



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	Komisja Nadzoru Finansowego (KNF)		
2. Description of the measure			
2.1 Concerned institution or group of institutions	O-SII	LEI Code	Level of consolidation
	POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI	P4GTT6GF1W40CVIMFR43	consolidated and individual level
	SANTANDER BANK POLSKA SA	259400LGXW3K0GDAG361	consolidated and individual level
	BANK POLSKA KASA OPIEKI SA	5493000LKS7B3UTF7H35	consolidated and individual level
	mBank SA	259400DZX7UJJK2AY35	consolidated and individual level
	ING BANK ŚLĄSKI SA	259400YLRTOBISHBVX41	consolidated and individual level
	BANK HANDLOWY W WARSZAWIE SA	XLEZHWWOI4HFQDGL4793	consolidated and individual level
	BNP PARIBAS BANK POLSKA SA	NMH2KF074RKAGTH4CM63	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	
	POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI	1.00%	
	SANTANDER BANK POLSKA SA	0.75%	
	BANK POLSKA KASA OPIEKI SA	0.75%	
	mBank SA	0.75%	
	ING BANK ŚLĄSKI SA	0.50%	
	BANK HANDLOWY W WARSZAWIE SA	0.25%	
	BNP PARIBAS BANK POLSKA SA	0.25%	
	BANK POLSKIEJ SPÓŁDZIELCZOŚCI SA	0.10%	
SGB-BANK SA	0.10%		
2.3 Name of the EU ultimate parent institution	O-SII	EU Parent	LEI Code (EU parent)
	SANTANDER BANK POLSKA SA	Banco Santander	5493006QMFDDMYWIAM13
	ING BANK ŚLĄSKI SA	ING Bank N.V.	3TK20IVIUJ8J3ZU0QE75
	mBank SA	Commerzbank AG	851WYGNLUQLFZBSYGB56
BNP PARIBAS BANK POLSKA SA	BNP PARIBAS	R0MUWSFPU8MPRO8K5P83	
2.4 Names of subsidiaries	n.a.		

3. Timing of the measure						
3.1 Timing of the Decision	The KNF issued the decision on 14 October 2019.					
3.2 Timing of the Publication	The briefing note after the KNF meeting was published on 15 October 2019 on the KNF website.					
3.3 Disclosure	The information has been disclosed on the KNF website (www.knf.gov.pl) as a briefing note.					
3.4 Timing of Application	The KNF identified O-SIIs and set the O-SII buffer for these institutions in October 2016, with the activation of the measures from 31 December 2016. The measure has now been reviewed and will continue to apply until next years' annual review.					
3.5 Phasing in	Fully-loaded implementation					
3.6 Review of the measure	Annually					
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)	Criterion	Size	Importance	Complexity/cross-border activity	Inter-connectedness	Overall score
	Criterion weight	25%	25%	25%	25%	100%
	POWSZECHNA KASA OSZCZĘDNOŚCI	1884	1550	1265	1685	1596
	SANTANDER BANK POLSKA SA	1204	988	1250	1425	1217
	BANK POLSKA KASA OPIEKI SA	1118	1208	1120	1007	1113
	mBank SA	855	1025	916	1431	1057
	ING BANK ŚLĄSKI SA	828	919	1382	583	928
	BANK HANDLOWY W WARSZAWIE SA	292	638	718	482	532
	BNP PARIBAS BANK POLSKA SA	638	561	507	371	519
	BANK POLSKIEJ SPÓŁDZIELCZOŚCI SA	130	222	340	330	255
SGB-BANK SA	292	219	2	144	164	
4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)	The KNF followed the EBA guidelines. All the criteria, indicators and weights have been applied. Where the data were not available at the highest consolidated level under the KNF jurisdiction, relevant proxies have been used. The threshold has been set at 350. All banks that are institutions under art. 4 (3) of the CRR have been included in the calculations and investment firms have been excluded.					
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>Both abovementioned banks play a key role in two Institutional Protection Schemes operating in the Polish banking sector. Each bank has been obliged to:</p> <ul style="list-style-type: none"> run selected deposit accounts on behalf of the co-operative banks that are associated within given IPS, monitor certain categories of risk within given IPS, provide technical infrastructure for given 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. $x*0.25\%$ 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 that it generates to the financial sector and the real economy increases non-linearly.</p>					

	<p>Such an institution should be subject to the maximum buffer, i.e. 2% of total risk exposure calculated in accordance with the CRR.</p> <p>O-SII buffer of credit institutions, which were identified as O-SII on the basis of optional indicator was additionally increased by up to 0,25pp. Therefore O-SII with scoring less than 350 may have O-SII buffer higher than 0%.</p>																				
4.5 Effectiveness and proportionality of measure	Setting the O-SII buffer will have positive impact on the resilience of the bank to external shocks, as well as the soundness of the overall banking sector and the real economy in Poland. The applied measure is proportional with respect to the overall score of the given institution and the level of concentration in the Polish banking sector.																				
5. Cross-border and cross-sector impact of the measure																					
5.1 Assessment of cross-border effects and the likely impact on the internal market (Recommendation ESRB/2015/2)	The effects are negligible due to insignificant scale of cross-border activities of domestic banks.																				
5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	The research carried out so far shows no signs of such effects.																				
6. Combinations and interactions with other measures																					
6.1 Combinations between G-SII and O-SII buffers (Article 131.14)	n.a.																				
6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)	Since 1 January 2018 a new macro-prudential measure– the systemic risk buffer (SRB) at the rate of 3% on domestic exposures – has been in force in Poland. The systemic risk buffer was introduced by the Regulation of the Minister of Development and Finance of 1 September 2017 (Dz. U. [Journal of Laws] of 2017, item 1776). The SRB applies for all domestically authorised credit institutions in Poland. The SRB applies to all exposures located on the territory of the Republic of Poland. In accordance with art. 133.5 of CRD IV the SRB shall be cumulative with the O-SII buffer.																				
6.3 O-SII requirement for a subsidiary (Article 131.8)	<table border="1"> <thead> <tr> <th>O-SII</th> <th>EU Parent</th> <th>O-SII Buffer</th> <th>G-SII Buffer</th> </tr> </thead> <tbody> <tr> <td>SANTANDER BANK POLSKA 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>mBank SA</td> <td>Commerzbank AG</td> <td>1.50%</td> <td>n.a.</td> </tr> <tr> <td>BNP PARIBAS BANK POLSKA SA</td> <td>BNP PARIBAS</td> <td>1.50%</td> <td>1.50%</td> </tr> </tbody> </table>	O-SII	EU Parent	O-SII Buffer	G-SII Buffer	SANTANDER BANK POLSKA SA	Banco Santander S.A.	1.00%	1.00%	ING BANK ŚLĄSKI SA	ING Bank N.V.	2.00%	1.00%	mBank SA	Commerzbank AG	1.50%	n.a.	BNP PARIBAS BANK POLSKA SA	BNP PARIBAS	1.50%	1.50%
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6.4 Interaction with other measures	n.a.																				

7. Miscellaneous	
7.1 Contact person(s) at notifying authority	Anna Wojczakowska: anna.wojczakowska@knf.gov.pl (+48) 22 262 47 92 Paweł Cywiński, pawel.cywinski@knf.gov.pl , (+48) 22 262 48 73 Patryk Toporowski: patryk.toporowski@knf.gov.pl (+48) 22 262 51 76 Marcin Wroński: marcin.wronski2@knf.gov.pl (+48) 22 262 50 47
7.2 Any other relevant information	-