

## Notification template for Article 131 CRD – Other Systemically Important Institutions (O-SII)<sup>1</sup>

Please send this template to

- [notifications@esrb.europa.eu](mailto:notifications@esrb.europa.eu) when notifying the ESRB;
- [macropru.notifications@ecb.europa.eu](mailto:macropru.notifications@ecb.europa.eu) when notifying the ECB;
- [notifications@eba.europa.eu](mailto:notifications@eba.europa.eu) when notifying the EBA.

1. Notifying national authority																
1.1 Name of the notifying authority	Bank of Greece (BoG)															
2. Description of the measure																
2.1 Concerned institution or group of institutions	<table border="1"> <thead> <tr> <th>Credit Institution Name</th> <th>LEI Code</th> <th>Application Level</th> </tr> </thead> <tbody> <tr> <td>National Bank of Greece S.A.</td> <td>5UMCZOEYKCVFAW8ZLO05</td> <td>Highest level of consolidation</td> </tr> <tr> <td>Piraeus Bank S.A.</td> <td>M6AD1Y1KW32H8THQ6F76</td> <td>Highest level of consolidation</td> </tr> <tr> <td>Alpha Bank S.A.</td> <td>5299009N55YRQC69CN08</td> <td>Highest level of consolidation</td> </tr> <tr> <td>Eurobank Holdings S.A.</td> <td>JEUVK5RWVJEN8WOC9M24</td> <td>Highest level of consolidation</td> </tr> </tbody> </table>	Credit Institution Name	LEI Code	Application Level	National Bank of Greece S.A.	5UMCZOEYKCVFAW8ZLO05	Highest level of consolidation	Piraeus Bank S.A.	M6AD1Y1KW32H8THQ6F76	Highest level of consolidation	Alpha Bank S.A.	5299009N55YRQC69CN08	Highest level of consolidation	Eurobank Holdings S.A.	JEUVK5RWVJEN8WOC9M24	Highest level of consolidation
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2.2 Level of the buffer applied	<table border="1"> <thead> <tr> <th>Credit Institution Name</th> <th>O-SII buffer requirement</th> </tr> </thead> <tbody> <tr> <td>National Bank of Greece S.A.</td> <td>1.00%</td> </tr> <tr> <td>Piraeus Bank S.A.</td> <td>0.75%</td> </tr> <tr> <td>Alpha Bank S.A.</td> <td>1.00%</td> </tr> <tr> <td>Eurobank Holdings S.A.</td> <td>1.00%</td> </tr> </tbody> </table>	Credit Institution Name	O-SII buffer requirement	National Bank of Greece S.A.	1.00%	Piraeus Bank S.A.	0.75%	Alpha Bank S.A.	1.00%	Eurobank Holdings S.A.	1.00%					
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2.3 Name of the parent company	The concerned institutions are the EU ultimate parent institutions of the groups concerned.															
2.4 Names of subsidiaries	Bank of Greece will also assess the imposition of OSII buffer requirement to the banking subsidiary of Eurobank Holdings S.A., Eurobank S.A. (LEI Code: 213800KGF4EFNUQKAT69) based on 31/12/2020 data and the criteria outlined and defined in the methodology of the EBA Guidelines (EBA/GL/2014/10).															
3. Timing of the measure																

<sup>1</sup> To be filled in and submitted for each O-SII.

<b>3.1 Timing of the Decision</b>	The Bank of Greece is expected to take its final decision on 26/06/2020.																														
<b>3.2 Timing of the Publication</b>	The intended date for publication of the final decision on the O-SII buffer is 17/07/2020.																														
<b>3.3 Disclosure</b>	<p>BoG shall notify the ECB, the ESRB, the European Commission, EBA and the competent and designated authorities of the Member States concerned.</p> <p>The decision is intended to be disclosed on the BoG’s website on 17/07/2020, and circular letters will be sent to the O-SII institutions informing them of this decision.</p>																														
<b>3.4 Timing of Application</b>	<p>The intended date of activation (the date that the measure will be applicable) is 1 January 2021</p> <p>For the O-SIIs identified, the buffers will be fully implemented on 1 January 2023 according to the phase in scheme below.</p> <p>For 2021 the O-SII buffer is set at 0.50% for the O-SIIs identified.</p>																														
<b>3.5 Phasing in</b>	<p>The intended timeline for the phase-in of the measure is:</p> <table border="1" data-bbox="365 1055 1334 1469"> <thead> <tr> <th>Credit Institution Name</th> <th>1/1/2019</th> <th>1/1/2020</th> <th>1/1/2021</th> <th>1/1/2022</th> <th>1/1/2023</th> </tr> </thead> <tbody> <tr> <td>National Bank of Greece S.A.</td> <td>0.25%</td> <td>0.50%</td> <td>0.50%</td> <td>0.75%</td> <td>1.00%</td> </tr> <tr> <td>Piraeus Bank S.A.</td> <td>0.25%</td> <td>0.50%</td> <td>0.50%</td> <td>0.75%</td> <td>0.75%</td> </tr> <tr> <td>Alpha Bank S.A.</td> <td>0.25%</td> <td>0.50%</td> <td>0.50%</td> <td>0.75%</td> <td>1.00%</td> </tr> <tr> <td>Eurobank Holdings S.A.</td> <td>0.25%</td> <td>0.50%</td> <td>0.50%</td> <td>0.75%</td> <td>1.00%</td> </tr> </tbody> </table> <p>In order to provide further flexibility to credit institutions in reaction to coronavirus and mitigate the subsequent financial impact, the existing phasing-in period has been adjusted. The third and the fourth phases have been delayed by 12 months each and will apply starting from 1 January 2022 and 1 January 2023 respectively. So far at least 50% of the O-SII buffer requirement has been fulfilled.</p>	Credit Institution Name	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	National Bank of Greece S.A.	0.25%	0.50%	0.50%	0.75%	1.00%	Piraeus Bank S.A.	0.25%	0.50%	0.50%	0.75%	0.75%	Alpha Bank S.A.	0.25%	0.50%	0.50%	0.75%	1.00%	Eurobank Holdings S.A.	0.25%	0.50%	0.50%	0.75%	1.00%
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<b>3.6 Review of the measure</b>	The measure will be reviewed on an annual basis.																														
<b>4. Reason for activation of the O-SII buffer</b>																															

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<b>4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)</b>	<p>-The identification has been carried out using the criteria outlined and defined in the methodology of the EBA Guidelines (EBA/GL/2014/10).</p> <p>-Banking institutions with a score equal or higher than 350 basis points were designated as an O-SII.</p> <p>-BoG applied the mandatory indicators as per the EBA relative GLs. BoG did not use any of the optional indicators presented in Annex 2 of the EBA GLs.</p> <p>-See table below for the name and scores of the entities that were included in the identification process but were not designated as OSIIs.</p> <p>-BoG's scoring process was conducted using consolidated FINREP/COREP data as of 31 December 2019 on a consolidated basis. When the FINREP variables were not available, proxies were used taken from solo accounts (dated December 2019) supplemented by additional data available to BoG.</p> <table border="1" data-bbox="363 1111 1415 1715"> <thead> <tr> <th></th> <th>Size</th> <th>Importance</th> <th>Complexity</th> <th>Interconnectedness</th> <th>Total Score</th> </tr> </thead> <tbody> <tr> <td>ATTICA BANK S.A.</td> <td>135</td> <td>151</td> <td>2</td> <td>165</td> <td><b>113</b></td> </tr> <tr> <td>OPTIMA BANK SA.</td> <td>12</td> <td>33</td> <td>5</td> <td>21</td> <td><b>18</b></td> </tr> <tr> <td>AEGEAN BALTIC BANK S.A.</td> <td>19</td> <td>37</td> <td>1</td> <td>26</td> <td><b>21</b></td> </tr> <tr> <td>PRAXIA BANK S.A</td> <td>7</td> <td>5</td> <td>10</td> <td>12</td> <td><b>9</b></td> </tr> <tr> <td>COOPERATIVE BANK OF CHANIA COOPERATIVE OF LIMITED LIABILITIES</td> <td>24</td> <td>62</td> <td>-</td> <td>17</td> <td><b>26</b></td> </tr> <tr> <td>COOPERATIVE BANK OF EPIRUS LTD.</td> <td>11</td> <td>16</td> <td>-</td> <td>8</td> <td><b>9</b></td> </tr> <tr> <td>PANCRETAN COOPERATIVE BANK LTD.</td> <td>63</td> <td>125</td> <td>-</td> <td>43</td> <td><b>58</b></td> </tr> <tr> <td>COOPERATIVE BANK OF KARDITSA COOP. L.L.</td> <td>5</td> <td>13</td> <td>-</td> <td>7</td> <td><b>6</b></td> </tr> <tr> <td>COOPERATIVE BANK OF THESSALY COOP. L.L.</td> <td>9</td> <td>12</td> <td>-</td> <td>6</td> <td><b>7</b></td> </tr> <tr> <td>COOPERATIVE BANK OF DRAMA</td> <td>3</td> <td>5</td> <td>-</td> <td>0</td> <td><b>2</b></td> </tr> <tr> <td>COOPERATIVE BANK OF CENTRAL MACEDONIA LTD</td> <td>5</td> <td>8</td> <td>-</td> <td>1</td> <td><b>4</b></td> </tr> <tr> <td>Virtual Entity (branches)</td> <td>131</td> <td>134</td> <td>0</td> <td>587</td> <td><b>213</b></td> </tr> </tbody> </table>		Size	Importance	Complexity	Interconnectedness	Total Score	ATTICA BANK S.A.	135	151	2	165	<b>113</b>	OPTIMA BANK SA.	12	33	5	21	<b>18</b>	AEGEAN BALTIC BANK S.A.	19	37	1	26	<b>21</b>	PRAXIA BANK S.A	7	5	10	12	<b>9</b>	COOPERATIVE BANK OF CHANIA COOPERATIVE OF LIMITED LIABILITIES	24	62	-	17	<b>26</b>	COOPERATIVE BANK OF EPIRUS LTD.	11	16	-	8	<b>9</b>	PANCRETAN COOPERATIVE BANK LTD.	63	125	-	43	<b>58</b>	COOPERATIVE BANK OF KARDITSA COOP. L.L.	5	13	-	7	<b>6</b>	COOPERATIVE BANK OF THESSALY COOP. L.L.	9	12	-	6	<b>7</b>	COOPERATIVE BANK OF DRAMA	3	5	-	0	<b>2</b>	COOPERATIVE BANK OF CENTRAL MACEDONIA LTD	5	8	-	1	<b>4</b>	Virtual Entity (branches)	131	134	0	587	<b>213</b>
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<b>4.3 Supervisory judgement</b>	<p>No institutions were identified through supervisory judgement</p>																																																																														

<p><b>4.4 Calibrating the O-SII buffer</b></p>	<p>For the calibration of buffer, the Bank of Greece relies on a rather simple methodology. It consists of a proportional mapping of the scores based on the EBA guidelines to buffer requirements using the highest score as a benchmark/reference. The 1% buffer for the bank with the highest score is set as an anchor point. The final buffer for a given domestic systemic institution is set as the product of 1% by the ratio of the institution's O-SII score over the highest score. For the determination of the final buffer, the percentage is rounded up.</p> <p>Banks were sorted into five buckets according to their O-SII scores, where the O-SII buffer rate is determined by the bucket in which the respective bank finds itself (steps of 0.25 percentage points:0.00%, 0.25%, 0.50%, 0.75% and 1.00% rounded to the next step). The rates applicable to the five buckets are 0.25%, 0.5%, 0.75%, 1.00% and 2.00%, respectively. The highest bucket is empty in order to signal to the market that higher buffer rates could be applied in the future..</p>
<p><b>4.5 Effectiveness and proportionality of measure</b></p>	<p>The build-up of the O-SII buffer will increase resilience of banks and reduce moral hazard arising from the "too big to fail" issue.</p> <p>In the case of Greek Banks, the four identified institutions represent 95.7% of the domestic market in terms of total assets and therefore it is necessary to introduce positive O-SII capital buffers for all of them.</p>
<p><b>5. Combinations and interactions with other measures</b></p>	
<p><b>5.1 Assessment of cross-border effects and the likely impact on the internal market</b>  (Recommendation ESRB/2015/2)</p>	<p>The Greek banking system is rather concentrated (4 domestic banks holding about 95.7% of the market) whereas is mostly oriented/focused in domestic activities/market. Therefore, we do not expect material negative spillovers for the internal market.</p>
<p><b>5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State</b></p>	<p>Regulatory arbitrage and leakages within Greece are not likely since the four banks hold about 95.7% of the market share and the remaining institutions have much smaller size.</p>
<p><b>6. Combinations and interactions with other measures</b></p>	

<b>6.1 Combinations between G-SII and OSII buffers (Article 131.14)</b>	Not applicable
<b>6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)</b>	No institution is subject to a systemic risk buffer.
<b>6.3 O-SII requirement for a subsidiary (Article 131.8)</b>	Not applicable
<b>6.4 Interaction with other measures</b>	Not applicable
<b>7. Miscellaneous</b>	
<b>7.1 Contact person(s) at notifying authority</b>	<p><b>Ioannis Tsikripis</b>  E-Mail : itsikripis@bankofgreece.gr  Phone Contact: 0030 210 3205031</p> <p><b>Ekaterini Korbi</b>  E-Mail : akorbi@bankofgreece.gr  Phone Contact: 0030 210 3205167</p>
<b>7.2 Any other relevant information</b>	-