section 6.1, reciprocation of the SyRB by other Member States is not required. |
| **6.4 Justification for the request for reciprocation by other Member States**<br><br>**(Article 134(5) CRD and Recommendation ESRB/2015/2)** | Not applicable |
| **7. Combination of the SyRB with other buffers** | |
| **7.1 Combination with G-SII and/or O-SII buffers**<br><br>**(Article 131(15) CRD)** | Is the sum of the systemic risk buffer rate and the higher of the O-SII/G-SII buffer rates to which the same institution is subject above 5%?<br><br>Not applicable<br><br>Please provide a list of the institutions subject to a G-SII or an O-SII buffer, indicating the G-SII or O-SII buffer and the sum of the G-SII/O-SII and SyRB buffers (a combined buffer rate of over 5% requires authorisation by the Commission).<br><br>In Romania no credit institution was identified as being global systemically important institution – G-SII. |

| Name of institution | G-SII/O-SII buffer rate | O-SII consolidation level | Sum of G-SII/O-SII and SyRB rates |
|---|---|---|---|
| **Banca Transilvania S.A.** | 2% | consolidated | 2% |
| **Banca Comercială Română S.A.** | 1.5% | consolidated | 1.5% |
| **UniCredit Bank S.A.** | 1.5% | consolidated | 1.5% |

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<tr><td></td><td>
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<tr><td>BRD – Groupe Societe Generale S.A.</td><td>1.5%</td><td>consolidated</td><td>1.5%</td></tr>
<tr><td>Raiffeisen Bank S.A.</td><td>1%</td><td>consolidated</td><td>1%</td></tr>
<tr><td>CEC Bank S.A.</td><td>0.5%</td><td>Individual</td><td>1.5%</td></tr>
<tr><td>Alpha Bank România S.A.</td><td>0.5%</td><td>Individual</td><td>1.5%</td></tr>
<tr><td>OTP Bank Romania S.A.</td><td>0.5%</td><td>Individual</td><td>0.5%</td></tr>
<tr><td>Banca de Export-Import a României EXIMBANK S.A.</td><td>0.5%</td><td>Individual</td><td>0.5%</td></tr>
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<tr><td>7.2 Combination with other systemic risk buffers<br>(Article 133(11) and (12) CRD)</td><td>Not applicable</td></tr>
<tr><td colspan="2">8. Miscellaneous</td></tr>
<tr><td>8.1 Contact person(s)/mailbox at notifying authority</td><td>Contact person(s) (name, phone number and e-mail address) and mailbox for further inquiries.<br>Mr. Eugen Rădulescu<br>Director, Financial Stability Department, National Bank of Romania and NCMO Secretariat<br>Phone: +40311 32 1100<br>Email: eugen.radulescu@bnro.ro; secretariat.cnsmro@bnro.ro</td></tr>
<tr><td>8.2 Any other relevant information</td><td></td></tr>
<tr><td>8.3 Date of the notification</td><td>21/10/2022</td></tr>
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