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

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.

Emailing this template to the above-mentioned addresses constitutes an official notification, no further official letter is required. In order to facilitate the work of the notified authorities, please send the notification template in a format that allows electronically copying the information.

<table>
<thead>
<tr>
<th>1. Notifying national authority</th>
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<tbody>
<tr>
<td><strong>1.1 Name of the notifying authority</strong></td>
<td>FIN-FSA - Please note that no formal decision regarding the OSII-buffers has been taken by the FINFSA during 2016. The Finnish legislation requires the buffers to be reviewed yearly (on staff level), but since no changes were prevailing no (formal) decisions regarding the buffers have been made during 2016.</td>
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<table>
<thead>
<tr>
<th>2. Description of the measure</th>
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<tbody>
<tr>
<td><strong>2.1 Concerned institution or group of institutions</strong></td>
<td>Danske Bank Finland Plc 3BAUHUB41ZR54J3PO08, Municipality Finance Plc 529900HEK0ENJHPNN480, Nordea Bank Finland PlcCXW2O4H2U3MBVXMY1773 and OP-Group I7437003B5WFBOIEFY714 The measures are applied on a consolidated level.</td>
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<tr>
<td><strong>2.2 Level of the buffer applied</strong></td>
<td>0.5, 0.5, 2.0 and 2.0% respectively.</td>
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<tr>
<td><strong>2.3 Name of the EU ultimate parent institution</strong></td>
<td>Danske Bank A/S MAES062Z21O4RZ2U7M96 and Nordea Bank AB 6SCPQ280AIY8EP3XF0W53</td>
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<tr>
<td><strong>2.4 Names of subsidiaries</strong></td>
<td>Please see previous notification.</td>
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<thead>
<tr>
<th>3. Timing of the measure</th>
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<tbody>
<tr>
<td><strong>3.1 Timing of the Decision</strong></td>
<td>Please see previous notification, no formal decision regarding OSII-buffers have been made in 2016. OSII-buffers were reviewed by FIN-FSA staff in June 2016.</td>
</tr>
<tr>
<td><strong>3.2 Timing of the Publication</strong></td>
<td>Please see above.</td>
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<tr>
<td><strong>3.3 Disclosure</strong></td>
<td>Please see above.</td>
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<tr>
<td><strong>3.4 Timing of Application</strong></td>
<td>Please see above.</td>
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<tr>
<td>3.5 Phasing in</td>
<td>Please see above.</td>
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<tr>
<td>3.6 Review of the measure</td>
<td>The Finnish OSII-buffers will be reviewed in 2017.</td>
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### 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)

<table>
<thead>
<tr>
<th>Institution(s)</th>
<th>Overall scores</th>
<th>Category scores</th>
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<tbody>
<tr>
<td>Danske Bank Finland Plc, Municipality Finance Plc, Nordea Bank Finland and OP-Group.</td>
<td>4.34, 5.43, 61.03 and 16.51, respectively.</td>
<td>Size: 5.54, 6.19, 55.09 and 19.66. Importance: 6.76, 2.52, 31.99 and 26.42. Complexity: 1.74, 2.86, 88.35 and 5.88. Interconnectedness: 3.34, 10.15, 68.69 and 14.09.</td>
</tr>
</tbody>
</table>

Please see enclosed Excel-file.

#### 4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)

Please provide information on:

a. whether you followed the EBA guidelines on the assessment of O-SIIs
   - Yes.

b. which threshold score has been set to identify O-SIIs
   - The 3.5% threshold score has been applied.

c. which of the optional indicators have been used to justify supervisory assessment decisions, if any, and what are the scores
   - No optional indicators have been used.

d. why these optional indicators are relevant for the Member State
   - See above

e. why the bank is systemically important in terms of those particular optional indicators
   - N.a.

f. whether relevant entities with relative total assets not in excess of 0.02% have been excluded from the identification process
   - No, all entities are included.

g. names and scores of all relevant entities not excluded from the identification process (could be sent in a separate excel file, see 4.1)
   - O-SII excel file.

h. whether non-bank institutions have been included in the calculations
   - All Finnish credit institutions and branches operating in Finland are included in the calculations.

#### 4.3 Supervisory judgement

Not used.
### 4.4 Calibrating the O-SII buffer

Please see previous notification.

### 4.5 Effectiveness and proportionality of measure

Please see previous notification.

### 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)

Since no changes to the OSII-buffers have been made in 2016, the cross-border impact is seen as neutral, both in terms of potential inward and outward spillovers.

#### 5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State

Since no changes to the OSII-buffers have been made in 2016, the impact on domestic markets is seen as neutral.

### 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)

The Finnish Ministry of Finance has publicly announced its intention to provide a Government proposal regarding the systemic risk buffer to the Parliament mid-2017.

Home country systemic risk buffers apply to Danske Bank A/S and Nordea Bank AB.

#### 6.3 O-SII requirement for a subsidiary (Article 131.8)

IA G-SII-buffer of 1.0% applies to Nordea Bank AB (Sweden).

Home country O-SII-buffers apply to Danske Bank A/S and Nordea Bank AB.

#### 6.4 Interaction with other measures

Capital conservation buffer introduced in Finland 1.1.2015 without phasing in.

### 7. Miscellaneous

#### 7.1 Contact person(s) at notifying authority

Peik Granlund, +358505217277, peik.granlund@fiva.fi
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<tr>
<th><strong>7.2 Any other relevant information</strong></th>
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