European Commission - Press release

Commission approves amendment to State aid measures supporting resolution of Polish Getin Noble Bank

Brussels, 24 November 2023

The European Commission has approved, under EU State aid rules, an amendment to the support measures granted by Poland in the context of the resolution of the Polish Getin Noble Bank S.A.

The Commission approved the initial support measures in October 2022 (SA.100687). According to the resolution plan, after the bank was resolved, its main assets and liabilities were transferred to a newly created **bridge bank**. The State aid measures were aimed at enabling a prompt sale of the bridge bank, while preserving both financial stability and a level playing field in the Single Market.

In November 2023, Poland notified to the Commission its intention to **carve out a portfolio of assets from the bridge bank, with a nominal value of approximately €1.36 billion** (PLN 6.5 billion). The carve-out is considered necessary **to facilitate the sale of the bridge bank**. The portfolio will be transferred to a dedicated asset management vehicle ('AMV') controlled by the Polish resolution authority (*Bankowy Fundusz Gwarancyjny*, 'BFG'). The AMV will pay for the portfolio with bonds that will be guaranteed by the Polish resolution fund.

Commission's assessment

The Commission assessed the amendment under its rules on State aid to banks in the context of the financial crisis ('2013 Banking Communication'), the Impaired Assets Communication and the Bank Recovery and Resolution Directive ('BRRD').

The Commission found that the notified measure will facilitate the sale of the bridge bank and allow the BFG to maximise the recovery value of the portfolio, therefore minimising the bank's liquidation costs borne by the Polish resolution fund. The BFG has already launched an open, transparent and non-discriminatory sales process with the aim of finding a suitable purchaser who would ensure the bridge bank's long-term viability. The current amendment has been designed to facilitate the successful completion of the sale process. Therefore, the Commission found that the amended measure continues to be in line with the objective of preserving financial stability, without unduly distorting competition in the internal market. On this basis, the Commission approved the measures under EU State aid rules.

As part of its State aid decision, the Commission also verified that the principles of bail-in and the conditions of using the resolution fund under the BRRD were respected. These rules ensure that the amount of State aid is minimised, while financial stability is preserved. Given that the amendment did not affect the bail-in measures implemented in 2022, the Commission concluded that the measure meets the relevant conditions of the BRRD.

Background

The common EU rules on State support in favour of banks in the context of the financial crisis ("2013 Banking Communication") encourage the exit of non-viable players, while allowing for the exit process to take place in an orderly manner so as to preserve financial stability. Moreover, the rules ensure that the aid is limited to the minimum necessary and that the distortions of competition brought about by the subsidies, which give aided banks an advantage over their competitors, are mitigated.

The European Bank Recovery and Resolution Directive rules equip national authorities with the necessary tools and powers to mitigate and manage the distress or failure of banks or large investment firms. It allows national authorities to safeguard financial stability, while taking appropriate measures to limit the use of public funds and mitigate the distortions of competition resulting from the aid, including notably the sale of bridge banks.

For More Information

The non-confidential version of this decision will be made available under the case number SA.109418 in the State Aid Register on the competition website once any confidentiality issues have been resolved. New publications of State aid decisions on the internet and in the Official Journal are listed in the Competition Weekly e-News

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