

## 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](mailto:macropru.notifications@ecb.europa.eu) when notifying the ECB (under Article 5 of the Single Supervisory Mechanism (SSM) Regulation<sup>1</sup>);
- [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<sup>2</sup>.

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	Magyar Nemzeti Bank						
1.2 Country of the notifying authority	Hungary						
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"> <li>- The highest level of consolidation?</li> <li>- A sub-consolidated level?</li> <li>- An individual level?</li> </ul> <p><b>For the entire list of O-SII banks, see the notification about the O-SII identification exercise in 2021.</b></p> <table border="1"> <thead> <tr> <th>Name of institution</th> <th>LEI</th> <th>Consolidation level</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		Name of institution	LEI	Consolidation level		
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<sup>1</sup> 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).

<sup>2</sup> 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.

	MKB Bank Nyrt.	3H0Q3U74FVFED2S HZT16	highest level of consolidation																					
	Magyar Bankholding Zrt.	529900J3WLMSUC7 8RN75	highest level of consolidation																					
<b>2.1b Changes to the list of institutions concerned</b>	<b>Institutions deleted from the list since the last notification</b> Magyar Bankholding Zrt.      529900J3WLMSUC78RN75 <b>Institutions added to the list since the last notification</b> MKB Bank Nyrt.      3H0Q3U74FVFED2SHZT16																							
<b>2.2 Level of the buffer applied</b>	At what level is the fully phased-in buffer (in %) applied to the institution(s)? <b>For the entire list of O-SII banks, see the notification about the O-SII identification exercise in 2021.</b> <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>MKB Bank Nyrt.</td> <td>0,25%</td> <td>no O-SII buffer requirement</td> </tr> <tr> <td>Magyar Bankholding Zrt.</td> <td>no O-SII buffer requirement</td> <td>0,25%</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Name of institution	New O-SII buffer	Previous O-SII buffer	MKB Bank Nyrt.	0,25%	no O-SII buffer requirement	Magyar Bankholding Zrt.	no O-SII buffer requirement	0,25%												
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<b>2.3 Name of the ultimate EU parent institution</b>	Please provide the name and LEI code of the ultimate EU parent institution of the group for each of the O-SIIs identified. If the ultimate EU parent institution is not the concerned institution itself. <b>For the entire list of O-SII banks, see the notification about the O-SII identification exercise in 2021.</b>  <b>The data given below is effective from 29 April 2022.</b> <table border="1"> <thead> <tr> <th>Name of identified O-SII</th> <th>Ultimate EU parent institution</th> <th>LEI of ultimate parent institution</th> </tr> </thead> <tbody> <tr> <td>MKB Bank Nyrt.</td> <td>MKB Bank Nyrt.</td> <td>3H0Q3U74FVFED2S HZT16</td> </tr> <tr> <td>Magyar Bankholding Zrt.</td> <td>Magyar Bankholding Zrt.</td> <td>529900J3WLMSUC78 RN75</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Name of identified O-SII	Ultimate EU parent institution	LEI of ultimate parent institution	MKB Bank Nyrt.	MKB Bank Nyrt.	3H0Q3U74FVFED2S HZT16	Magyar Bankholding Zrt.	Magyar Bankholding Zrt.	529900J3WLMSUC78 RN75												
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<b>2.4 Names of subsidiaries</b>	If any of the O-SIIs identified is a parent institution and the buffer is applied at a (sub)consolidated level, please name the subsidiaries of the institution that are notified as O-SIIs (please give names and LEI codes).																							

	<p><b>For the entire list of the subsidiaries of the O-SIIs, see the notification about the O-SII identification exercise in 2021.</b></p> <table border="1"> <thead> <tr> <th>Name of parent O-SII identified</th> <th>Name of O-SII subsidiary</th> <th>LEI of O-SII subsidiary</th> </tr> </thead> <tbody> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> </tbody> </table>	Name of parent O-SII identified	Name of O-SII subsidiary	LEI of O-SII subsidiary																					
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<b>3. Timing for the measure</b>																									
<b>3.1 Timing for the decision</b>	<p>What is the date of the official decision? <u>For SSM countries when notifying the ECB</u>: provide the date on which the decision referred to in Article 5 of the Single Supervisory Mechanism Regulation (SSMR) will be taken.</p> <p>29/03/2022</p>																								
<b>3.2 Timing for publication</b>	<p>What is the date of publication of the notified measure?</p> <p>29/04/2022</p>																								
<b>3.3 Disclosure</b>	<p>Information about the strategy for if the communicating the notified measure to the market.</p> <p>The names of the institutions and their effective and expected O-SII capital buffer requirements will be published on the webpage of the MNB.</p>																								
<b>3.4 Timing for application</b>	<p>What is the intended date of application of the measure?</p> <p>29/04/2022</p>																								
<b>3.5 Phasing in</b>	<p>What is the intended timeline for the phase-in of the measure?</p> <p><b>Date1: 29 April 2022</b></p> <p><b>Date2: from 2023</b></p> <p><b>Date3: from 2024</b></p> <table border="1"> <thead> <tr> <th>Name of institution</th> <th>Date1</th> <th>Date2</th> <th>Date3</th> <th>Date4</th> <th>Date5</th> </tr> </thead> <tbody> <tr> <td>MKB Bank Nyrt.</td> <td>0.25%</td> <td>0.5%</td> <td>1%</td> <td>%</td> <td>%</td> </tr> <tr> <td></td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> </tr> </tbody> </table>	Name of institution	Date1	Date2	Date3	Date4	Date5	MKB Bank Nyrt.	0.25%	0.5%	1%	%	%		%	%	%	%	%						
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<b>3.6 Review of the measure</b>	<p><b>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 2022.</b></p> <p><b>(Sections 89 (3) and 90 (3) b) of the Hungarian Banking Act)</b></p>																								
<b>4. Reason for O-SII identification and activation of the O-SII buffer</b>																									
<b>4.1 Scores of institutions or group of institutions concerned, as per EBA guidelines on the assessment of O-SIIs (Article 131.3 CRD)</b>	<p>Please list here the names, overall scores and category scores of the O-SIIs identified based on</p> <p><b>From 2022 April 29 the Magyar Bankholding Zrt. identified as an O-SII in 2021 is going to cease operating as a financial holding company and it will no longer be under the statutory scope of the CRD. At the same time MKB Bank Nyrt. is going to take over as the parent of the financial group. Despite the change in the structure of the banking group, the MNB considers O-SII scores calculated for the Magyar Bankholding Zrt. during the 2021 identification as accurately representing the systemic importance of the banking group after April 29, as the on- and off-balance sheet assets and</b></p>																								

liabilities and other systemically relevant financial activities have not changed because of the change in the group structure. The scores and buffer rates of all other O-SIIs remain unchanged.

For the entire list of the subsidiaries of the O-SIIs, see the notification about the O-SII identification exercise in 2021.

The below given Overall Score stands for the score calculated by using the MNB methodology determined and published in 2015. 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. According to the first step, the score of the institution was 1139. 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.

Name of institution	Size	Substitut-ability	Com-plexity	Intercon-nectedness	Overall Score
MKB Bank Nyrt.	1495	1077	275	1707	1111

Please provide other relevant information (indicator values, methodology, calculations and formulas, data sources, information set used for denominators) in a separate Excel file.

**Information provided in 2021 is still applicable.**

**4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)**

Please provide information on:

**Since the O-SII score of the MKB Bank Nyrt. is the same as the score of the Magyar Bankholding Zrt. from the latest identification exercise in 2021, the MNB considers the O-SII buffer rate determined at that time for the Magyar Bankholding Zrt. proportional with the systemic importance of and adequate for the MKB Bank Nyrt. from April 29 2022 onward.**

**For further details, see the notification about the O-SII identification exercise in 2021.**

- a. whether you followed the EBA guidelines on the assessment of O-SIIs;
- b. which threshold score has been set to identify O-SIIs;
- c. whether relevant entities with relative total assets not in excess of 0.02% have been excluded from the identification process;
- d. the names and scores of all relevant entities not excluded from the identification process (could be sent in a separate Excel file, see 4.1);
- e. whether non-bank institutions have been included in the calculations.

<p><b>4.3 Supervisory judgement</b></p>	<p>Have any of the institutions listed in 2.1 been identified by applying supervisory judgement as laid down in EBA guidelines on the assessment of O-SIIs? If yes, please list the respective institutions and provide information on:</p> <p><b>For further details, see the notification about the O-SII identification exercise in 2021.</b></p> <ol style="list-style-type: none"> <li>a. which of the optional indicators have been used to justify the supervisory assessment decisions, if any, and what the scores were;</li> <li>b. why these optional indicators are relevant for the Member State;</li> <li>c. why the bank is systemically important in terms of those particular optional indicators.</li> </ol>
<p><b>4.4 Calibrating the O-SII buffer</b></p>	<p>Please provide information on the criteria and indicators used to calibrate the level of the O-SII buffer requirement and the mapping to institution-specific buffer requirements.</p> <p><b>For further details, see the notification about the O-SII identification exercise in 2021.</b></p>
<p><b>4.5 Effectiveness and proportionality of measure</b></p>	<p>Please provide a justification for why the O-SII buffer is considered likely to be effective and proportionate to mitigate the risk.</p> <p><b>For further details, see the notification about the O-SII identification exercise in 2021.</b></p>
<p><b>5. Sufficiency, consistency and non-overlap of the policy response</b></p>	
<p><b>5.1 Sufficiency of the policy response</b></p>	<p>For a macroprudential policy to be 'sufficient', the policy responses must be deemed to significantly mitigate, or reduce the build-up of, risks over an appropriate time horizon with a limited unintended impact on the general economy.</p> <p>Note that the ESRB will use the assessment of the macroprudential stance as relevant input in assessing the sufficiency of the macroprudential policy in the Member State.</p> <p>Please provide any additional information that the ESRB should consider in assessing the sufficiency of the policy response.</p> <p><b>For further details, see the notification about the O-SII identification exercise in 2021.</b></p>
<p><b>5.2 Consistency of application of the policy response</b></p>	<p>For a macroprudential policy to be 'consistent', the policy instruments meet their respective objectives, as outlined in ESRB/2013/1<sup>3</sup>, and must be implemented in accordance with the common principles set out in the relevant legal texts.</p> <p>Note that the ESRB assessment of consistency will consider whether the same systemic risks are addressed in a similar way across and within the Member States over time.</p> <p>Please provide any additional information that the ESRB should consider in assessing the consistency of the policy response.</p> <p><b>For further details, see the notification about the O-SII identification exercise in 2021.</b></p>

<sup>3</sup> Recommendation of the European Systemic Risk Board of 4 April 2013 on intermediate objectives and instruments of macro-prudential policy (ESRB/2013/1) (OJ C 170, 15.6.2013, p. 1)

<p><b>5.3 Non-overlap of the policy response</b></p>	<p>For a policy instrument to be 'non-overlapping', it should aim to address a systemic risk that either differs from a risk addressed by other active tools in the same Member State, or be complementary to another tool in that Member State which addresses the same systemic risk.</p> <ul style="list-style-type: none"> <li>- Are other policy instruments used to address the <u>same</u> systemic risk?</li> <li>- If yes, please explain the need for more than one instrument to address the same systemic risk and how the different instruments interact with each other.</li> </ul> <p><b>For further details, see the notification about the O-SII identification exercise in 2021.</b></p>												
<p><b>6. Cross-border and cross-sector impact of the measure</b></p>													
<p><b>6.1 Assessment of cross-border effects and the likely impact on the Internal Market</b> <b>(Recommendation ESRB/2015/2<sup>4</sup>)</b></p>	<p>Assessment of the cross-border effects of implementation of the measure.</p> <p><b>For further details, see the notification about the O-SII identification exercise in 2021.</b></p>												
<p><b>6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State</b></p>	<p>Referring to your Member State's specific characteristics, what is the scope for "leakages and regulatory arbitrage" in your own jurisdiction (i.e. circumvention of the measure/leakages to other parts of the financial sector)?</p> <p>Is there scope for "leakages and regulatory arbitrage" in other jurisdictions</p> <p><b>For further details, see the notification about the O-SII identification exercise in 2021.</b></p>												
<p><b>7. Combinations and interactions with other measures</b></p>													
<p><b>7.1 Combinations between G-SII and O-SII buffers</b> <b>(Article 131.14)</b></p>	<p>If both G-SII and O-SII criteria apply to the same institution at consolidated level, which of the two buffers is the highest?</p> <p><b>The MNB has not identified any institutions as G-SIIs within its jurisdiction.</b></p> <table border="1" data-bbox="571 1368 1444 1514"> <thead> <tr> <th data-bbox="571 1368 927 1406">Name of institution</th> <th data-bbox="928 1368 1211 1406">O-SII buffer</th> <th data-bbox="1212 1368 1444 1406">G-SII buffer</th> </tr> </thead> <tbody> <tr> <td data-bbox="571 1408 927 1447"></td> <td data-bbox="928 1408 1211 1447" style="text-align: center;">%</td> <td data-bbox="1212 1408 1444 1447" style="text-align: center;">%</td> </tr> <tr> <td data-bbox="571 1449 927 1487"></td> <td data-bbox="928 1449 1211 1487" style="text-align: center;">%</td> <td data-bbox="1212 1449 1444 1487" style="text-align: center;">%</td> </tr> <tr> <td data-bbox="571 1489 927 1520"></td> <td data-bbox="928 1489 1211 1520" style="text-align: center;">%</td> <td data-bbox="1212 1489 1444 1520" style="text-align: center;">%</td> </tr> </tbody> </table>	Name of institution	O-SII buffer	G-SII buffer		%	%		%	%		%	%
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	%	%											
	%	%											
	%	%											
<p><b>7.2 Combinations with systemic risk buffers (SyRBs)</b> <b>(Article 131.15 CRD)</b></p>	<p>Are any of the institutions identified as O-SIIs subject to a systemic risk buffer?</p> <p><b>Currently there are no banks which are required to maintain a systemic risk buffer, the regulation is suspended to mitigate the impacts of the emergency situation related to the coronavirus outbreak on the financial intermediary system.</b></p> <p><b>For further information on the systemic risk buffer, see the announcements on the following website:</b></p> <p><a href="https://www.mnb.hu/en/financial-stability/macprudential-policy/the-macprudential-toolkit/instruments-to-limit-excessive-exposure-concentrations">https://www.mnb.hu/en/financial-stability/macprudential-policy/the-macprudential-toolkit/instruments-to-limit-excessive-exposure-concentrations</a></p>												

<sup>4</sup> 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).

	Name of institution	SyRB rate	SyRB application level	Sum of G-SII/O-SII and SyRB rates
		%		%
		%		%
		%		%
		%		%
		%		%
		%		%
		%		%
		%		%
		%		%

  

<b>7.3 O-SII requirement for a subsidiary (Article 131.8 CRD)</b>	<p>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?</p> <p>Does the cap for the subsidiary prevent the implementation of a higher O-SII buffer based on the domestic buffer setting methodology?</p> <p><b>The MKB Bank Nyrt. is not a subsidiary of an EU parent institution. For further information on other O-SIIs, see the notification about the O-SII identification exercise in 2021.</b></p>		
	Name of O-SII subsidiary	Name of the EU parent of the O-SII subsidiary	Buffer applicable to O-SII EU parent
			%
			%
			%

  

8. Miscellaneous	
<b>8.1 Contact person(s)/mailbox at notifying authority</b>	<p>Contact person(s) (name, phone number and e-mail address) and mailbox for further inquiries.</p> <p><b>Mr. Gergely Fábián,</b> Executive Director for Financial System Analysis and Statistics Phone: +36 (1) 428 2600/1874 E-mail: fabiang@mnbn.hu</p> <p><b>Mr. Tamás Nagy,</b> Director Directorate for Financial System Analysis Phone: +36 (1) 428 2600/2639 E-mail: nagyt@mnbn.hu</p>
<b>8.2 Any other relevant information</b>	
<b>8.3 Date of the notification</b>	<p>Please provide the date on which this notification was uploaded/sent.</p> <p>29/03/2022</p>