

2017 review of other systemically important institutions (O-SIIs)

The KNF - Polish Financial Supervision Authority (hereinafter: the “KNF”), pursuant to the Act on macroprudential supervision over the financial system and crisis management in financial system, and in consultation with the Financial Stability Committee has confirmed identification of eleven institutions as other systemically important institutions (hereinafter: the “O-SII”), and identified one more O-SII. On that basis, the KNF has decided to impose appropriate capital buffers on the aforementioned institutions.

Identification of the O-SII takes into account the following set of criteria: size, economic importance for the Republic of Poland and the European Union, cross-border activity and interconnectedness with the financial system, and is compliant with the guidelines issued by the European Banking Authority of 16 December 2014 on the criteria to determine the conditions of application of Article 131 (3) of the CRD in relation to the assessment of O-SII (EBA/GL/2014/10, hereinafter the “EBA Guidelines”).

The EBA Guidelines set out a two-fold O-SII identification process. The first element thereof is a mandatory framework, which consists of a set of indicators that authorities, including the KNF should use to identify the O-SIIs. The second element provides for authorities, including the KNF’s discretion to supplement the mandatory part of the framework with optional indicators in order to better reflect the specificities of the domestic banking sector.

The O-SII buffer calibration is not subject to the harmonisation, and authorities, including the KNF, are entitled to implement a national methodology. The KNF has kept unchanged both the criteria of the identification and the O-SII buffer calibration methodology. Specification of indicators used in the identification process, and information regarding the O-SII buffer calibration in Poland can be found in the KNF’s brief note from 2016 (https://www.knf.gov.pl/en/news?articleId=44115&p_id=19).

After the appropriate proceedings, the identified O-SIIs have been informed by the KNF by means of administrative decisions, which were taken on 19th December 2017. The KNF has also indicated that the banks are required to maintain an O-SII buffer on individual and consolidated basis¹. For banks which are subsidiaries of EU parent institutions, the consolidation refers to the highest national level of prudential consolidation as stipulated in the CRR.

The final distribution of imposed O-SII buffers (based on data as of 31 December 2016) is presented in Table 1.

¹ The exception is SGB-Bank S.A., on which the KNF imposed O-SII buffer only on an individual basis, because the bank does not create a capital group.

Table 1
Other systematically important institutions in Poland

No.	Institution	Score	O-SII buffer rate (as percentage of total risk exposure amount)
1.	Powszechna Kasa Oszczędności Bank Polski S.A.	1367	0.75
2.	mBank S.A.	1102	0.75
3.	Bank Zachodni WBK S.A.	1035	0.50
4.	Bank Polska Kasa Opieki S.A.	1031	0.50
5.	ING Bank Śląski S.A.	839	0.50
6.	Bank Handlowy w Warszawie S.A.	519	0.25
7.	Bank BGŻ BNP Paribas S.A.	424	0.25
8.	Deutsche Bank Polska S.A.	410	0.25
9.	Bank Millennium S.A.	362	0.25
10.	Getin Noble Bank S.A.	362	0.25
11.	Bank Polskiej Spółdzielczości S.A. *	237	0
12.	SGB-Bank S.A.*	144	0

* Scoring calculated according to annual data of the entire IPS of which the bank is a member. O-SII buffer applies only to the given bank.

Source: own calculations based on data from the KNF and the NBP.