

## The ESRB template on the O-SII and G-SII buffer<sup>1</sup>

1. Notifying national authority (If several designated authorities, please mention all of them)	
1.1 Name of the notifying authority	Autorité de Contrôle Prudentiel et de Résolution (ACPR)
2. Buffer levels and the institution to which they apply	
2.1 Categorisation of measures	Which measure do you intend to implement? <ul style="list-style-type: none"> <li>- G-SII</li> <li>- O-SII</li> </ul>
2.2 Concerned institution or group of institutions	On which institution is the measure applied? <ul style="list-style-type: none"> <li>a. BNP PARIBAS</li> <li>b. N/A: BNP PARIBAS is the parent institution of BNP PARIBAS Group.</li> <li>c. N/A – BNP PARIBAS (BNPP) group has been identified as O-SII and G-SII on a consolidated basis. Associated capital buffer is applicable at the group level</li> </ul> <p>ACPR has not identified O-SIIs at a sub-consolidated level. Of course, other foreign supervisory authorities may (have decided to) identify BNPP subsidiaries as O-SIIs.</p>
2.3 Level of the buffer applied	For O-SII, the level of the buffer applied to BNPP amounts to 1.5%. This buffer is subject to a 4 year phase-in from 2016 (incl.) to 2019 (incl.). The buffer will be incremented each year by 0.375%. For G-SII, the level of the buffer applied to BNPP amounts to 2%. This buffer is subject to a 4 year phase-in from 2016 (incl.) to 2019 (incl.). The buffer will be incremented each year by 0.25 %. In accordance with article 131 (14), only the highest buffer applies (here, the G-SII buffer).
2.4 Firm level at which the buffer is applied	Consolidated level.
2.5 Information on other buffers already in application	None
2.6 Annual review of the G-SII or O-SII (Articles 131.6 and 131.12)	<ul style="list-style-type: none"> <li>- Maintained for G-SIIs : Yes</li> <li>- Move in between G-SII buckets : No</li> <li>- Change of level of O-SII buffer: Not applicable as it is the first designation.</li> </ul>
3. Rational for activation of the G-SII and O-SII buffer	
3.1 Description of the G-SII (Article 131.2)	See below
3.2 Description of the O-SII (Article 131.3)	See below

<sup>1</sup> To be filled in and submitted for each O-SII/G-SII.

<b>3.3 Indicators used for designation of the G-SII (Article 131.2 and 131.9)</b>	<p><b>2014 amounts in bnEUR</b></p> <table border="1"> <thead> <tr> <th></th> <th>Amount</th> <th>Score in bp</th> </tr> </thead> <tbody> <tr> <td><b>Size</b></td> <td></td> <td></td> </tr> <tr> <td>Total exposures indicator</td> <td>2 253</td> <td>61</td> </tr> <tr> <td><b>Interconnectedness</b></td> <td></td> <td></td> </tr> <tr> <td>Intra-financial system assets indicator</td> <td>254</td> <td>22</td> </tr> <tr> <td>Intra-financial system liabilities indicator</td> <td>419</td> <td>31</td> </tr> <tr> <td>Securities outstanding indicator</td> <td>336</td> <td>18</td> </tr> <tr> <td><b>Substituability</b></td> <td></td> <td></td> </tr> <tr> <td>Assets under custody indicator</td> <td>4 554</td> <td>26</td> </tr> <tr> <td>Payments activity indicator</td> <td>43 413</td> <td>14</td> </tr> <tr> <td>Underwriting activity indicator</td> <td>162</td> <td>20</td> </tr> <tr> <td><b>Complexity</b></td> <td></td> <td></td> </tr> <tr> <td>OTC derivatives indicator</td> <td>35 229</td> <td>37</td> </tr> <tr> <td>Level 3 assets indicator (Assets valued using Level 3 measurement inputs)</td> <td>27</td> <td>28</td> </tr> <tr> <td>Trading and AFS securities indicator</td> <td>207</td> <td>42</td> </tr> <tr> <td><b>Cross-Jurisdictional activity</b></td> <td></td> <td></td> </tr> <tr> <td>Cross-jurisdictional claims indicator</td> <td>989</td> <td>57</td> </tr> <tr> <td>Cross-jurisdictional liabilities indicator</td> <td>757</td> <td>48</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>405</b></td> </tr> </tbody> </table>		Amount	Score in bp	<b>Size</b>			Total exposures indicator	2 253	61	<b>Interconnectedness</b>			Intra-financial system assets indicator	254	22	Intra-financial system liabilities indicator	419	31	Securities outstanding indicator	336	18	<b>Substituability</b>			Assets under custody indicator	4 554	26	Payments activity indicator	43 413	14	Underwriting activity indicator	162	20	<b>Complexity</b>			OTC derivatives indicator	35 229	37	Level 3 assets indicator (Assets valued using Level 3 measurement inputs)	27	28	Trading and AFS securities indicator	207	42	<b>Cross-Jurisdictional activity</b>			Cross-jurisdictional claims indicator	989	57	Cross-jurisdictional liabilities indicator	757	48	<b>Total</b>		<b>405</b>
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<b>3.4 Indicators used for designation of the O-SII (Article 131.3)</b>	<p>The identification of credit institutions as O-SIIs was carried out according to the two steps referred in the aforementioned EBA Guidelines. The first step consists in automatic designation of credit institutions whose score exceeds the 3.5% threshold that requires a credit institution to be categorized as O-SII. This process has been applied to BNP Paribas.</p>																																																									
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<b>3.5 In case of O-SII: Suitability, effectiveness and proportionality of measure (Article 131.7)</b>	<p>ACPR has aimed at ensuring an overall consistency between G-SII and O-SII buffers applied to the four French G-SIIs and continuity for the designated O-SIIs which are not G-SIIs. To ensure level playing field and to reflect the hierarchy between O-SIIs in terms of systemic importance, ACPR has decided to calibrate</p>																																																									

	<p>O-SII buffer in relative proportionality with O-SII scores.</p> <p>The French banking system is rather concentrated on a consolidated basis. Four French banking groups have a G-SII status (BNP PARIBAS, SOCIÉTÉ GÉNÉRALE, GROUPE CRÉDIT AGRICOLE and GROUPE BPCE). With the designation of two additional systemic banking groups in France (GROUPE CRÉDIT MUTUEL and LA BANQUE POSTALE, on top of the four G-SIIs), the market share of the 6 designated O-SIIs covers around 83% of the total assets of the French banking system (at the highest level of consolidation).</p>
<b>3.6 In Case of O-SII, Assessment of likely impact on the internal market (Article 131.6)</b>	So far, the main factor behind credit dynamics in France is the low level of demand for credit from non-financial agents. The increase of capital requirement is mild and should not have any impact on credit distribution.
<b>4. Combinations and timing of the G-SII or O-SII notified</b>	
<b>4.1 combinations between G-SII and OSII buffers (Article 131.14)</b>	G-SII buffer is the highest.
<b>4.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)</b>	The "Haut Conseil de Stabilité Financière" (HCSF) is the designated authority in charge of the SRB buffer.
<b>4.3 Combined buffer requirement (Article 131.16 and Article 131.17)</b>	NA
<b>4.4 Timing of the measure</b>	As from 1 <sup>st</sup> January 2016. See above for the phased-in implementation.
<b>4.5 Review of the measure</b>	One year.
<b>5. Miscellaneous</b>	
<b>5.1 Disclosure</b>	ACPR website
<b>5.2 Contact person(s) at notifying authority</b>	Research Directorate, Statistical Studies Division <a href="mailto:Etudstat@acpr.banque-france.fr">Etudstat@acpr.banque-france.fr</a>
<b>5.3 Any other relevant information</b>	