

Notification template for Article 131 CRD – Other Systemically Important Institutions (O-SII)

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1. Notifying national authority																																
1.1 Name of the notifying authority	Autorité de Contrôle Prudentiel et de Résolution (ACPR)																															
2. Description of the measure																																
2.1 Concerned institution or group of institutions	<p>Based on reported data as of end-December 2015, the measure is applied to the six following banking groups:</p> <ul style="list-style-type: none"> - BNP PARIBAS (BNPP) - R0MUWSFPU8MPRO8K5P83 - GROUPE CREDIT AGRICOLE (GCA) - FR969500TJ5KRTCJQWXH - SOCIETE GENERALE (SG) - O2RNE8IBXP4R0TD8PU41 - GROUPE BPCE (GBPCE) - FR9695005MSX1OYEMGDF - GROUPE CREDIT MUTUEL (GCM) - 9695000CG7B84NLR5984 - LA BANQUE POSTALE (LBP) - 96950066U5XAAIRCPA78 <p>The measure is applied on the highest level of consolidation.</p>																															
2.2 Level of the buffer applied	<p>Taking into account the phased-in implementation, the level of the buffer (in %) applied to each of the institutions is:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3">O-SII buffet (phased-in)</th> </tr> <tr> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>BNPP</td> <td>0,75%</td> <td>1,125%</td> <td>1,5%</td> </tr> <tr> <td>GCA</td> <td>0,5%</td> <td>0,75%</td> <td>1%</td> </tr> <tr> <td>SG</td> <td>0,5%</td> <td>0,75%</td> <td>1%</td> </tr> <tr> <td>GBPCE</td> <td>0,5%</td> <td>0,75%</td> <td>1%</td> </tr> <tr> <td>GCM</td> <td>0,25%</td> <td>0,375%</td> <td>0,5%</td> </tr> <tr> <td>LBP</td> <td>0,125%</td> <td>0,1875%</td> <td>0,25%</td> </tr> </tbody> </table>		O-SII buffet (phased-in)			2017	2018	2019	BNPP	0,75%	1,125%	1,5%	GCA	0,5%	0,75%	1%	SG	0,5%	0,75%	1%	GBPCE	0,5%	0,75%	1%	GCM	0,25%	0,375%	0,5%	LBP	0,125%	0,1875%	0,25%
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2.3 Name of the EU ultimate parent institution	For the six aforementioned banking groups, the EU ultimate parent institution is the concerned institution itself.																															
2.4 Names of subsidiaries	Not the case.																															

3. Timing of the measure	
3.1 Timing of the Decision	The official decision was taken by the ACPR on 21 st November 2016.
3.2 Timing of the Publication	The notified measure is foreseen to be published on 13 th December 2016.
3.3 Disclosure	The list of French O-SIIs 2016 will be published on the ACPR website.
3.4 Timing of Application	Phased-in O-SII buffers decided will be applicable starting from 1 st January 2017.
3.5 Phasing in	O-SII buffers should be fully phased-in by 1 st January 2019.
3.6 Review of the measure	In line with articles 131(6) and 131(12) which specify that the identification of O-SIIs and the calibration of associated buffers must be reviewed at least annually, the ACPR performs its review on an annual basis, based on reported data as of end-December of the preceding year.
4. Reason for O-SII identification and activation of the O-SII buffer	
4.1 Scores of concerned institution or group of institutions, as per EBA guidelines on the assessment of O-SIIs (Article 131.3)	<p>The automatic O-SII identification was based on the 10 indicators listed in the EBA Guideline and the ACPR applied the 350 basis point threshold to identify O-SIIs in this automatic step of the assessment.</p> <p>The ACPR identified 5 O-SIIs given their final score larger than 350 basis points:</p> <ul style="list-style-type: none"> - BNPP : 2 474 bp - SG : 1 948 bp - GCA : 1 767 bp - GBPCE : 1 445 bp - GCM : 707 bp <p>For the second step of the designation procedure of the Guidelines (supervisory judgment), the ACPR has selected two additional optional indicators from Annex 2:</p> <ul style="list-style-type: none"> - share of private domestic deposits, excluding regulated saving accounts centralised at Caisse des Depots et Consignations (CDC) ; - share of private domestic loans. <p>For both indicators, ACPR has decided to use a threshold of 3.5% (350 basis points over 10 000).</p> <p>For the first of these two additional indicators, only one additional credit institution presents a significant share: La Banque Postale (LBP). Indeed, apart from the five O-SIIs automatically designated, LBP, with a share of 4.9%, stands out clearly above the threshold.</p>
4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)	See question 4.1

<p>4.3 Supervisory judgement</p>	<p>See question 4.1</p>																								
<p>4.4 Calibrating the O-SII buffer</p>	<p>Compared to last year calibration, the ACPR adjusted its methodology in order to use a bucketing approach, like for the calibration of G-SII buffers.</p> <p>Bucket thresholds have been defined based on the final O-SII score:</p> <ul style="list-style-type: none"> ➤ from 0 to 500 bp: 0.25% CET1 ➤ from 500 to 1 000 bp: 0.5% CET1 ➤ from 1 000 to 2 000 bp: 1% CET1 ➤ from 2 000 to 3 000 bp: 1.5% CET1 ➤ larger than 3 000 bp: 2% CET1 <p>As a result, the fully phased-in O-SII buffers to be implemented by 1st January 2019 are the following:</p> <ul style="list-style-type: none"> - BNPP: 1.5% - SG: 1% - GCA: 1% - GBPCE: 1% - GCM: 0.5% - LBP: 0.25% <div data-bbox="459 936 1428 1406" data-label="Figure"> <table border="1"> <caption>Calibration of O-SII buffers</caption> <thead> <tr> <th>Bucket</th> <th>O-SII Score Range (bp)</th> <th>Buffer Rate (% CET1)</th> <th>Specific Buffers</th> </tr> </thead> <tbody> <tr> <td>Bucket 1</td> <td>0 - 500</td> <td>0.25%</td> <td>LBP</td> </tr> <tr> <td>Bucket 2</td> <td>500 - 1000</td> <td>0.5%</td> <td>GCM</td> </tr> <tr> <td>Bucket 3</td> <td>1000 - 2000</td> <td>1.0%</td> <td>GBPCE, GCA, SG</td> </tr> <tr> <td>Bucket 4</td> <td>2000 - 3000</td> <td>1.5%</td> <td>BNPP</td> </tr> <tr> <td>Bucket 5</td> <td>> 3000</td> <td>2.0%</td> <td></td> </tr> </tbody> </table> </div>	Bucket	O-SII Score Range (bp)	Buffer Rate (% CET1)	Specific Buffers	Bucket 1	0 - 500	0.25%	LBP	Bucket 2	500 - 1000	0.5%	GCM	Bucket 3	1000 - 2000	1.0%	GBPCE, GCA, SG	Bucket 4	2000 - 3000	1.5%	BNPP	Bucket 5	> 3000	2.0%	
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<p>4.5 Effectiveness and proportionality of measure</p>	<p>Concerning the implementation of O-SII buffers in France, the effect should be mild for the following reasons:</p> <ul style="list-style-type: none"> - Four out of the 6 O-SIIs already have a G-SII phased-in buffer and have already taken into account this requirement for their capital planning; - For the additional two O-SIIs, the envisaged phase in for the O-SII buffer enables capital planning. 																								
<p>5. Cross-border and cross-sector impact of the measure</p>																									
<p>5.1 Assessment of cross-border effects and the likely impact on the internal market (Recommendation ESRB/2015/2)</p>	<p>No comment.</p>																								

5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	No comment.
6. Combinations and interactions with other measures	
6.1 Combinations between G-SII and O-SII buffers (Article 131.14)	Four out of the six French O-SIIs are G-SIIs: BNPP, GCA, SG and GBPCE. For three of them, SG, GCA and GBPCE, the fully phased-in O-SII buffer equals the fully phased-in G-SII buffer of 1% (with same phase in timing). For BNPP, the current fully phased-in G-SII buffer is 2%, while the fully phased-in O-SII buffer is 1.5%.
6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)	No SRB buffer is applied.
6.3 O-SII requirement for a subsidiary (Article 131.8)	Not the case.
6.4 Interaction with other measures	No other interaction.

7. Miscellaneous	
7.1 Contact person(s) at notifying authority	Olivier de BANDT (Olivier.debandt@acpr.banque-france.fr) Denis MARIONNET (denis.marionnet@acpr.banque-france.fr) Marie-Dominique KERSUZAN (marie-dominique.kersuzan@acpr.banque-france.fr)
7.2 Any other relevant information	