



# CENTRAL BANK OF CYPRUS

EUROSYSTEM

Reference Number: FSD 1013  
Telephone: 22714391  
Fax: 22378152  
Email: ChristosPhanopoulos@centralbank.gov.cy

31 December 2015

European Systemic Risk Board

**CONFIDENTIAL**

notifications@esrb.europa.eu

**(By email)**

Dear Sir,

**Subject: Notification by the Central Bank of Cyprus on the setting of the O-SII buffer rates for the Other Systemically Important Institutions (O-SIIs)**

We refer to the above subject and wish to inform you that pursuant to Section 6 of the Macroprudential Oversight of Institutions Law of 2015, the Central Bank of Cyprus, in its capacity as the designated authority, has reached a decision on 30 December 2015 on the setting of the O-SII buffer rates for the Other Systemically Important Institutions (O-SIIs). In line with the provisions of the said Law, the decision will be published one month after the date of this notification. Similar notifications were sent today to the European Banking Authority, the Commission and the designated authorities of the member states concerned.

The O-SII buffer requirement for the O-SII institutions, together with the O-SII buffer that each institution must maintain during the phasing-in period introduced by the Central Bank of Cyprus is detailed below:

Banking institution's name	O-SII Buffer requirement	O-SII Buffer requirement applicable as of 1 January:			
		2019	2020	2021	2022
Bank of Cyprus Plc	2,0%	0,500%	1,000%	1,500%	2,000%
Hellenic Bank Plc	1,5%	0,375%	0,750%	1,125%	1,500%
RCB Bank Ltd	1,0%	0,250%	0,500%	0,750%	1,000%
Cooperative Central Bank Ltd including its affiliated cooperative credit institutions	0,5%	0,125%	0,250%	0,375%	0,500%
Eurobank Cyprus Ltd	0,5%	0,125%	0,250%	0,375%	0,500%
Alpha Bank Cyprus Ltd	0,5%	0,125%	0,250%	0,375%	0,500%

## CENTRAL BANK OF CYPRUS

EUROSYSTEM

The Cyprus banking system is highly concentrated. The market share of the six O-SII credit institutions covers over 80% of the total assets of the Cyprus banking system. Any worsening of the financial condition of these credit institutions could have a significant adverse impact on the Cyprus economy. The introduction of the O-SII buffers will improve the resilience of the O-SII credit institutions. As a direct result, this is expected to have a positive effect on the financial stability of Cyprus and, despite the limited cross-border activities of the O-SII credit institutions, would contribute positively to the financial stability of the internal market.

We wish to emphasise that since the provision of credit to the real economy is currently subdued, the introduction of additional capital buffers at this juncture would limit even further the provision of credit. In order to mitigate this, a phase-in period is adopted. The phasing-in would facilitate any necessary capital planning.

Furthermore, as this decision will be published one month after the date of this notification and only then the six O-SII credit institutions will be notified of this decision, please do not publish or disseminate during the next month the content of this notification.

Sincerely,



Chr. Phanopoulos  
Director  
Financial Stability Department

AMF/CT

