

26 February 2016

**Information on the initial identification of other systemically important credit institutions in the Republic of Croatia**

As prescribed by Article 137, paragraphs (1) and (2) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015 and 102/2015; hereinafter: the Act), the Croatian National Bank, as the authority in charge of identifying other systemically important credit institutions (hereinafter: O-SIIs), according to Article 131, paragraph (1) of Directive 2013/36/EU, is obligated to identify, on an individual, subconsolidated or consolidated basis O-SIIs which it has authorised, and according to Article 137, paragraph (8) of the Act, it is obligated to disclose the names of these institutions on its website.

The European Banking Authority has issued Guidelines on the criteria to determine the conditions of application of Article 131(3) of Directive 2013/36/EU in relation to the assessment of other systemically important institutions (EBA/GL/2014/10) (hereinafter: the Guidelines), which have been transposed into internal supervisory procedures of the Croatian National Bank. In accordance with item (15) of the Guidelines, the Croatian National Bank has posted on its website the [methodology for identifying O-SIIs](#). In the procedure of identifying O-SIIs, the Croatian National Bank has applied the standard scoring approach for the assessment of O-SIIs, using exclusively the so-called mandatory indicators and the adjusted threshold of 275 basis points. Using this approach, nine O-SIIs have been identified (Table 1).

**Table 1 List of O-SIIs in the Republic of Croatia**

O-SIIs	Scores	O-SII buffer rates
Zagrebačka banka d.d., Zagreb	2630	2.0%
Erste&Steiermärkische Bank d.d., Rijeka	2319	2.0%
Privredna banka Zagreb d.d., Zagreb	1291	2.0%
Raiffeisenbank Austria d.d., Zagreb	835	2.0%
Société Générale-Splitska banka d.d., Split	672	2.0%
Hypo Alpe-Adria-Bank d.d., Zagreb	631	2.0%
Sberbank d.d., Zagreb	309	0.2%
Hrvatska poštanska banka d.d., Zagreb	302	0.2%
OTP banka Hrvatska d.d., Zagreb	290	0.2%

Source: CNB.

An O-SII which is a subsidiary of a global systemically important credit institution (hereinafter G-SII) or an O-SII which is a parent credit institution in the EU, to which an O-SII buffer rate for a credit institution on a consolidated basis is applied, is obligated to monitor and apply the O-SII buffer rate in accordance with the provisions of Article 137, paragraph (6) of the Credit Institutions Act.

Pursuant to the Decision on the application of the structural systemic risk buffer (Official Gazette 61/2014), O-SIIs are also obligated to maintain a structural systemic risk buffer which is applied to all exposures. In accordance with Article 139, paragraphs (1) and (3) of the Credit Institutions Act, credit institutions are obligated to maintain the higher of the structural systemic risk buffer rate or the buffer rate for O-SIIs. Given that at the moment the structural systemic buffer rate is higher than the other two capital buffer rates, the structural systemic risk buffer rate will continue to be applied.

All O-SIIs are obligated to monitor the regulations governing the structural systemic risk buffer and, depending on this buffer's level and exposures to which it applies, apply the provisions of Article 139 of the Act.