



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	On which institution(s) is the measure applied (name and Legal Entity Identifier (LEI) code)?									
	Is the measure applied at:									
	<ul style="list-style-type: none"> - The highest level of consolidation? - A sub-consolidated level? - An individual level? 									
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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authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.

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2.1b Changes to the list of institutions concerned	No changes occurred																								
2.2 Level of the buffer applied	<p>At what level is the fully phased-in buffer (in %) applied to the institution(s)?</p> <table border="1"> <thead> <tr> <th>Name of institution</th> <th>New O-SII buffer</th> <th>Previous O-SII buffer</th> </tr> </thead> <tbody> <tr> <td>Zagrebačka banka d.d., Zagreb</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>Privredna banka Zagreb d.d., Zagreb</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>Erste&Steiermärkische Bank d.d. Rijeka</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>Raiffeisenbank Austria d.d., Zagreb</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>OTP banka Hrvatska d.d., Zagreb</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>Addiko Bank d.d.</td> <td>0.5%</td> <td>0.5%</td> </tr> <tr> <td>Hrvatska poštanska banka d.d., Zagreb</td> <td>0.5%</td> <td>0.5%</td> </tr> </tbody> </table>	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	2%	2%	OTP banka Hrvatska d.d., Zagreb	2%	2%	Addiko Bank d.d.	0.5%	0.5%	Hrvatska poštanska banka d.d., Zagreb	0.5%	0.5%
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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)	Please list here the names, overall scores and category scores of the O-SIIs identified based on <ol style="list-style-type: none"> a. size; b. importance for the economy of the relevant Member State or the Union, capturing substitutability/financial institution infrastructure; c. complexity, including the additional complexities from cross-border activity; d. interconnectedness of the institution or (sub-)group with the financial system. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Name of institution</th> <th style="width: 10%;">Size</th> <th style="width: 10%;">Substitutability</th> <th style="width: 10%;">Complexity</th> <th style="width: 10%;">Interconnectedness</th> <th style="width: 10%;">Overall Score</th> </tr> </thead> <tbody> <tr> <td>Zagrebačka banka d.d., Zagreb</td> <td style="text-align: center;">2809</td> <td style="text-align: center;">2785</td> <td style="text-align: center;">3616</td> <td style="text-align: center;">2347</td> <td style="text-align: center;">2889</td> </tr> <tr> <td>Privredna banka Zagreb d.d., Zagreb</td> <td style="text-align: center;">2406</td> <td style="text-align: center;">2133</td> <td style="text-align: center;">2822</td> <td style="text-align: center;">1341</td> <td style="text-align: center;">2176</td> </tr> <tr> <td>Erste&Steiermärkische Bank d.d. Rijeka</td> <td style="text-align: center;">1546</td> <td style="text-align: center;">1575</td> <td style="text-align: center;">1364</td> <td style="text-align: center;">3482</td> <td style="text-align: center;">1992</td> </tr> <tr> <td>Raiffeisenbank Austria d.d., Zagreb</td> <td style="text-align: center;">730</td> <td style="text-align: center;">895</td> <td style="text-align: center;">998</td> <td style="text-align: center;">435</td> <td style="text-align: center;">765</td> </tr> <tr> <td>OTP banka Hrvatska d.d., Zagreb</td> <td style="text-align: center;">895</td> <td style="text-align: center;">926</td> <td style="text-align: center;">580</td> <td style="text-align: center;">643</td> <td style="text-align: center;">761</td> </tr> <tr> <td>Hrvatska poštanska banka d.d., Zagreb</td> <td style="text-align: center;">477</td> <td style="text-align: center;">447</td> <td style="text-align: center;">58</td> <td style="text-align: center;">222</td> <td style="text-align: center;">301</td> </tr> <tr> <td>Addiko Bank d.d.</td> <td style="text-align: center;">331</td> <td style="text-align: center;">388</td> <td style="text-align: center;">199</td> <td style="text-align: center;">276</td> <td style="text-align: center;">298</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Name of institution	Size	Substitutability	Complexity	Interconnectedness	Overall Score	Zagrebačka banka d.d., Zagreb	2809	2785	3616	2347	2889	Privredna banka Zagreb d.d., Zagreb	2406	2133	2822	1341	2176	Erste&Steiermärkische Bank d.d. Rijeka	1546	1575	1364	3482	1992	Raiffeisenbank Austria d.d., Zagreb	730	895	998	435	765	OTP banka Hrvatska d.d., Zagreb	895	926	580	643	761	Hrvatska poštanska banka d.d., Zagreb	477	447	58	222	301	Addiko Bank d.d.	331	388	199	276	298						
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	<p>Please provide other relevant information (indicator values, methodology, calculations and formulas, data sources, information set used for denominators) in a separate Excel file.</p>																																																																																																																																				
<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="571 875 1441 1272"> <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., Zagreb</td><td>2809</td><td>2785</td><td>3616</td><td>2347</td><td>2889</td></tr> <tr><td>Privredna banka Zagreb d.d., Zagreb</td><td>2406</td><td>2133</td><td>2822</td><td>1341</td><td>2176</td></tr> <tr><td>Erste&Steiermärkische Bank d.d. Rijeka</td><td>1546</td><td>1575</td><td>1364</td><td>3482</td><td>1992</td></tr> <tr><td>Raiffeisenbank Austria d.d., Zagreb</td><td>730</td><td>895</td><td>998</td><td>435</td><td>765</td></tr> <tr><td>OTP banka Hrvatska d.d., Zagreb</td><td>895</td><td>926</td><td>580</td><td>643</td><td>761</td></tr> <tr><td>Hrvatska poštanska banka d.d., Zagreb</td><td>477</td><td>447</td><td>58</td><td>222</td><td>301</td></tr> <tr><td>Addiko Bank d.d.</td><td>331</td><td>388</td><td>199</td><td>276</td><td>298</td></tr> <tr><td>Sberbank d.d.</td><td>207</td><td>269</td><td>161</td><td>193</td><td>208</td></tr> <tr><td>Podravska banka d.d.</td><td>74</td><td>65</td><td>18</td><td>408</td><td>141</td></tr> <tr><td>Agram banka d.d.</td><td>71</td><td>62</td><td>8</td><td>353</td><td>124</td></tr> <tr><td>Istarska kreditna banka Umag d.d.</td><td>72</td><td>85</td><td>10</td><td>17</td><td>46</td></tr> <tr><td>KentBank d.d.</td><td>55</td><td>53</td><td>9</td><td>33</td><td>37</td></tr> <tr><td>Karlovačka banka d.d.</td><td>50</td><td>48</td><td>7</td><td>19</td><td>31</td></tr> <tr><td>Partner banka d.d.</td><td>38</td><td>36</td><td>7</td><td>25</td><td>26</td></tr> <tr><td>Wüstenrot stambena štedionica d.d.</td><td>38</td><td>40</td><td>5</td><td>10</td><td>23</td></tr> <tr><td>Croatia banka d.d.</td><td>36</td><td>30</td><td>10</td><td>9</td><td>21</td></tr> <tr><td>Banka Kovanica d.d.</td><td>26</td><td>31</td><td>22</td><td>4</td><td>21</td></tr> <tr><td>J&T banka d.d.</td><td>20</td><td>20</td><td>13</td><td>15</td><td>17</td></tr> <tr><td>Imex banka d.d.</td><td>27</td><td>25</td><td>9</td><td>3</td><td>16</td></tr> <tr><td>Slatinska banka d.d.</td><td>28</td><td>28</td><td>1</td><td>4</td><td>15</td></tr> <tr><td>Samoborska banka d.d.</td><td>10</td><td>9</td><td>0</td><td>6</td><td>6</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., Zagreb	2809	2785	3616	2347	2889	Privredna banka Zagreb d.d., Zagreb	2406	2133	2822	1341	2176	Erste&Steiermärkische Bank d.d. Rijeka	1546	1575	1364	3482	1992	Raiffeisenbank Austria d.d., Zagreb	730	895	998	435	765	OTP banka Hrvatska d.d., Zagreb	895	926	580	643	761	Hrvatska poštanska banka d.d., Zagreb	477	447	58	222	301	Addiko Bank d.d.	331	388	199	276	298	Sberbank d.d.	207	269	161	193	208	Podravska banka d.d.	74	65	18	408	141	Agram banka d.d.	71	62	8	353	124	Istarska kreditna banka Umag d.d.	72	85	10	17	46	KentBank d.d.	55	53	9	33	37	Karlovačka banka d.d.	50	48	7	19	31	Partner banka d.d.	38	36	7	25	26	Wüstenrot stambena štedionica d.d.	38	40	5	10	23	Croatia banka d.d.	36	30	10	9	21	Banka Kovanica d.d.	26	31	22	4	21	J&T banka d.d.	20	20	13	15	17	Imex banka d.d.	27	25	9	3	16	Slatinska banka d.d.	28	28	1	4	15	Samoborska banka d.d.	10	9	0	6	6
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Karlovačka banka d.d.	50	48	7	19	31																																																																																																																																
Partner banka d.d.	38	36	7	25	26																																																																																																																																
Wüstenrot stambena štedionica d.d.	38	40	5	10	23																																																																																																																																
Croatia banka d.d.	36	30	10	9	21																																																																																																																																
Banka Kovanica d.d.	26	31	22	4	21																																																																																																																																
J&T banka d.d.	20	20	13	15	17																																																																																																																																
Imex banka d.d.	27	25	9	3	16																																																																																																																																
Slatinska banka d.d.	28	28	1	4	15																																																																																																																																
Samoborska banka d.d.	10	9	0	6	6																																																																																																																																
<p>4.3 Supervisory judgement</p>	<p>Expert judgement complemented the scoring process. It did not result in identifying any additional O-SII.</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 income to RWAs (return on RWA).</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>																																																																																																																																				

5. Sufficiency, consistency and non-overlap of the policy response													
5.1 Sufficiency of the policy response	O-SII buffers are applied and reviewed annually providing significant risk mitigation, while they are calibrated in a way that ensures that benefits exceed costs (see 4.2 and 4.4 above).												
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 HNB's framework (Decision, OG 60/2017) provides 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" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Name of institution</th> <th style="width: 25%;">O-SII buffer</th> <th style="width: 25%;">G-SII buffer</th> </tr> </thead> <tbody> <tr> <td> </td> <td style="text-align: center;">%</td> <td style="text-align: center;">%</td> </tr> <tr> <td> </td> <td style="text-align: center;">%</td> <td style="text-align: center;">%</td> </tr> <tr> <td> </td> <td style="text-align: center;">%</td> <td 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.

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 O-SII buffer rates based on the domestic buffer methodology. Due to the cap for the subsidiaries, Privredna banka Zagreb d.d. and OTP banka Hrvatska d.d. maintain a lower O-SII buffer rate than set by the domestic buffer methodology, thus the sum of SyRB and O-SII rates that these two banks have to maintain is lower compared to the numbers 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%	Consolidated and individual level	3.5%
Erste&Steiermärkische Bank d.d. Rijeka	1.5%	Consolidated and individual level	3.5%
Privredna banka Zagreb d.d., Zagreb	1.5%	Consolidated and individual level	3.5%*
Raiffeisenbank Austria d.d., Zagreb	1.5%	Consolidated and individual level	3.5%
OTP banka Hrvatska d.d., Zagreb	1.5%	Consolidated and individual level	3.5%*
Addiko Bank d.d.	1.5%	Individual level	2%
Hrvatska poštanska banka d.d., Zagreb	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 two credit institutions:

- 1) Privredna banka Zagreb d.d., Zagreb where the buffer rate to be maintained in 2022 is 1.75%
- 2) OTP banka Hrvatska d.d., Zagreb where the buffer rate to be maintained in 2022 is 1.5%

	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	2%
	Raiffeisenbank Austria d.d., Zagreb	Raiffeisen Bank International AG	2%
	OTP banka Hrvatska d.d., Zagreb	OTP Bank Nyrt.	0.5%
8. Miscellaneous			
8.1 Contact person(s)/mailbox at notifying authority	<p>Contact person(s) (name, phone number and e-mail address) and mailbox for further inquiries.</p> <p>Ms. Lana Ivicic Financial Stability Department Hrvatska narodna banka Phone: ++385 1 456 50 09 E-mail: lana.ivicic@hnb.hr</p>		
8.2 Any other relevant information	None		
8.3 Date of the notification	<p>Please provide the date on which this notification was uploaded/sent.</p> <p>16/11/2021</p>		