

Assessment of the list of domestic systemically important banks and their capital buffers

1. Summary

Capital buffers serve to support the stability and resilience of the Slovak banking sector. In addition to having the countercyclical capital buffer (CCyB) and the systemic risk buffer (SyRB) tools at its disposal, Národná banka Slovenska (NBS) applies an O-SII buffer to each bank in Slovakia designated as an 'other systemically important institution' (O-SII¹). The purpose of the O-SII buffers is to cover risks arising from certain banks' significance for the local financial sector and domestic economy.

NBS is tasked with identifying which banks are systemically important for the Slovak banking sector and with calibrating their O-SII buffers. After assessing banks on the basis of their end-2024 data, NBS has made no change to the list of five banks designated as O-SIIs, nor to their O-SII buffer rates, as specified in NBS Decisions that took effect from 1 January 2025.²

2. The list of O-SIIs remains unchanged

The O-SII assessment exercise consists of two key processes. First, banks' scores are calculated to determine which banks qualify as O-SIIs. Second, O-SII buffer rates are set for those banks identified as O-SIIs.

Banks may be identified as O-SIIs on the basis of either a harmonised methodology or a national methodology.³ The harmonised methodology, standardised across all EU banking sectors, is used as a first step in drawing up the list of O-SIIs. On this basis, five domestic banks are currently identified as O-SIIs.⁴

In the second step, NBS scores Slovak banks according to indicators better suited to the specificities of their business models. These indicators are used not only for identifying potential additions to the O-SII list, but also for calibrating the O-SII buffer for each bank on the list. In this year's assessment exercise, no other banks were identified as O-SIIs in the second step.⁵

¹ Other systemically important institutions as defined in Section 33a(1)(c) of Act No 483/2001 on banks and in Article 131(1) of Directive No 2013/36/EU of the European Parliament and of the Council of 26 June 2013.

² Since the list of O-SIIs and the O-SII buffer rates are unchanged, no new NBS Decisions on the list or the rates are required. NBS Decision No 1/2024 on the designation of other systemically important institutions and NBS Decision No 2/2024 on the setting of O-SII buffer rates remain in effect.

³ EBA Guidelines of 14 December 2014 ([EBA/GL/2014/10](#))

⁴ In addition to the five banks, the following two foreign bank branches also exceeded the threshold score for O-SII identification: UniCredit Bank Czech Republic and Slovakia, a.s. and mBank S.A. However, O-SII buffer requirements cannot be set for foreign bank branches.

⁵ In this step, one foreign bank branch, J&T Banka, a.s., exceeded the O-SII identification threshold, thus bringing the total number of foreign bank branches that exceeded the threshold to three.

Following the assessment exercise based on banks' data as at end-2024, the list of O-SII remains unchanged:

- Československá obchodná banka, a.s.
- Prima banka Slovensko, a.s.
- Slovenská sporiteľňa, a.s.
- Tatra banka, a.s.
- Všeobecná úverová banka, a.s.

3. No change in O-SII buffer rates

All the O-SII buffer rates applied to banks in Slovakia remain unchanged. Compared with last year's assessment, banks' overall scores in the second step changed only slightly and there was no change in banks' rankings. All the O-SIIs remain in the same buffer buckets. **Hence, the current O-SII buffer rates continue to apply and there is no need for a new NBS Decision to recalibrate them for next year** (Table 1). The current O-SII buffer calibrations for Slovak banks also comply with European Central Bank's floor methodology used to assess capital buffers for O-SIIs.

Table 1

O-SII buffer rates

Bank	O-SII buffer rate as from 1 January 2025
Slovenská sporiteľňa, a.s.	2.00%
Všeobecná úverová banka, a.s.	1.75%
Tatra banka, a.s.	1.50%
Československá obchodná banka, a.s.	1.00%
Prima banka Slovensko, a.s.	0.25%

Source: NBS.

Note: O-SII – other systemically important institution.

The Slovak banking sector's capital headroom is sufficient to finance the economy. The aggregate total capital ratio at the end of 2024 remained at a very healthy level (20.1% of risk-weighted assets). The sector's capital headroom, i.e. surplus of capital resources above minimum regulatory requirements,⁶ amounted to €1.7 billion (3.8% of risk-weighted assets) at the end of 2024.

⁶ Not including the minimum requirement for own funds and eligible liabilities (MREL).

Annex 1 - Legislative framework

Under Section 33d(1) of Act No 483/2001 on banks, as amended ('the Banking Act'), NBS is required to identify domestic systemically important banks that are to be designated as O-SIIs and is required to publish the list of these O-SIIs on its website. In addition, based on Section 33d(6) of the Banking Act, NBS may decide to set for each O-SII an O-SII buffer requirement.

Under Section 33d(14) of the Banking Act, NBS is required annually to reassess the identification of O-SIIs and report the assessment results to the systemically important institutions concerned and the European Systemic Risk Board. These decisions are usually submitted to the NBS Bank Board in April or May.

Pursuant to Section 33d(10) of the Banking Act, where an O-SII is a subsidiary of either a global systemically important institution (G-SII) or an O-SII which is an EU parent institution and subject to an O-SII buffer on a consolidated basis, the buffer that applies at individual or sub-consolidated level for the O-SII may not exceed the lower of:

- a) the sum of the higher of the G-SII or the O-SII buffer rate applicable to the group on a consolidated basis and 1% of the total risk exposure amount calculated in accordance with the applicable legislation;
- b) 3% of the total risk exposure amount calculated in accordance with the applicable legislation, or the O-SII buffer rate the European Commission has authorised to be applied to the group on a consolidated basis.

The level of the capital buffer applied to O-SIIs is therefore effectively capped at either 3% or at the O-SII/G-SII buffer applicable to the parent institution plus 1%. NBS uses different types of macroprudential tools.

Annex 2 - Methodological framework

For identifying O-SIIs, NBS uses the methodology set out in EBA Guidelines (EBA/GL/2014/10), whereby the O-SII identification process is divided into two steps. The first step consists of calculating each bank's scores for 10 indicators set by the EBA. A bank's overall score is calculated on the basis of the weights set for these indicators, with the cut-off score for identifying O-SIIs set at 350 basis points.

The second step consists of calculating scores for nine indicators set by NBS. These indicators are as follows: total assets, retail loans, retail deposits, business loans, corporate deposits, government bonds, interbank claims, interbank liabilities, and covered bonds. They better reflect the nature of systemic risk in the Slovak banking sector, with the indicator weights distributed evenly across the sector's different segments. The cut-off score for identifying O-SIIs was set at 350 basis points. The list of indicators and their weights – constituting the methodology for identifying O-SIIs – are shown in Table 2

Table 2

O-SII identification methodology

Indicator	First step – weight	Second step – weight
Total assets	25.00%	20.00%
Value of domestic payment transactions	8.33%	
Private sector deposits from depositors in the EU	8.33%	
Private sector loans to recipients in the EU	8.33%	
Value of OTC derivatives (notional)	8.33%	
Cross-jurisdictional liabilities	8.33%	
Cross-jurisdictional assets	8.33%	
Intra-financial system liabilities	8.33%	
Intra-financial system assets	8.33%	
Debt securities outstanding	8.33%	
Retail loans		10.00%
Retail deposits		10.00%
Business loans		10.00%
Corporate deposits		10.00%
Government bonds		10.00%
Interbank claims		7.50%
Interbank liabilities		7.50%
Covered bonds		15.00%

Sources: EBA, and NBS.

Note: O-SII – other systemically important institution; EU – European Union; OTC derivatives – over-the-counter derivatives; EBA – European Banking Authority.