



Notification template for Article 131 CRD – Other Systemically Important Institutions (O-SII)¹

Please send this template to

- notifications@esrb.europa.eu when notifying the ESRB;
- macropru.notifications@ecb.europa.eu when notifying the ECB;
- notifications@eba.europa.eu when notifying the EBA.

1. Notifying national authority			
1.1 Name of the notifying authority	Komisja Nadzoru Finansowego (KNF)		
Description of the measure			
2.1 Concerned institution or group of institutions	O-SII	LEI Code	Level of consolidation
	PKO BP S.A.	P4GTT6GF1W40CVIMFR43	consolidated and individual level
	mBank S.A.	259400DZXF7UJJK2AY35	consolidated and individual level
	BANK ZACHODNI WBK SA	259400LGXW3K0GDAG361	consolidated and individual level
	BANK POLSKA KASA OPIEKI SA	5493000LKS7B3UTF7H35	consolidated and individual level
	ING BANK ŚLĄSKI SA	259400YLRTOBISHBVX41	consolidated and individual level
	BANK HANDLOWY W WARSZAWIE	XLEZHWWOI4HFQDGL4793	consolidated and individual level
	BANK BGŻ BNP PARIBAS SA	NMH2KF074RKAGTH4CM63	consolidated and individual level
	DEUTSCHE BANK POLSKA SA	529900CFOWM2V62I4634	consolidated and individual level
	GETIN NOBLE BANK SA	2594000SEGUR418W2G08	consolidated and individual level
	BANK MILLENNIUM SA	259400OFDZ9KPZE08K78	consolidated and individual level
	BANK POLSKIEJ SPÓŁDZIELCZOŚCI SA	BB3BGO3LCED63R8R9R41	consolidated and individual level
	SGB-BANK SA	259400P9KF07OP2K5P83	individual level
2.2 Level of the buffer applied	O-SII	Buffer rate applied	
	PKO BP S.A.	0.75%	
	mBank S.A.	0.75%	
	BANK ZACHODNI WBK SA	0.5%	
	BANK POLSKA KASA OPIEKI SA	0.5%	
	ING BANK ŚLĄSKI SA	0.5%	
	BANK HANDLOWY W WARSZAWIE SA	0.25%	
	BANK BGŻ BNP PARIBAS SA	0.25%	
	DEUTSCHE BANK POLSKA SA	0.25%	
	GETIN NOBLE BANK SA	0.25%	
	BANK MILLENNIUM SA	0.25%	
	BANK POLSKIEJ SPÓŁDZIELCZOŚCI SA	0%	
SGB-BANK SA	0%		

¹ To be filled in and submitted for each O-SII.

2.3 Name of the EU ultimate parent institution	O-SII	EU Parent	LEI Code (EU parent)			
	mBank S.A.	Commerzbank AG	851WYGUNLUQLFZBSYGB56			
	BANK ZACHODNI WBK SA	Banco Santander S.A.	5493006QMFDDMYWIAM13			
	ING BANK ŚLĄSKI SA	ING Bank N.V.	3TK20IVIUJ8J3ZU0QE75			
	BANK BGŻ BNP PARIBAS SA	BNP PARIBAS	R0MUWSFPU8MPRO8K5P83			
	DEUTSCHE BANK POLSKA SA	Deutsche Bank AG	7LTFWFZYICNSX8D621K86			
	BANK MILLENNIUM SA	Banco Comercial Português S.A.	JU1U6S0DG9YLT7N8ZV32			
2.4 Names of subsidiaries	N.a.					
Timing of the measure						
3.1 Timing of the Decision	The KNF issued the decision on 19 December 2017.					
3.2 Timing of the Publication	The press release after the KNF meeting was published on 19 December 2017 on the KNF website. A few days later the decision was handed over to the Bank.					
3.3 Disclosure	The information has been disclosed on the KNF website (www.knf.gov.pl) in the following way: as a press release, as a briefing note.					
3.4 Timing of Application	The date of application is 31 December 2017.					
3.5 Phasing in	The measure will be fully applied from 31 December 2017.					
3.6 Review of the measure	Annually					
Reason for 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	Criterion	Size	Importance*	Complexity/cross-border activity	Inter-connectedness	Overall institution score
	Criterion weight	25%	25%	25%	25%	100%
	PKO BP S.A.	1817	1518	476	1655	1 367
	mBank S.A.	859	1026	1177	1344	1 102
	BANK ZACHODNI WBK SA	964	806	1287	1085	1 035
	BANK POLSKA KASA OPIEKI SA	1119	1161	944	900	1 031
	ING BANK ŚLĄSKI SA	755	813	1205	583	839
	BANK HANDLOWY W WARSZAWIE	291	628	821	335	519
	BANK BGŻ BNP PARIBAS SA	464	418	470	341	424
	DEUTSCHE BANK POLSKA SA	255	348	615	421	410
	GETIN NOBLE BANK SA	432	348	312	357	362
	BANK MILLENNIUM SA	442	444	290	272	362
	BANK POLSKIEJ SPÓŁDZIELCZOŚCI	343	317	14	276	237
	SGB-BANK SA	277	212	2	86	144
	* (including substitutability/ financial system infrastructure)					

4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)	<p>The KNF followed the EBA guidelines. All the relevant criteria, indicators and weights have been applied. Where the data were not available at the highest level of consolidation under the KNF jurisdiction, relevant proxies have been used. The threshold has been set at 350 basis points (bps). All banks falling within the scope of definition of 'institutions' laid down in Article 4 (3) of the CRR have been included in the calculations and investment firms have been excluded.</p>
4.3 Supervisory judgement	<p>The following optional indicator was used to designate two institutions (Bank Polskiej Spółdzielczości SA and SGB-Bank SA):</p> <ul style="list-style-type: none"> • Importance for an IPS of which the entity is a member. <p>Each of the two banks plays a key role in one of the two Institutional Protection Schemes operating in the Polish banking sector. Each of the two banks has been obliged to:</p> <ul style="list-style-type: none"> • run selected deposit accounts on behalf of the co-operative banks that are united within its IPS, • monitor certain categories of risk within its IPS, • provide technical infrastructure for its IPS.
4.4 Calibrating the O-SII buffer	<p>The O-SII buffer was calibrated using a proportional method. For institutions scoring no less than 350 bps, the buffer rate was calibrated in the following stages:</p> <ul style="list-style-type: none"> • rounding down the quotient of the score of the institution divided by 350 to the nearest integer, i.e. $x = \lfloor \text{score}/350 \rfloor$ • assigning of the integer from the previous step to the buffer rate proportionally by multiplying it by 0.25%, i.e. $x \cdot 0.25\%$ • if the value calculated in step 1 is equal or higher than 5, then the buffer rate is set at 2%. <p>It should be emphasized that the application of the last stage of the above procedure abolishes the rule of proportionality in setting the O-SII buffer rate. When the size of an institution exceeds a certain threshold, the risk it generates to the financial sector and the real economy increases non-linearly. Such an institution should be subject to the maximum buffer, i.e. 2% of total risk exposure calculated in accordance with the CRR.</p>
4.5 Effectiveness and proportionality of measure	<p>Setting the O-SII buffer will have a positive impact on the resilience of the banks to external shocks, as well as on the overall soundness of the banking sector and the real economy in Poland. The applied measure is proportional with respect to the overall score of the bank and the level of concentration in the Polish banking sector.</p>
Combinations and interactions with other measures	
5.1 Assessment of cross-border effects and the likely impact on the internal market (Recommendation ESRB/2015/2)	<p>The effects are negligible due to insignificant scale of cross-border activities of the banks.</p>

5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	<p>The research carried out so far shows no signs of such effects.</p>																															
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6.1 Combinations between G-SII and OSII buffers (Article 131.14)	<p>There are no G-SIIs registered in Poland.</p> <p>At the same time some of the identified O-SII banks are subsidiaries of banks identified as either O-SII or G-SII.</p>																															
6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)	<p>As of 2017 the systemic risk buffer has not yet been set in Poland. However, the Financial Stability Committee recommended setting a systemic risk buffer of 3% applying to all exposures on the territory of the Republic of Poland.</p> <p>The recommendation was addressed to the minister competent for financial institutions (Minister of Development and Finance), who issued a relevant ordinance in September 2017. The systemic risk buffer will be fully applied from 1 January 2018.</p> <p>In accordance with art. 131.15 of CRD IV the buffer is applicable to all banks in the country on both individual and consolidated level. This means that banks identified as O-SII shall comply with the sum of the two buffer requirements.</p>																															
6.3 O-SII requirement for a subsidiary (Article 131.8)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">O-SII</th> <th style="width: 25%;">EU Parent</th> <th style="width: 25%;">O-SII Buffer Rate (EU Parent)</th> <th style="width: 25%;">G-SII Buffer Rate (EU Parent)</th> </tr> </thead> <tbody> <tr> <td>mBank S.A.</td> <td>Commerzbank AG</td> <td>1.5%</td> <td>none</td> </tr> <tr> <td>BANK ZACHODNI WBK SA</td> <td>Banco Santander S.A.</td> <td>1,00%</td> <td>1,00%</td> </tr> <tr> <td>ING BANK ŚLĄSKI SA</td> <td>ING Bank N.V.</td> <td>2,00%</td> <td>1,00%</td> </tr> <tr> <td>BANK BGŻ BNP PARIBAS SA</td> <td>BNP PARIBAS</td> <td>1.5%</td> <td>1.5%</td> </tr> <tr> <td>DEUTSCHE BANK POLSKA SA</td> <td>Deutsche Bank AG</td> <td>2,00%</td> <td>2,00%</td> </tr> <tr> <td>BANK MILLENNIUM SA</td> <td>Banco Comercial Português</td> <td>0.75%</td> <td>none</td> </tr> </tbody> </table>				O-SII	EU Parent	O-SII Buffer Rate (EU Parent)	G-SII Buffer Rate (EU Parent)	mBank S.A.	Commerzbank AG	1.5%	none	BANK ZACHODNI WBK SA	Banco Santander S.A.	1,00%	1,00%	ING BANK ŚLĄSKI SA	ING Bank N.V.	2,00%	1,00%	BANK BGŻ BNP PARIBAS SA	BNP PARIBAS	1.5%	1.5%	DEUTSCHE BANK POLSKA SA	Deutsche Bank AG	2,00%	2,00%	BANK MILLENNIUM SA	Banco Comercial Português	0.75%	none
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6.4 Interaction with other measures	<p>N.a.</p>																															
Miscellaneous																																
7.1 Contact person(s) at notifying authority	<p>Michał Kruszka, Michal.Kruszka@knf.gov.pl, +48 22 262 51 53</p> <p>Szymon Janiszewski, Szymon.Janiszewski@knf.gov.pl, +48 22 262 51 53</p>																															
7.2 Any other relevant information	<p>-</p>																															