

## 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](mailto:macropru.notifications@ecb.europa.eu) when notifying the ECB (under Article 5 of the Single Supervisory Mechanism (SSM) Regulation<sup>1</sup>);
- [DARWIN/ASTRA link] 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<sup>2</sup>.

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	Autorité de Contrôle Prudentiel et de Résolution (ACPR)								
1.2 Country of the notifying authority	FRANCE								
2. Description of the measure									
2.1a Institution or group of institutions concerned	Name of institution	LEI	Consolidation level						
	BNP PARIBAS (BNPP)	ROMUWSFPU8MPRO8K5P83	highest level of consolidation						
	GROUPE CREDIT AGRICOLE (GCA)	FR969500TJ5KRTCJQWXH	highest level of consolidation						
	SOCIETE GENERALE (SG)	O2RNE8IBXP4R0TD8PU41	highest level of consolidation						
	GROUPE BPCE (GBPCE)	FR9695005MSX1OYEMGDF	highest level of consolidation						
	GROUPE CREDIT MUTUEL (GCM)	9695000CG7B84NLR5984	highest level of consolidation						
	HSBC CONTINENTAL EUROPE (HSBC CE)	FOHUI1NY1AZMMD8LP67	highest level of consolidation						
	LA BANQUE POSTALE (LBP)	96950066U5XAAIRCPA78	highest level of consolidation						
2.1b Changes to the list of institutions concerned	No changes occurred.								
2.2 Level of the buffer applied	<table border="1"> <thead> <tr> <th>Name of institution</th> <th>New O-SII buffer</th> <th>Previous O-SII buffer</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Name of institution	New O-SII buffer	Previous O-SII buffer			
Name of institution	New O-SII buffer	Previous O-SII buffer							

<sup>1</sup> 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).

<sup>2</sup> 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.

	BNP PARIBAS (BNPP)	1,5%	1,5%			
	GROUPE CREDIT AGRICOLE (GCA)	1%	1%			
	SOCIETE GENERALE (SG)	1%	1%			
	GROUPE BPCE (GBPCE)	1%	1%			
	GROUPE CREDIT MUTUEL (GCM)	0,5%	0,5%			
	HSBC CE	0,25%	0,25%			
	LA BANQUE POSTALE (LBP)	0,25%	0,25%			
<b>2.3 Name of the ultimate EU parent institution</b>	HSBC France is a subsidiary of the group HSBC BANK PLC (LEI: MP6I5ZYZBEU3UXPYFY54) established in the United Kingdom. For the other aforementioned banking groups, the EU ultimate parent institution is the concerned institution itself.					
<b>2.4 Names of subsidiaries</b>						
<b>3. Timing for the measure</b>						
<b>3.1 Timing for the decision</b>	15/10/2021					
<b>3.2 Timing for publication</b>	01/12/2021					
<b>3.3 Disclosure</b>	The list of French O-SIIs for 2021 will be published on the ACPR website on a dedicated web page: <a href="https://acpr.banque-france.fr/en/prudential-supervision/banking-supervision/systemic-entities-banking-sector">https://acpr.banque-france.fr/en/prudential-supervision/banking-supervision/systemic-entities-banking-sector</a>					
<b>3.4 Timing for application</b>	01/01/2023					
<b>3.5 Phasing in</b>	OSII buffers have been fully implemented since 1 <sup>st</sup> January 2019					
<b>3.6 Review of the measure</b>	In line with articles 131(6) and 131(12) CRDV which specify that the buffer, the identification of O-SIIs and the allocation into subcategories must be reviewed at least annually, the ACPR performs its review each year during summer, based on reported data as of end-December of the preceding year.					
<b>4. Reason for O-SII identification and activation of the O-SII buffer</b>						
<b>4.1 Scores of institutions or group of institutions concerned, as per EBA guidelines on the assessment of O-SIIs (Article 131.3 CRD)</b>		Size	Importance	Complexity	Interconnectedness	Overall Score
	BNP PARIBAS (BNPP)	2494	2258	3399	2774	2732
	GROUPE CREDIT AGRICOLE (GCA)	2038	2256	1684	1613	1898
	SOCIETE GENERALE (SG)	1458	1274	2243	1810	1696
	GROUPE BPCE (GBPCE)	1477	1706	1078	1273	1384
	GROUPE CREDIT MUTUEL (GCM)	949	1108	283	739	770
	HSBC CE	238	660	600	289	447
	LA BANQUE POSTALE (LBP)	340	357	73	191	240

<p><b>4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)</b></p>	<p>The methodology applied and indicators used follow EBA Guidelines EBA/GL/2014/10 to a very large extent and follow CRR principles.</p>
<p><b>4.3 Supervisory judgement</b></p>	<p>The supervisory judgement is used only for La Banque Postale, based on the additional indicators. For further details see 4.1.</p>
<p><b>4.4 Calibrating the O-SII buffer</b></p>	<p>The ACPR uses a bucketing approach, like for the calibration of G-SII buffers. Buckets' cut-offs have been defined using expert judgement based on the final O-SII score:</p> <ul style="list-style-type: none"> <li>➤ from 0 to 500 bp: 0.25% CET1</li> <li>➤ from 500 to 1 000 bp: 0.5% CET1</li> <li>➤ from 1 000 to 2 000 bp: 1% CET1</li> <li>➤ from 2 000 to 3 000 bp: 1.5% CET1</li> <li>➤ larger than 3 000 bp: 2% CET1</li> </ul> <p>As a result, the fully phased-in O-SII buffers to be implemented by 1<sup>st</sup> January 2023 are the following:</p> <ul style="list-style-type: none"> <li>- BNPP: 1.5%</li> <li>- SG: 1%</li> <li>- GCA: 1%</li> <li>- GBPCE: 1%</li> <li>- GCM: 0.5%</li> <li>- HSBC CE : 0.25%</li> <li>- LBP: 0.25%</li> </ul> <p>Other methods have been envisaged but were not fully suited for the French banking system.</p>
<p><b>4.5 Effectiveness and proportionality of measure</b></p>	<p>Concerning the implementation of O-SII buffers in France, the effect should be limited :</p> <ul style="list-style-type: none"> <li>- Four out of the 7 O-SIIs already have a G-SII buffer and have already taken into account this requirement for their capital planning;</li> <li>- One O-SII is a subsidiary of a foreign banking group designated as G-SII with a much higher capital buffer;</li> <li>- For the additional two O-SIIs, they are important players at the domestic level and they have well taken into consideration the O-SII buffer since their first designation.</li> </ul>
<p><b>5. Sufficiency, consistency and non-overlap of the policy response</b></p>	
	<p>O-SII buffers are applied and reviewed annually, providing continuous risk mitigation.</p>

<b>5.1 Sufficiency of the policy response</b>																
<b>5.2 Consistency of application of the policy response</b>	The O-SII buffer contributes to fulfilling objective 2(e) of ESRB 2013/1 to “ <i>Strengthen the resilience of financial infrastructures</i> ”.															
<b>5.3 Non-overlap of the policy response</b>	No other instrument can address the same systemic risk.															
<b>6. Cross-border and cross-sector impact of the measure</b>																
<b>6.1 Assessment of cross-border effects and the likely impact on the Internal Market</b> <b>(Recommendation ESRB/2015/2<sup>3</sup>)</b>	<p>The French banking system is rather concentrated on a consolidated basis. Four French banking groups have both G-SII and O-SII status. With the designation of three additional systemic banking groups in France as O-SIIs, the market share of the 7 French systemic banking groups covers around 84% of the total assets of the French banking system (at the highest level of consolidation).</p> <p>In close coordination, the ACPR and the Banque de France (Directorate General Operations and Financial Stability) monitor the development of structural risk and of interconnectedness within the EU banking system, using multiple data sources for measuring cross-border exposures. This monitoring activity is complemented by empirical assessments on cross-border spill-over effects. Such an assessment shows that any tightening of capital requirement by French authorities would generally have very small impact in terms of cross-border spill-overs.</p>															
<b>6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State</b>	This is closely monitored by the Oversight and Research and Risk Analysis Directorates of the ACPR and there is no sign of leakages or regulatory arbitrage															
<b>7. Combinations and interactions with other measures</b>																
<b>7.1 Combinations between G-SII and O-SII buffers</b> <b>(Article 131.14)</b>	<p>When both G-SII and O-SII criteria apply to the same institution at consolidated level, the highest of both is applied.</p> <table border="1" data-bbox="571 1585 1442 1796"> <thead> <tr> <th data-bbox="571 1585 925 1621">Name of institution</th> <th data-bbox="925 1585 1212 1621">O-SII buffer</th> <th data-bbox="1212 1585 1442 1621">G-SII buffer</th> </tr> </thead> <tbody> <tr> <td data-bbox="571 1621 925 1666">BNP PARIBAS (BNPP)</td> <td data-bbox="925 1621 1212 1666">1,5 %</td> <td data-bbox="1212 1621 1442 1666">1,5/2 %*</td> </tr> <tr> <td data-bbox="571 1666 925 1711">GROUPE CREDIT AGRICOLE (GCA)</td> <td data-bbox="925 1666 1212 1711">1 %</td> <td data-bbox="1212 1666 1442 1711">1 %</td> </tr> <tr> <td data-bbox="571 1711 925 1756">SOCIETE GENERALE (SG)</td> <td data-bbox="925 1711 1212 1756">1 %</td> <td data-bbox="1212 1711 1442 1756">1 %</td> </tr> <tr> <td data-bbox="571 1756 925 1800">GROUPE BPCE (GBPCE)</td> <td data-bbox="925 1756 1212 1800">1 %</td> <td data-bbox="1212 1756 1442 1800">1 %</td> </tr> </tbody> </table> <p data-bbox="571 1841 1059 1877">*BNPP G-SII buffer has yet to be determined.</p>	Name of institution	O-SII buffer	G-SII buffer	BNP PARIBAS (BNPP)	1,5 %	1,5/2 %*	GROUPE CREDIT AGRICOLE (GCA)	1 %	1 %	SOCIETE GENERALE (SG)	1 %	1 %	GROUPE BPCE (GBPCE)	1 %	1 %
Name of institution	O-SII buffer	G-SII buffer														
BNP PARIBAS (BNPP)	1,5 %	1,5/2 %*														
GROUPE CREDIT AGRICOLE (GCA)	1 %	1 %														
SOCIETE GENERALE (SG)	1 %	1 %														
GROUPE BPCE (GBPCE)	1 %	1 %														

<sup>3</sup> 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).

<b>7.2 Combinations with systemic risk buffers (SyRBs)</b> <b>(Article 131.15 CRD)</b>	<p>To date, no SyRB buffer is applied to any French O-SII.</p> <p>For the SyRB instrument, the competent authority is the <i>Haut Conseil de la Stabilité Financière</i> (HCSF).</p> <p>For more information, see <a href="https://www.economie.gouv.fr/en/hcsf-en">https://www.economie.gouv.fr/en/hcsf-en</a></p>
<b>7.3 O-SII requirement for a subsidiary (Article 131.8 CRD)</b>	<p>None of the seven designated O-SIIs is a subsidiary of an EU parent institution.</p>
<b>8. Miscellaneous</b>	
<b>8.1 Contact person(s)/mailbox at notifying authority</b>	<p>Contact person(s) (name, phone number and e-mail address) and mailbox for further inquiries.</p> <p>Laurent CLERC (<a href="mailto:laurent.clerc2@acpr.banque-france.fr">laurent.clerc2@acpr.banque-france.fr</a>)</p> <p>Jérôme COFFINET (<a href="mailto:jerome.coffinet@acpr.banque-france.fr">jerome.coffinet@acpr.banque-france.fr</a>)</p> <p>Emilie CANDUS (<a href="mailto:emilie.candus@acpr.banque-france.fr">emilie.candus@acpr.banque-france.fr</a>)</p> <p>Frank SAMMETH (<a href="mailto:frank.sammeth@acpr.banque-france.fr">frank.sammeth@acpr.banque-france.fr</a>)</p>
<b>8.2 Any other relevant information</b>	<p>None</p>
<b>8.3 Date of the notification</b>	<p>Please provide the date on which this notification was uploaded/sent.</p> <p>01/10/2021</p>