

Template for notifying the intended use of a systemic risk buffer (SRB)

Please send this template to

- notifications@esrb.europa.eu when notifying the ESRB;
- macropru.notifications@ecb.europa.eu when notifying the ECB;
- notifications@eba.europa.eu when notifying the EBA.

Emailing this template to the above-mentioned addresses constitutes an official notification, no further official letter is required. In order to facilitate the work of the notified authorities, please send the notification template in a format that allows electronically copying the information.

1. Notifying national authority and scope of the notification																																											
1.1 Name of the notifying authority	Austrian Financial Market Authority																																										
1.2 Type of measure intended (also for reviews of existing measures)	- Maintain an existing SRB																																										
2. Description of the notified measure																																											
2.1 Institutions covered by the intended SRB	On consolidated basis:																																										
	<table border="1"> <thead> <tr> <th>Institution</th> <th>Basis</th> <th>LEI</th> </tr> </thead> <tbody> <tr> <td>Erste Group Bank AG</td> <td>consolidated</td> <td>PQOH26KWDF7CG10L6792</td> </tr> <tr> <td>Raiffeisen Bank International AG</td> <td>consolidated</td> <td>9ZHRYM6F437SQJ6OUG95</td> </tr> <tr> <td>UniCredit Bank Austria AG</td> <td>consolidated</td> <td>D1HEB8VEU6D9M8ZUXG17</td> </tr> <tr> <td>Raiffeisenlandesbank Oberösterreich Aktiengesellschaft on the basis of the consolidated situation of Raiffeisenbankengruppe OÖ Verbund eGen</td> <td>consolidated</td> <td>I6SS27Q1Q3385V753S50</td> </tr> <tr> <td>RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung</td> <td>consolidated</td> <td>529900SXEWPJ1MRRX537</td> </tr> <tr> <td>BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft on the basis of the consolidated situation of BAWAG Group AG</td> <td>consolidated</td> <td>529900ICA8XQYGIKR372</td> </tr> <tr> <td>Volksbank Wien AG in its function as the central organisation pursuant to Article 30a BWG on the basis of the consolidated situation of the Volksbanken Verbund</td> <td>consolidated</td> <td>529900D4CD6DIB3CI904</td> </tr> <tr> <td>HYPO NOE Landesbank für Niederösterreich und Wien AG</td> <td>consolidated</td> <td>5493007BWYDPQZLZ0Y27</td> </tr> <tr> <td>Hypo Vorarlberg Bank AG</td> <td>consolidated</td> <td>NS54DT27LJMDYN1YFP35</td> </tr> <tr> <td>HYPO TIROL BANK AG</td> <td>consolidated</td> <td>0W5QHUNYV4W7GJO62R27</td> </tr> <tr> <td>Oberösterreichische Landesbank Aktiengesellschaft</td> <td>consolidated</td> <td>529900BI5KIGX6YLX375</td> </tr> <tr> <td>Sberbank Europe AG</td> <td>consolidated</td> <td>529900IZ8TASAYR3A694</td> </tr> <tr> <td>DenizBank AG</td> <td>consolidated</td> <td>529900ZVK4VTIS0TOT43</td> </tr> </tbody> </table>	Institution	Basis	LEI	Erste Group Bank AG	consolidated	PQOH26KWDF7CG10L6792	Raiffeisen Bank International AG	consolidated	9ZHRYM6F437SQJ6OUG95	UniCredit Bank Austria AG	consolidated	D1HEB8VEU6D9M8ZUXG17	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft on the basis of the consolidated situation of Raiffeisenbankengruppe OÖ Verbund eGen	consolidated	I6SS27Q1Q3385V753S50	RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung	consolidated	529900SXEWPJ1MRRX537	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft on the basis of the consolidated situation of BAWAG Group AG	consolidated	529900ICA8XQYGIKR372	Volksbank Wien AG in its function as the central organisation pursuant to Article 30a BWG on the basis of the consolidated situation of the Volksbanken Verbund	consolidated	529900D4CD6DIB3CI904	HYPO NOE Landesbank für Niederösterreich und Wien AG	consolidated	5493007BWYDPQZLZ0Y27	Hypo Vorarlberg Bank AG	consolidated	NS54DT27LJMDYN1YFP35	HYPO TIROL BANK AG	consolidated	0W5QHUNYV4W7GJO62R27	Oberösterreichische Landesbank Aktiengesellschaft	consolidated	529900BI5KIGX6YLX375	Sberbank Europe AG	consolidated	529900IZ8TASAYR3A694	DenizBank AG	consolidated	529900ZVK4VTIS0TOT43
	Institution	Basis	LEI																																								
	Erste Group Bank AG	consolidated	PQOH26KWDF7CG10L6792																																								
	Raiffeisen Bank International AG	consolidated	9ZHRYM6F437SQJ6OUG95																																								
	UniCredit Bank Austria AG	consolidated	D1HEB8VEU6D9M8ZUXG17																																								
	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft on the basis of the consolidated situation of Raiffeisenbankengruppe OÖ Verbund eGen	consolidated	I6SS27Q1Q3385V753S50																																								
	RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung	consolidated	529900SXEWPJ1MRRX537																																								
	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft on the basis of the consolidated situation of BAWAG Group AG	consolidated	529900ICA8XQYGIKR372																																								
	Volksbank Wien AG in its function as the central organisation pursuant to Article 30a BWG on the basis of the consolidated situation of the Volksbanken Verbund	consolidated	529900D4CD6DIB3CI904																																								
	HYPO NOE Landesbank für Niederösterreich und Wien AG	consolidated	5493007BWYDPQZLZ0Y27																																								
	Hypo Vorarlberg Bank AG	consolidated	NS54DT27LJMDYN1YFP35																																								
	HYPO TIROL BANK AG	consolidated	0W5QHUNYV4W7GJO62R27																																								
	Oberösterreichische Landesbank Aktiengesellschaft	consolidated	529900BI5KIGX6YLX375																																								
	Sberbank Europe AG	consolidated	529900IZ8TASAYR3A694																																								
DenizBank AG	consolidated	529900ZVK4VTIS0TOT43																																									

On individual basis:

Institution	Basis	LEI
Erste Group Bank AG	individual basis	PQOH26KWDF7CG10L6792
Raiffeisen Bank International AG	individual basis	9ZHRYM6F437SQJ6OUG95
UniCredit Bank Austria AG	individual basis	D1HEB8VEU6D9M8ZUXG17
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	individual basis	I6SS27Q1Q3385V753S50
RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung	individual basis	529900SXEWJP1MRRX537
Sberbank Europe AG	individual basis	529900IZ8TASAYR3A694
DenizBank AG	individual basis	529900ZVK4VTIS0TOT43

Based on the characteristics of the Austrian banking system, two main risk channels have been identified for the Austrian banking system: (1) systemic vulnerability and (2) systemic cluster risk. Additionally we identified a component “other not covered systemic risks” where all long-term non-cyclical systemic risks that are not covered by the CRR or cannot be adequately reduced or averted through other measures of the CRR (with the exception of Art 458 und 459) or the Austrian Banking Act are addressed.

The following indicators have been taken into account for the identification of the consolidated institutions in Austria:

1) Regarding the component systemic vulnerability (SyRB of 1 %):

- Deposits secured DGS > 5 % of total secured deposits in AT and
- Total assets institution > 2 % of Total Assets Banking Sector and
- Exposure / Position in the AT banking network > 1 %

OR

- Public ownership
 - Public ownership > 50 % and
 - Total assets > 0,5 %

2) Regarding the component systemic cluster risk (SyRB of 1 %):

- CESEE Exposure / Banks' Total Assets > 30 % and
- Bank-CESEE Exposure / AT-CESEE-Exposure > 2 % and
- Vulnerability vis-à-vis CESEE (long-term structural risk of a country weighted by the ultimate risk of a bank in the respective country, cross-correlation of CDS-country-spreads) > 3 %

The following indicators have been taken into account for the identification of the institutions on an individual basis:

1) Regarding the component systemic vulnerability (SyRB of 1 %):

- Total assets institution > 2 % of Total Assets Banking Sector and
- Exposure / Position in the AT banking network > 1 %

	<p>2) Regarding the component systemic cluster risk (SyRB of 1 %):</p> <ul style="list-style-type: none"> • CESEE Exposure / Banks' Total Assets > 15 % and • Bank-CESEE Exposure / AT-CESEE-Exposure > 1.5 % and • Vulnerability vis-à-vis CESEE (long-term structural risk of a country weighted by the ultimate risk of a bank in the respective country, cross-correlation of CDS-country-spreads) > 2 % 																																																																		
<p>2.2 Buffer rate (Article 133(11)(f) of the CRD)</p>	<p>List of identified institutions (consolidated)</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th></th> <th>01.01.2019</th> <th>01.01.2020</th> </tr> </thead> <tbody> <tr> <td>Erste Group Bank AG</td> <td>2,00%</td> <td>2,00%</td> </tr> <tr> <td>Raiffeisen Bank International AG</td> <td>2,00%</td> <td>2,00%</td> </tr> <tr> <td>UniCredit Bank Austria AG</td> <td>2,00%</td> <td>2,00%</td> </tr> <tr> <td>Raiffeisenlandesbank Oberösterreich Aktiengesellschaft</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>Volksbanken Verbund</td> <td>0,50%</td> <td>1,00%</td> </tr> <tr> <td>HYPO NOE Landesbank für Niederösterreich und Wien AG</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>Hypo Vorarlberg Bank AG</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>HYPO TIROL BANK AG</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>Oberösterreichische Landesbank Aktiengesellschaft</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>Sberbank Europe AG</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>DenizBank AG</td> <td>1,00%</td> <td>1,00%</td> </tr> </tbody> </table> <p>List of identified institutions (individual basis)</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th></th> <th>01.01.2019</th> <th>01.01.2020</th> </tr> </thead> <tbody> <tr> <td>Erste Group Bank AG</td> <td>2,00%</td> <td>2,00%</td> </tr> <tr> <td>Raiffeisen Bank International AG</td> <td>2,00%</td> <td>2,00%</td> </tr> <tr> <td>UniCredit Bank Austria AG</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>Raiffeisenlandesbank Oberösterreich Aktiengesellschaft</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>Sberbank Europe AG</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>DenizBank AG</td> <td>1,00%</td> <td>1,00%</td> </tr> </tbody> </table>		01.01.2019	01.01.2020	Erste Group Bank AG	2,00%	2,00%	Raiffeisen Bank International AG	2,00%	2,00%	UniCredit Bank Austria AG	2,00%	2,00%	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	1,00%	1,00%	RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung	1,00%	1,00%	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft	1,00%	1,00%	Volksbanken Verbund	0,50%	1,00%	HYPO NOE Landesbank für Niederösterreich und Wien AG	1,00%	1,00%	Hypo Vorarlberg Bank AG	1,00%	1,00%	HYPO TIROL BANK AG	1,00%	1,00%	Oberösterreichische Landesbank Aktiengesellschaft	1,00%	1,00%	Sberbank Europe AG	1,00%	1,00%	DenizBank AG	1,00%	1,00%		01.01.2019	01.01.2020	Erste Group Bank AG	2,00%	2,00%	Raiffeisen Bank International AG	2,00%	2,00%	UniCredit Bank Austria AG	1,00%	1,00%	Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	1,00%	1,00%	RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung	1,00%	1,00%	Sberbank Europe AG	1,00%	1,00%	DenizBank AG	1,00%	1,00%
	01.01.2019	01.01.2020																																																																	
Erste Group Bank AG	2,00%	2,00%																																																																	
Raiffeisen Bank International AG	2,00%	2,00%																																																																	
UniCredit Bank Austria AG	2,00%	2,00%																																																																	
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	1,00%	1,00%																																																																	
RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung	1,00%	1,00%																																																																	
BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft	1,00%	1,00%																																																																	
Volksbanken Verbund	0,50%	1,00%																																																																	
HYPO NOE Landesbank für Niederösterreich und Wien AG	1,00%	1,00%																																																																	
Hypo Vorarlberg Bank AG	1,00%	1,00%																																																																	
HYPO TIROL BANK AG	1,00%	1,00%																																																																	
Oberösterreichische Landesbank Aktiengesellschaft	1,00%	1,00%																																																																	
Sberbank Europe AG	1,00%	1,00%																																																																	
DenizBank AG	1,00%	1,00%																																																																	
	01.01.2019	01.01.2020																																																																	
Erste Group Bank AG	2,00%	2,00%																																																																	
Raiffeisen Bank International AG	2,00%	2,00%																																																																	
UniCredit Bank Austria AG	1,00%	1,00%																																																																	
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	1,00%	1,00%																																																																	
RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung	1,00%	1,00%																																																																	
Sberbank Europe AG	1,00%	1,00%																																																																	
DenizBank AG	1,00%	1,00%																																																																	
<p>2.3 Exposures covered by the SRB</p>	<p>- All exposures.</p>																																																																		

3. Timing of the measure	
3.1 Timing of the Decision	13.12.2018
3.2 Timing of the Publication	The expected date of publication will be in December 2018
3.3 Disclosure	The Capital Buffer Regulation will be published in the Federal Law Gazette and on the FMA website (including explanatory notes).
3.4 Timing of Application	01.01.2019
3.5 Phasing in	See 2.2.
3.6 Review/deactivation of the measure	<p>Based on a comprehensive assessment, a SyRB of up to 2% of risk-weighted assets in common equity tier 1 (CET1) should be maintained. Keeping the buffer rates constant is justified because the structural risks for the Austrian banking system have largely remained unchanged since last year's assessment.</p> <p>Given that systemic risks may manifest themselves both on the consolidated and the unconsolidated level and that, in particular within cross-border banking groups, capital allocation in crises would not be flexible, the SyRB will be maintained also on the unconsolidated level.</p>
4. Reasons for the intended SRB	
4.1 Description of the long-term non-cyclical systemic risk in your Member State (Article 133(11)a of the CRD)	<p>Since the SyRB was activated on January 1, 2016, structural systemic risks have decreased; in particular as Austrian banks both improved their capitalization (without scaling back lending in Austria) and downsized their foreign business, which has resulted in a decrease in the overall size of the Austrian banking sector. Risk-mitigating factors notwithstanding, the structural systemic risk in the Austrian banking sector continues to be elevated. Central risks for the Austrian banking system emanate above all from</p> <ul style="list-style-type: none"> • Size of the Austrian banking sector in relation to the Austrian economy • the still substantial exposures to emerging markets in Europe • banks' specific ownership structures, which would not fully ensure the adequate recapitalization of banks in the event of a crisis.
4.2 Reasons why the dimension of the long-term non-cyclical systemic risk threatens the stability of the financial system in your Member State (Article 133(11)(b) of the CRD)	<p>The systemic risk buffer is intended to mitigate the vulnerability of the banking sector against risks emanating from the financial system as a whole or a part thereof by holding additional own funds in order to increase the loss-absorbing capacity and thus the resilience of the banking sector. The SyRB will be applicable for those institutions that are most vulnerable to the identified systemic risks and described above under 2.1. This is intended to reduce the future risk of a severe disruption to the financial system as a result of systemic or macroprudential risks with potential negative effects to the real economy.</p>
4.3 Indicators used for the activation of the measure	See 2.1.

<p>4.4 Effectiveness and proportionality of the measure</p> <p>(Article 133(11)(c) of the CRD)</p>	<p>The SyRB aims at increasing the risk-bearing capacity of the Austrian banking system and, in a medium- and long-term perspective, to minimize risks to the Austrian banking system.</p> <p>The additional SyRB-related capital requirement for the upcoming years does not, according to the impact assessment conducted by OeNB, result in any meaningful short- and medium-term impact on GDP growth, even under the conservative assumption employed in the impact assessment that banks will fully transfer the costs of holding additional CET1 to retail and corporate lending customers .</p>
<p>4.5 Justification of inadequacy of existing measures in the CRD or in the CRR, excluding Articles 458 and 459 of the CRR, to address the identified risks</p> <p>(Article 133(11)(e) of the CRD)</p>	<p>O-SII Buffer: Addresses risks stemming from banks, which in the event of their failure present a significant risk for the stability of the financial system. The O-SII Buffer may in principle amount to up to 2 %. For O-SIIs, which are subsidiaries of an O-SII or a G-SII, buffer rates shall not exceed the higher of 1 % and the G-SII or O-SII buffer rate applicable to the group at consolidated level.</p> <p>Pillar 2: The SSM Pillar 2 framework does not foresee addressing structural systemic risks</p>
<p>5. Cross-border and cross-sector impact of the measure</p>	
<p>5.1 Assessment of cross-border effects and the likely impact on the internal market</p> <p>(Article 133(11)(d) of the CRD and Recommendation ESRB/2015/2)</p>	<p>In line with the findings regarding the economic impact of the SyRB at the national level, cross-border effects are expected to be marginally positive.</p> <p>The exposure in CESEE is of particular importance as it is very large both in relation to the total assets of Austrian banks and in relation to the size of the respective foreign markets. It is not expected that the application of the SyRB on a consolidated basis will result in higher capital requirements on a subsidiary level in the individual countries.</p>
<p>5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State</p>	<p>N/A</p>
<p>5.3 Reciprocation by other Member States</p> <p>(Article 134(4) of the CRD and Recommendation ESRB/2015/2)</p>	<p>No.</p>
<p>6. Combination of the SRB with other buffers</p>	
<p>6.1 Combination with G-SII and/or O-SII buffers (Article 133(4) and (5) of the CRD)</p>	<p>Other systemically important institutions (O-SII) have also been identified and respective buffers will be assigned to them. These O-SII buffers will be lower than, or equal to, the SyRB for all Austrian banks, with the exception of Erste Bank der oesterreichischen Sparkassen AG and RAIFFESENLANDESBANK NIEDERÖSTERREICH-WIEN on an individual basis, where no SyRB will be implemented.</p>

6.2 Other relevant information	-
7. Miscellaneous	
7.1 Contact person(s) at notifying authority	Roland Salomon (roland.salomon@fma.gv.at) Lucas Grafl (lucas.grafl@fma.gv.at) Alexander Gruber (alexander.gruber@fma.gv.at)
7.2 Any other relevant information	-