

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 when notifying the ECB (under Article 5 of the Single Supervisory Mechanism (SSM) Regulation¹);
- [DARWIN/ASTRA](#) 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 measure².

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	Norwegian Ministry of Finance		
1.2 Country of the notifying authority	Norway		
2. Description of the measure			
2.1a Institution or group of institutions concerned	Name of institution	LEI	Consolidation level
	DNB Bank ASA	549300GKFG0RYRRQ1414	All levels
	Kommunalbanken AS	I7ETN0QQO2AHZZGHJ389	All levels
	Nordea Eiendoms kreditt AS	549300TTWFTM3HRP0618	All levels
	Sparebank 1 SR-Bank ASA	549300Q3O1WRHQUM052	All levels

¹ 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).

² 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authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.

2.1b Changes to the list of institutions concerned	Sparebank 1 SR-Bank ASA has been added to the list. Otherwise, the list is unchanged from our last notification.		
2.2 Level of the buffer applied	Name of institution	New O-SII buffer	Previous O-SII buffer
	DNB Bank ASA	2.0 %	2.0 %
	Kommunalbanken AS	1.0 %	1.0 %
	Nordea Eiendoms kreditt AS	1.0 %	1.0 %
	Sparebank 1 SR-Bank ASA	1.0 %	0.0 %
2.3 Name of the ultimate EU parent institution	Name of identified O-SII	Ultimate EU parent institution	LEI of ultimate parent institution
	DNB Bank ASA	DNB Bank ASA	549300GKFG0RYRRQ1414
	Kommunalbanken AS	Kommunalbanken AS	I7ETN0QQO2AHZZGHJ389
	Nordea Eiendoms kreditt AS	Nordea Bank Abp	529900ODI3047E2LIV03
	Sparebank 1 SR-Bank ASA	Sparebank 1 SR-Bank ASA	549300Q3O1WRHQUQM052
2.4 Names of subsidiaries	Name of parent O-SII identified	Name of O-SII subsidiary	LEI of O-SII subsidiary
	DNB Bank ASA	DNB Boligkreditt AS	5967007LIEEXZX659K67
	DNB Bank ASA	Sbanken Boligkreditt AS	5967007LIEEXZXBB8086
	DNB Bank ASA	DNB Asset Management Holding AS	
	DNB Bank ASA	DNB Asset Management AS	549300MX4M35DP7FZQ31
	Sparebank 1 SR-Bank ASA	SR Boligkreditt AS	5493005EFLOPQ4K0ZF42
3. Timing for the measure			
3.1 Timing for the decision	The final decision will be made by the Ministry of Finance after the notification procedure has been completed.		
3.2 Timing for publication	The final decision will be announced as soon as it is made by the Ministry of Finance.		
3.3 Disclosure	The decision will be announced in a press release on the Ministry's website. Letters to the institutions concerned, as well as this notification, will be published together with the press release.		
3.4 Timing for application	In accordance with the notification submitted in September 2022, the buffer requirements already apply for three of the institutions (DNB Bank ASA, Kommunalbanken AS and Nordea Eiendoms kreditt AS). In the case of Sparebank 1 SR-Bank ASA, the requirement shall apply from 30/09/2024.		
3.5 Phasing in	N/A		
3.6 Review of the measure	Pursuant to Norwegian law, the measure is reviewed annually. The next revision will be undertaken in 2024.		
4. Reason for O-SII identification and activation of the O-SII buffer			

<p>4.1 Scores of institutions or group of institutions concerned, as per EBA guidelines on the assessment of O-SIIs (Article 131.3 CRD)</p>	<table border="1"> <thead> <tr> <th>Name of institution</th> <th>Size</th> <th>Substitutability</th> <th>Complexity</th> <th>Interconnectedness</th> <th>Overall Score</th> </tr> </thead> <tbody> <tr> <td>DNB Bank ASA</td> <td>3220</td> <td>3304</td> <td>5080</td> <td>4238</td> <td>3961</td> </tr> <tr> <td>Kommunalbanken AS</td> <td>544</td> <td>8</td> <td>550</td> <td>906</td> <td>502</td> </tr> <tr> <td>Sparebank 1 SR-Bank ASA</td> <td>399</td> <td>301</td> <td>445</td> <td>510</td> <td>414</td> </tr> <tr> <td>Nordea Eiendomskreditt AS</td> <td>364</td> <td>186</td> <td>79</td> <td>290</td> <td>188</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Please see the enclosed Excel-file for other institutions' scores.</p>	Name of institution	Size	Substitutability	Complexity	Interconnectedness	Overall Score	DNB Bank ASA	3220	3304	5080	4238	3961	Kommunalbanken AS	544	8	550	906	502	Sparebank 1 SR-Bank ASA	399	301	445	510	414	Nordea Eiendomskreditt AS	364	186	79	290	188																								
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<p>4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)</p>	<p>In accordance with Norwegian legislation (CRR/CRD IV-forskriften § 30), an institution shall be designated as systemically important and required to hold an O-SII buffer of 2 % if it has:</p> <p>a) total assets corresponding to at least 20 per cent of Mainland Norway's GDP, or b) a share of total loans to the public of at least 10 per cent.</p> <p>Moreover, an institution shall be designated as systemically important and required to hold an O-SII buffer of 1 % if it has:</p> <p>a) total assets corresponding to at least 10 per cent of Mainland Norway's GDP, or b) a share of total loans to the public of at least 5 per cent.</p> <p>Both criteria are mentioned as optional indicators in the EBA guidelines on the assessment of O-SIIs.</p> <p>Pursuant to the Norwegian regulation, institutions may also be designated as systemically important on the basis of, inter alia, their size, scope of operations in Norway and other countries, complexity, role in the financial infrastructure and their interconnectedness with the rest of the financial system, even though the institutions do not meet the main criteria described above. The EBA guidelines on the assessment of O-SIIs are used to assess these matters.</p> <p>Per year-end 2022, the four institutions had the following scores on the two main criteria:</p> <p>DNB: Total assets as share of Mainland Norway's GDP: 90.7 % Share of total loans to the public: 26.1 %</p> <p>Kommunalbanken: Total assets as share of Mainland Norway's GDP: 13.8 % Share of total loans to the public: 5.3 %</p> <p>Sparebank 1 SR-Bank: Total assets as share of Mainland Norway's GDP: 9.7 % Share of total loans to the public: 4.2 %</p> <p>Nordea Eiendomskreditt:</p>																																																						

	<p>Total assets as share of Mainland Norway's GDP: 9.2 % Share of total loans to the public: 5.4 %</p>
4.3 Supervisory judgement	<p>In accordance with the two main criteria, DNB Bank ASA, Kommunalbanken AS and Nordea Eiendomskreditt AS are to be identified as systemically important institutions.</p> <p>Sparebank 1 SR-Bank ASA's total assets as share of Mainland Norway's GDP is close to the qualification requirement and the bank's overall EBA-score (of 414) is higher than the suggested limit in the EBA guidelines for automatic identification of systemically important institutions. The overall assessment is that the bank should be considered as systemically important.</p>
4.4 Calibrating the O-SII buffer	<p>While institutions which meet the previous criteria (general rule) are subject to an O-SII buffer of 1 %, the O-SII buffer is 2 % for institutions scoring at least twice as high on the same objective criteria.</p>
4.5 Effectiveness and proportionality of measure	<p>Systemically important institutions have an especially significant role in Norwegian financial system, and for the Norwegian economy. The aim of higher capital requirements for such institutions is to increase their loss-bearing capacity, and thus reduce the risk of the institutions' running into difficulties that can have a severe impact on the financial system and the real economy.</p> <p>Proportionality is ensured through differentiation of the buffer requirement, based on the degree of systemic importance.</p>
5. Sufficiency, consistency and non-overlap of the policy response	
5.1 Sufficiency of the policy response	<p>The differentiated O-SII buffer is deemed to significantly increase the loss-absorbing capacity of the most systemically important institutions in Norway. The differentiation, as described in section 4.4, is considered appropriate due to the fact that the largest institution is almost six times larger than the second largest institution.</p>
5.2 Consistency of application of the policy response	<p>The objective of the measure is to limit the systemic impact of potential difficulties in the most important institutions within the Norwegian financial system. Increasing the loss-absorbing capacity of these specific institutions is deemed consistent with the objective.</p>
5.3 Non-overlap of the policy response	<p>No other measures are used to address the particular risk posed by the identified O-SIIs.</p>

6. Cross-border and cross-sector impact of the measure																																					
6.1 Assessment of cross-border effects and the likely impact on the Internal Market (Recommendation ESRB/2015/2³)	The measure promotes domestic financial stability in Norway. The measure is not expected to have negative consequences on the functioning of the single market.																																				
6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	The measure is not expected to contribute to leakages or regulatory arbitrage within the Norwegian financial system.																																				
7. Combinations and interactions with other measures																																					
7.1 Combinations between G-SII and O-SII buffers (Article 131.14)	None of the identified O-SIIs are subject to a G-SII buffer. <table border="1"> <thead> <tr> <th>Name of institution</th> <th>O-SII buffer</th> <th>G-SII buffer</th> </tr> </thead> <tbody> <tr> <td></td> <td>%</td> <td>%</td> </tr> <tr> <td></td> <td>%</td> <td>%</td> </tr> <tr> <td></td> <td>%</td> <td>%</td> </tr> </tbody> </table>	Name of institution	O-SII buffer	G-SII buffer		%	%		%	%		%	%																								
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8. Miscellaneous																																					
8.1 Contact person(s)/mailbox at notifying authority	Tormod Fauske Tho Phone: +47 22 24 45 11 / +47 22 24 45 21 E-mail: tho@fin.dep.no																																				
8.2 Any other relevant information	N/A																																				

³ 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).

8.3 Date of the notification	Please provide the date on which this notification was uploaded/sent. 26/06/2023
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