



**THE NATIONAL COMMITTEE  
FOR MACROPRUDENTIAL OVERSIGHT**

**NCMO Recommendation No. R/4/2023  
on the capital buffer for other systemically important institutions in Romania**

Having regard to:

- the provisions of Art. 3 para. (2) letter b) and para. (3) of *Law No. 12/2017 on the macroprudential oversight of the national financial system*,
- the provisions of Articles 21-24 of *NCMO Regulation No. 2/2017 on the methodology and procedures used for setting capital buffers and the scope of these instruments*, as amended and supplemented by *NCMO Regulation No. 1 of 18 December 2020*,
- the list of systemically important banks, applicable as of 1 January 2024, including the credit institutions identified pursuant to the methodology applied at national level and harmonised with the *EBA Guidelines on the criteria to determine the conditions of application of Article 131(3) of Directive 2013/36/EU (CRD) in relation to the assessment of other systemically important institutions (O-SIIs)* – EBA/GL/2014/10, based on the data reported as at 31 December 2022, i.e.: (i) credit institutions having recorded a score above the threshold of 275 basis points in the first assessment stage that determines the score based on the mandatory indicators recommended by the European Banking Authority (EBA), namely: Banca Transilvania S.A., BRD – Groupe Société Générale S.A., Banca Comercială Română S.A., UniCredit Bank S.A., Raiffeisen Bank S.A., CEC Bank S.A., OTP Bank România S.A. and Alpha Bank S.A.; (ii) EXIM BANCA ROMÂNESCĂ S.A., which was identified as having a systemic nature in the second assessment stage, implying the calculation of additional indicators according to the following criteria: A - “The contribution of the credit institution to finance the real economy”, B - “The contribution of the credit institution to financial intermediation”, C - “The activity of the credit institution on the interbank market and quantifying the contagion effects” and D - “Assessment of systemically important institutions in the ReGIS payment system”,
- the provisions of Section 5.3. The manner of implementing the buffer for other systemically important institutions (O-SII buffer), para. 2 - Calibration of the O-SII buffer in the *Methodology for identifying systemic credit institutions*, harmonised with the provisions of the European Banking Authority’s Guidelines on the criteria to determine the conditions of application of Article 131(3) of Directive 2013/36/ EU (CRD) in relation to the assessment of other systemically important institutions (O-SIIs) and for calibrating the buffer for other systemically important institutions (O-SII buffer), as approved during the NCMO meeting of

14 October 2021; this regulates the calibration of the O-SII buffer depending on the scores obtained by systemic banks in the first assessment stage (which determines the mandatory indicators recommended by the European Banking Authority), using the bucketing approach, i.e. 500-basis point buckets, which are assigned O-SII buffer values in ascending order based on systemic importance, in equal increments of 0.5 percentage points (from 0.5 percent to 3 percent), as follows:

Bucket	(Min – max) thresholds – basis points –	O-SII buffer rate – % of total risk exposure amount –
1	275 – 500	0.5%
2	501 – 1,000	1%
3	1,001 – 1,500	1.5%
4	1,501 – 2,000	2%
5	2,001 – 2,500	2.5%
6	above 2,500	3%

Where a bank is assessed as being systemic based on additional indicators, but its score assigned by the mandatory indicators stands below the 275 basis point threshold, then the institution falls within the first bucket, being subject to an O-SII buffer of 0.5% of total risk-weighted exposure amount.

Whereas:

- the capital buffer for other systemically important institutions (O-SII buffer) is a capital reserve that shall be set to mitigate systemic risk posed by the size of credit institutions, which does not change significantly throughout the business and financial cycles,
- the O-SII buffer requirements are reassessed on an annual basis, being applicable as of 1 January 2016,
- for O-SIIs with domestic capital and O-SIIs that are a subsidiary of either a G-SII or an O-SII that is an institution or a group whose parent undertaking is an EU parent institution and is subject to an O-SII buffer on a consolidated basis, the applicable O-SII buffer rate is set in accordance with the provisions of Art. 23 para. (1) and Art. 23<sup>2</sup> para (2) of *NCMO Regulation No. 2/2017 on the methodology and procedures used for setting capital buffers and the scope of these instruments*, as subsequently amended and supplemented by *NCMO Regulation No. 1 of 18 December 2020*;

Pursuant to the provisions of Art. 3, para. (1) letters b), c), e) and i) and of Art. 4, para. (1) letter a) of *Law No. 12/2017 on the macroprudential oversight of the national financial system*,

**The National Committee for Macroprudential Oversight has issued this recommendation:**

The National Bank of Romania is recommended to impose, starting 1 January 2024, a capital buffer for other systemically important institutions (O-SII buffer), on an individual or consolidated basis, as applicable, calculated based on the total risk exposure amount for all the credit institutions identified as systemically important based on the data reported as at 31 December 2022, as follows: (i) 2 percent for Banca Transilvania S.A. (consolidated level), (ii) 1.5 percent for UniCredit Bank S.A. (consolidated level), Banca Comercială Română S.A. (consolidated level), BRD – Groupe Société Générale S.A. (consolidated level), (iii) 1 percent for Raiffeisen Bank S.A. (consolidated level), CEC Bank S.A. (individual level) and (iv) 0.5 percent for OTP Bank România S.A. (consolidated level), Alpha Bank România S.A. (individual level), and EXIM BANCA ROMÂNEASCĂ S.A. (individual level).

**MUGUR CONSTANTIN ISĂRESCU**

Chairman