# Notification template for Article 131 of the Capital Requirements Directive (CRD) – Other Systemically Important Institutions (O-SIIs)

## Template for notifying the European Central Bank (ECB) and the European Systemic Risk Board (ESRB) of the setting or resetting of an O-SII buffer under Article 131(7) CRD and of the identity of O-SIIs under Article 131(12) CRD

Please send/upload this template to:

- macropru.notifications@ecb.europa.eu when notifying the ECB (under Article 5 of the Single Supervisory Mechanism (SSM) Regulation[1]);
- DARWIN/ASTRA when notifying the ESRB.

The ESRB will forward this notification to the European Commission, to the European Banking Authority (EBA) and to the competent and designated authorities of the Member States concerned without delay and will publicly disclose the names of the O-SIIs on its website. This notification will be made public by the ESRB once the relevant authorities have adopted and published the notified macroprudential measure[2].

E-mailing/uploading this template to the above addresses constitutes official notification; no further official letter is required. To facilitate the work of the notified authorities, please send the notification template in a format that allows the information to be read electronically.

| **1. Notifying national authority** | |
|---|---|
| **1.1 Name of the notifying authority** | Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) |
| **1.2 Country of the notifying authority** | Germany |
| **2. Description of the measure** | |
| **2.1a Institution or group of institutions concerned** | On which institution(s) is the measure applied (name and Legal Entity Identifier (LEI) code)?<br>Is the measure applied at:<br>- The highest level of consolidation?<br>- A sub-consolidated level?<br>- An individual level?<br>**Institution or group of institutions in scope of CRR/CRD and German Banking Act**<br><table><tr><th>Name of institution</th><th>LEI</th><th>Consolidation level</th></tr><tr><td>**Deutsche Bank AG**</td><td>7LTWFZYICNSX8D621K86</td><td>Highest level of consolidation</td></tr></table> |

[1] Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63).
[2] On request by the notifying authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.

| Name of institution | LEI | Consolidation level |
|---|---|---|
| **Commerzbank AG** | 851WYGNLUQLFZBSYGB56 | Highest level of consolidation |
| **J.P. Morgan SE** | 549300ZK53CNGEEI6A29 | Highest level of consolidation |
| **DZ BANK AG Dt. Zentral-Genossenschaftsbank** | 529900HNOAA1KXQJUQ27 | Highest level of consolidation |
| **Goldman Sachs Bank Europe SE** | 8IBZUGJ7JPLH368JE346 | Highest level of consolidation |
| **UniCredit Bank GmbH** | 2ZCNRR8UK83OBTEK2170 | Highest level of consolidation |
| **Landesbank Baden-Württemberg** | B81CK4ESI35472RHJ606 | Highest level of consolidation |
| **Landesbank Hessen-Thüringen GZ** | DIZES5CFO5K3I5R58746 | Highest level of consolidation |
| **Bayerische Landesbank** | VDYMYTQGZZ6DU0912C88 | Highest level of consolidation |
| **Morgan Stanley Europe Holding SE** | 549300C9KPZR0VZ16R05 | Highest level of consolidation |
| **ING-DiBa AG** | 3KXUNHVVQFIJN6RHLO76 | Highest level of consolidation |
| **DekaBank** | 0W2PZJM8XOY22M4GG883 | Highest level of consolidation |

**Institution or group of institutions <u>only</u> in scope of German Banking Act (exempted from CRR/CRD through article 2 CRD)**

| Name of institution | LEI | Consolidation level |
|---|---|---|
| **Kreditanstalt für Wiederaufbau** | 549300GDPG70E3MBBU98 | Highest level of consolidation |
| **NRW.BANK** | 52990002O5KK6XOGJ020 | Highest level of consolidation |
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**2.1b Changes to the list of institutions concerned**

Norddeutsche Landesbank is no longer included because it does not meet the threshold.

**2.2 Level of the buffer applied**

At what level is the fully phased-in buffer (in %) applied to the institution(s)?

**Institution or group of institutions in scope of CRR/CRD and German Banking Act**

| Name of institution | New O-SII buffer | Previous O-SII buffer |
|---|---|---|
| **DEUTSCHE BANK AG** | 2,00 | 2,00 |
| **COMMERZBANK AG** | 1,25 | 1,25 |
| **J.P. Morgan SE** | 1,25 | 1,25 |
| **DZ BANK AG Dt. Zentral-Genossenschaftsbank** | 1,00 | 1,00 |
| **Goldman Sachs Bank Europe SE** | 1,00 | 0,75 |
| **UniCredit Bank GmbH** | 0,75 | 0,75 |
| **Landesbank Baden-Württemberg** | 0,75 | 0,75 |
| **Bayerische Landesbank** | 0,50 | 0,50 |
| **Landesbank Hessen-Thüringen GZ** | 0,25 | 0,50 |
| **Morgan Stanley Europe Holding SE** | 0,25 | 0,25 |
| **ING-DiBa AG** | 0,25 | 0,25 |
| **DekaBank** | 0,25 | 0,25 |

**Institution or group of institutions <u>only</u> in scope of German Banking Act (exempted from CRR/CRD through article 2 CRD)**

| Name of institution | New O-SII buffer | Previous O-SII buffer |
|---|---|---|
| **Kreditanstalt für Wiederaufbau** | 1,00 | 1,00 |
| **NRW.BANK** | 0,25 | 0,25 |
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**2.3 Name of the ultimate EU parent institution**

Please provide the name and LEI code of the ultimate EU parent institution of the group for each of the O-SIIs identified. if the ultimate EU parent institution is not the concerned institution itself.

| Name of identified O-SII | Ultimate EU parent institution | LEI of ultimate parent institution |
|---|---|---|
| **UniCredit Bank GmbH** | Unicredit S.p.A. | 549300TRUWO2CD2G5692 |
| **ING-DiBa AG** | ING Groep N.V. | 549300NYKK9MWM7GGW15 |
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**2.4 Names of subsidiaries**

If any of the O-SIIs identified is a parent institution and the buffer is applied at a (sub)consolidated level, please name the subsidiaries of the institution that are notified as O-SIIs (please give names and LEI codes).

- ➔ please see the list in the Annex 1 to the notification template

| Name of parent O-SII identified | Name of O-SII subsidiary | LEI of O-SII subsidiary |
|---|---|---|
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## 3. Timing for the measure

**3.1 Timing for the decision**

What is the date of the official decision? <u>For SSM countries when notifying the ECB:</u> provide the date on which the decision referred to in Article 5 of the Single Supervisory Mechanism Regulation (SSMR) will be taken.

27/11/2024

**3.2 Timing for publication**

What is the date of publication of the notified measure?

02/12/2024

**3.3 Disclosure**

Information about the strategy for communicating the notified measure to the market.

→ The designated institutions and their respective O-SII capital buffer requirements will be published on the internet webpage of the BaFin.

**3.4 Timing for application**

What is the intended date of application of the measure?

| | |
|---|---|
| | 01/01/2025 |
| **3.5 Phasing in** | What is the intended timeline for the phase-in of the measure?<br><br>n/a<br><br>Name of institution \| Date1 \| Date2 \| Date3 \| Date4 \| Date5<br> \| % \| % \| % \| % \| %<br> \| % \| % \| % \| % \| % |
| **3.6 Review of the measure** | When will the measure be reviewed (Article 131, paragraphs (6) and (12), specify that the buffer, the identification of O-SIIs and their allocation to subcategories must be reviewed at least annually)?<br><br>→ The necessity and level of O-SII buffers are reviewed annually.<br><br>(Section 10g (3) of the German Banking Act; Article 131(6) of the Directive 2013/36/EU (CRD)). |
| **4. Reason for O-SII identification and activation of the O-SII buffer** | |

**4.1 Scores of institutions or group of institutions concerned, as per EBA guidelines on the assessment of O-SIIs**

**(Article 131.3 CRD)**

Please list here the names, overall scores and category scores of the O-SIIs identified based on

a. size;

b. importance for the economy of the relevant Member State or the Union, capturing substitutability/financial institution infrastructure;

c. complexity, including the additional complexities from cross-border activity;

d. interconnectedness of the institution or (sub-)group with the financial system.

- ➔ For the O-SIIs automatically identified in step 1 (score ≥ 350 bps) of the identification process (EBA/GL/2014/10, Title II) see table below.
- ➔ For the complete list of O-SIIs identified (including step 2 (score ≥ 100 bps and/or expert judgement) of the identification process (EBA/GL/2014/10, Title III: Supervisory Assessment)) see point 2.1a.

**Institution or group of institutions in scope of CRR/CRD and German Banking Act**

| Name of institution | Size | Substitut-ability | Com-plexity | Intercon-nectedness | Overall Score |
|---|---|---|---|---|---|
| DEUTSCHE BANK AG | 1309 | 1598 | 3194 | 1191 | 1823 |
| J.P. Morgan SE | 420 | 132 | 1297 | 601 | 612 |
| COMMERZBANK AG | 532 | 886 | 606 | 360 | 596 |
| DZ BANK AG Dt. Zentral-Genossenschaftsbank | 532 | 288 | 225 | 763 | 452 |
| Goldman Sachs Bank Europe SE | 290 | 34 | 917 | 499 | 435 |
| UniCredit Bank GmbH | 282 | 422 | 440 | 279 | 356 |
| Landesbank Baden-Württemberg | 329 | 331 | 322 | 456 | 360 |

**Institution or group of institutions <u>only</u> in scope of German Banking Act (exempted from CRR/CRD through article 2 CRD)**

| Name of institution | Size | Substitut-ability | Com-plexity | Intercon-nectedness | Overall Score |
|---|---|---|---|---|---|
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|---|---|---|---|---|---|
| **Kreditanstalt für Wiederaufbau** | 558 | 38 | 178 | 1386 | 540 |
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Please provide other relevant information (indicator values, methodology, calculations and formulas, data sources, information set used for denominators) in a separate Excel file

*methodology*:

→ We apply the methodology as described in EBA/GL/2014/10, Title II.

*calculations and formulas*:

→ see Annex 2 to the notification template

*data sources*:

→ The data used to calculate the scores has been obtained mainly from:

- FINREP (*primary source*)
- Bilanzstatistik (*optional*)
- Zahlungsverkehrsstatistik der Deutschen Bundesbank (*Payment Transactions Statistics*)
- Individual reporting of the individual institutions

*information set used for denominators*:

→ The denominators used to calculate the scores are itself calculated by summing up all values of all institutes in Germany of the respective indicator..

**4.2 Methodology and indicators used for designation of the O-SII**

**(Article 131.3)**

Please provide information on:

a. whether you followed the EBA guidelines on the assessment of O-SIIs;

   → The identification of the O-SIIs is based on EBA/GL/2014/10.

b. which threshold score has been set to identify O-SIIs;

   → Scores in step 1 of the identification process (EBA/GL/2014/10 Title II "Scoring methodology for the assessment of the O-SIIs"): All institutions with a score of ≥ 350bps applying EBA/GL/2014/10 Title II were automatically identified as O-SIIs.

   → Scores in step 2 of the identification process (EBA/GL/2014/10 Title III "Supervisory Assessment of O-SIIs"): All institutions which received a score of ≥ 100bps in the national scoring model within the assessment according to EBA/GL/2014/10 Title III were additionally identified as an O-SII by supervisory assessment. This calculation was corroborated by an expert judgment.

c. whether relevant entities with relative total assets not in excess of 0.02% have been excluded from the identification process;

→ n/a

d. the names and scores of all relevant entities not excluded from the identification process (could be sent in a separate Excel file, see 4.1);

➔ n/a

e. whether non-bank institutions have been included in the calculations.

➔ n/a

**4.3 Supervisory judgement**

Have any of the institutions listed in 2.1 been identified by applying supervisory judgement as laid down in EBA guidelines on the assessment of O-SIIs? If yes, please list the respective institutions and provide information on:

a. which of the optional indicators have been used to justify the supervisory assessment decisions, if any, and what the scores were;

→ Indicators used for EBA/GL/2014/10, Title III:

| **Category** | **Nationally expanded indicators** |
|---|---|
| Size | • Total assets + contingent liabilities |
| Economic importance (including substitutability / financial system infrastructure) | • Value of domestic payment transactions processed for non-banks<br>• Number of domestic payment transactions processed for non-banks<br>• Private sector deposits in the EU<br>• Private sector loans in the EU |
| Cross-border activities (including complexity) | • Claims from foreign non-banks<br>• Liabilities to foreign non-banks<br>• Claims from foreign banks<br>• Liabilities to foreign banks<br>• Number of legally independent financial subsidiaries in Germany and abroad<br>• Nominal values of OTC derivatives<br>• Carrying amount of OTC derivatives |
| Interconnectedness | • Liabilities to banks<br>• Liabilities to insurers and other financial institutions<br>• Claims from banks<br>• Claims from insurers and other financial institutions<br>• Debt securities outstanding |

b. why these optional indicators are relevant for the Member State;

→

- In the category size, contingent liabilities have been added to the total assets indicator in order to include off-balance sheet risks.
- In the category economic importance for the EEA and the Federal Republic of Germany (substitutability/infrastructure of the financial institution), the number of payment transactions processed has been added as an indicator, in addition to their volume. The number of transactions helps to determine whether an institution processes only small transactions, but a large number of these transactions.

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|---|---|
| | ○ In the category cross-border activity (complexity/cross-border activity), cross-jurisdictional claims and liabilities have been broken down into receivables from and liabilities to foreign banks and non-banks. This creates a more differentiated picture of the institutions' cross-border activities. The number of legally independent subsidiaries (financial institutions) in Germany and abroad has been added as another indicator in order to reflect the complexity of institutions' organisational structure. In addition to the nominal value of the OTC derivatives, the carrying amount of the OTC derivatives is also included in the valuation. The carrying amount of a derivative is an additional meaningful indicator of complexity because it is based on the market value. The market value shows the price at which the derivative can be traded on the market. The carrying amount is thus especially then the relevant indicator, when the derivative would have to be sold in the event of a crisis situation.<br><br>○ In the category interconnectedness with the financial system (interconnectedness), intra-financial system assets and liabilities have been broken down into receivables from and liabilities to banks on the one hand and insurance undertakings and other financial institutions on the other hand. The distinction between banks and other financial intermediaries gives a more accurate picture of the various contagion channels within the financial system.<br><br>c. why the bank is systemically important in terms of those particular optional indicators.<br><br>→ The logic of the scoring model according to EBA/GL/2014/10, Title II, is applied here: the relevance of the respective institution is expressed by the value of its respective indicator in the national, expanded scoring model as well. It is assumed that an institution is systemically important, if the overall score is above a predefined threshold. |
| **4.4 Calibrating the O-SII buffer** | Please provide information on the criteria and indicators used to calibrate the level of the O-SII buffer requirement and the mapping to institution-specific buffer requirements.<br><br>→ The identified institutions are allocated to one of the 12 capital buffer categories: 0.25% - 3.0% [CET1 per total risk exposure] using the following thresholds: |

| Bucket | Intervall of scores in bps | O-SII buffer |
|---|---|---|
| 1 | 100 – 199 | 0.25% |
| 2 | 200 – 279 | 0.50% |
| 3 | 280 – 389 | 0.75% |
| 4 | 390 – 539 | 1.00% |
| 5 | 540 – 759 | 1.25% |
| 6 | 760 – 1,059 | 1.50% |
| 7 | 1,060 – 1,489 | 1.75% |
| 8 | 1,490 – 2,089 | 2.00% |
| 9 | 2,090 – 2,739 | 2.25% |

| | | |
|---|---|---|
| 10 | 2,740 – 3,389 | 2.50% |
| 11 | 3,390 – 4,039 | 2.75% |
| 12 | ≥ 4,040 | 3.00% |

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|---|---|
| **4.5 Effectiveness and proportionality of measure** | Please provide a justification for why the O-SII buffer is considered likely to be effective and proportionate to mitigate the risk.<br>→ Capital add-ons increase the institutions' total loss-absorbing capacity and so constitute an appropriate measure to strengthen the resilience of institutions and the financial system as a whole. In addition, capital add-ons rectify inappropriate incentives by introducing negative external effects to the decision-making process of systemically important institutions (e.g. profit maximising while neglecting the costs for the economy in the case of a default) and by withdrawing the implicit state guarantee (reduction of moral hazard). |
| **5. Sufficiency, consistency and non-overlap of the policy response** | |
| **5.1 Sufficiency of the policy response** | For a macroprudential policy to be 'sufficient', the policy responses must be deemed to significantly mitigate, or reduce the build-up of, risks over an appropriate time horizon with a limited unintended impact on the general economy.<br><br>Note that the ESRB will use the assessment of the macroprudential stance as relevant input in assessing the sufficiency of the macroprudential policy in the Member State.<br><br>Please provide any additional information that the ESRB should consider in assessing the sufficiency of the policy response.<br>➔ *The proposed O-SII buffers are assessed to be sufficient. No unintended impact on the general economy is expected as institutions have sufficient CET1 capital to comply with these O-SII buffers.* |
| **5.2 Consistency of application of the policy response** | For a macroprudential policy to be 'consistent', the policy instruments meet their respective objectives, as outlined in ESRB/2013/1[3], and must be implemented in accordance with the common principles set out in the relevant legal texts.<br><br>Note that the ESRB assessment of consistency will consider whether the same systemic risks are addressed in a similar way across and within the Member States over time.<br><br>Please provide any additional information that the ESRB should consider in assessing the consistency of the policy response.<br>➔ *The application of the proposed O-SII buffers is consistent with the national transposition of the EU Capital Requirements Directive to German legislation, as well as with the policy guidance of the ECB bucketing and floor methodology for O-SIIs. Within the regulatory calibration range, the proposed measure attaches higher buffer rates to those O-SIIs with larger scores of systemic importance.* |

[3] Recommendation of the European Systemic Risk Board of 4 April 2013 on intermediate objectives and instruments of macro-prudential policy (ESRB/2013/1) (OJ C 170, 15.6.2013, p. 1)

| | |
|---|---|
| **5.3 Non-overlap of the policy response** | For a policy instrument to be 'non-overlapping', it should aim to address a systemic risk that either differs from a risk addressed by other active tools in the same Member State, or be complementary to another tool in that Member State which addresses the same systemic risk.<br><br>- Are other policy instruments used to address the <u>same</u> systemic risk?<br>➔ *no*<br>- If yes, please explain the need for more than one instrument to address the same systemic risk and how the different instruments interact with each other.<br>➔ *Not applicable* |
| **6. Cross-border and cross-sector impact of the measure** | |
| **6.1 Assessment of cross-border effects and the likely impact on the Internal Market**<br><br>**(Recommendation ESRB/2015/2[4])** | Assessment of the cross-border effects of implementation of the measure.<br><br>a. Assessment of the spillover channels operating via risk adjustment and regulatory arbitrage. The relevant indicators provided in Chapter 11 of the ESRB Handbook on Operationalising Macroprudential Policy in the Banking Sector[5] and the [Framework to assess cross-border spillover effects of macroprudential policies]() of the ECB Task Force on cross-border spillover effects of macroprudential measures can be used.<br><br>b. Assessment of the:<br>o cross-border effects of implementation of the measure in your own jurisdiction (inward spillovers);<br>o cross-border effects on other Member States and on the Single Market of the measure (outward spillovers);<br>o overall impact on the Single Market of implementation of the measure.<br>→ An analysis concerning possible cross-border effects of the measure was carried out (see also section 10g German Banking Act (KWG)), consistent with the guidelines set out in Chapter 11 of the ESRB handbook.<br>o Leakages or regulatory arbitrage were not expected following the introduction of the O-SII buffer.<br>o Based on an assessment of cross-border exposures and market shares of German institutions in other Member States, no material effects related to the introduction of the O-SII buffer on the common market have been found. |
| **6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State** | Referring to your Member State's specific characteristics, what is the scope for "leakages and regulatory arbitrage" in your own jurisdiction (i.e. circumvention of the measure/leakages to other parts of the financial sector)?<br><br>Is there scope for "leakages and regulatory arbitrage" in other jurisdictions?<br><br>→ Leakages or regulatory arbitrage are not expected. |
| **7. Combinations and interactions with other measures** | |

[4] Recommendation of the European Systemic Risk Board of 15 December 2015 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2015/3) (OJ C 97, 12.3.2016, p. 9).
[5] Available on the ESRB's website at www.esrb.europa.eu.

**7.1 Combinations between G-SII and O-SII buffers**

**(Article 131.14)**

If both G-SII and O-SII criteria apply to the same institution at consolidated level, which of the two buffers is the highest?

→ In addition to the O-SII buffer, only Deutsche Bank AG is subject to G-SII capital buffer. The higher buffer of G-SII and O-SII buffer shall apply.

| Name of institution | O-SII buffer | G-SII buffer |
|---|---|---|
| Deutsche Bank AG | 2,00% | 1,50% |
| | % | % |
| | % | % |

**7.2 Combinations with systemic risk buffers (SyRBs)**

**(Article 131.15 CRD)**

Are any of the institutions identified as O-SIIs subject to a systemic risk buffer?

- ➔ A sectoral systemic risk buffer has been applied from 01.02.2023 onwards to all exposures secured by residential property located in Germany. A Countercyclical Buffer is also active.

If yes, please provide the following information:

a. What is/are the systemic risk buffer rates(s)?

➔ 2%

b. At what level is/are the systemic risk buffer rate(s) applied (i.e. consolidation level and/or individual)?

➔ All exposures secured by residential property located in Germany.

c. Is the sum of the systemic risk buffer rate(s) and the O-SII buffer rate (or the higher of the G-SII and O-SII buffer rates, if a group is subject to a G-SII buffer and to an O-SII buffer at consolidated level) to which the same institution is subject over 5%?

➔ No.

| Name of institution | SyRB rate | SyRB application level | Sum of G-SII/O-SII and SyRB rates |
|---|---|---|---|
| | % | | % |
| | % | | % |
| | % | | % |
| | % | | % |
| | % | | % |
| | % | | % |
| | % | | % |
| | % | | % |

**7.3 O-SII requirement for a subsidiary (Article 131.8 CRD)**

If the O-SII is a subsidiary of an EU parent institution subject to a G-SII or O-SII buffer on a consolidated basis, what is the G-SII or O-SII buffer rate on a consolidated basis of the parent institution?

Does the cap for the subsidiary prevent the implementation of a higher O-SII buffer based on the domestic buffer setting methodology?

| Name of O-SII subsidiary | Name of the EU parent of the O-SII subsidiary | Buffer applicable to O-SII EU parent |
|---|---|---|
| UniCredit Bank GmbH | UniCredit Group | 1,50% |
| ING-DiBa AG | ING Groep N.V. | 2,00% |
| | | % |

## 8. Miscellaneous

| | |
|---|---|
| **8.1 Contact person(s)/mailbox at notifying authority** | GSII-OSII@bafin.de |
| **8.2 Any other relevant information** | |
| **8.3 Date of the notification** | Please provide the date on which this notification was uploaded/sent.<br>24/10/2024 |