

## 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	Eesti Pank									
1.2 Country of the notifying authority	Estonia									
2. Description of the measure										
2.1a Institution or group of institutions concerned	<p>According to the decree of the Governor of Eesti Pank, the other systemically important institution buffer must be met individually and at a consolidated level. In case the credit institution is part of a consolidated group, the other systemically important institution buffer must also be met at the highest consolidated group level in Estonia.</p> <table border="1"> <thead> <tr> <th>Name of institution</th><th>LEI</th><th>Consolidation level</th></tr> </thead> <tbody> <tr> <td>Swedbank AS</td><td>549300PHQZ4HL15HH975</td><td>subconsolidated and individual</td></tr> <tr> <td>AS SEB Pank</td><td>549300ND1MQ8SNNYMJ22</td><td>subconsolidated and individual</td></tr> </tbody> </table>	Name of institution	LEI	Consolidation level	Swedbank AS	549300PHQZ4HL15HH975	subconsolidated and individual	AS SEB Pank	549300ND1MQ8SNNYMJ22	subconsolidated and individual
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<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.

	<b>Luminor Bank AS</b>	213800JD2L89GGG7LF07	Highest level of consolidation in Estonia and individual level																
	<b>AS LHV Pank</b>	529900GJOSVHI055QR67	Highest level of consolidation in Estonia and individual level																
	<b>Bigbank AS</b>	5493007SWCCN9S3J2748	Consolidated and individual level																
	<b>Coop Pank AS</b>	549300EHNXQVOI120S55	Consolidated and individual level																
<b>2.1b Changes to the list of institutions concerned</b>	N/A																		
<b>2.2 Level of the buffer applied</b>	<table border="1"> <thead> <tr> <th>Name of institution</th><th>O-SII buffer</th></tr> </thead> <tbody> <tr> <td><b>Swedbank AS</b></td><td>2%</td></tr> <tr> <td><b>AS SEB Pank</b></td><td>2%</td></tr> <tr> <td><b>Luminor Bank AS</b></td><td>2%</td></tr> <tr> <td><b>AS LHV Pank</b></td><td>2%</td></tr> <tr> <td><b>Bigbank AS</b></td><td>0.5%</td></tr> <tr> <td><b>Coop Pank AS</b></td><td>0.5%</td></tr> </tbody> </table> <p>In case the credit institution is part of a consolidated group, the other systemically important institution buffer must also be met at the highest consolidated group level in Estonia.</p>				Name of institution	O-SII buffer	<b>Swedbank AS</b>	2%	<b>AS SEB Pank</b>	2%	<b>Luminor Bank AS</b>	2%	<b>AS LHV Pank</b>	2%	<b>Bigbank AS</b>	0.5%	<b>Coop Pank AS</b>	0.5%	
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<b>2.4 Names of subsidiaries</b>	N/A																		
<b>3. Timing for the measure</b>																			
<b>3.1 Timing for the decision</b>	14/10/2025																		
<b>3.2 Timing for publication</b>	14/11/2025																		
<b>3.3 Disclosure</b>	The reviewed list of the O-SIIs identified and their O-SII buffer requirements as well as the methodology and indicators used for designation of the O-SIIs will be published on the Eesti Pank website.																		
<b>3.4 Timing for application</b>	<p>The O-SII buffer requirements for Swedbank AS and AS SEB Pank have applied since 1 August 2016.</p> <p>The O-SII buffer for AS Luminor Bank has been applicable since 1 July 2018.</p>																		

	<p>The O-SII buffer rate for AS LHV Pank has been applicable since 1 January 2023.</p> <p>The O-SII buffer requirements for Bigbank AS and Coop Pank AS have been applicable since 1 January 2025.</p>
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**3.5 Phasing in**

N/A

**3.6 Review of the measure**

The list of the O-SIIs identified and the O-SII buffer rates are generally reviewed on an annual basis.

**4. Reason for O-SII identification and activation of the O-SII buffer**

	Name of institution	Criterion					Overall Score	
		Size	Substitutability	Complexity	Interconnectedness	Importance in Estonian financial system	Step 1*	Step 2**
<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>	<b>Luminor Bank AS</b>	2741	1789	5705	3314	553	3389	1971
	<b>Swedbank AS</b>	2753	3164	1250	2327	4312	2374	3343
	<b>AS SEB Pank</b>	1593	1923	1155	1209	2378	1470	1924
	<b>AS LHV Pank</b>	1521	1909	569	2216	1618	1553	1586
	<b>Bigbank AS</b>	483	434	696	167	194	445	319
	<b>Coop Pank AS</b>	382	364	76	232	578	264	421

\* Scores are calculated according to the mandatory scoring methodology of the EBA guidelines.

\*\* For supervisory assessment the EBA mandatory indicators are complemented with two optional indicators – private sector domestic deposits and private sector domestic loans.

\*\*\* The scores have been calculated on the basis of the highest level of consolidation. Please see the scores included in Excel.

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

For identification of the O-SIIs Eesti Pank fully follows the methodology provided by the EBA guidelines. In the first step, Eesti Pank uses the mandatory scoring methodology. In the second step, Eesti Pank has added two additional indicators to take into account structural features of the Estonian banking sector. The second step on supervisory assessment was lastly adjusted in 2020, driven by substantial structural changes in the Estonian banking sector. The threshold for both of the steps is 350 basis points.

Taking into consideration the structural features of the Estonian banking sector, Eesti Pank has complemented the EBA mandatory methodology by adding a 5<sup>th</sup> category with two additional indicators (listed as optional indicators in the Annex 2 of EBA guidelines) – private sector domestic deposits and private sector domestic loans, when exercising the supervisory assessment. The added category is weighted 50% of the total score. Other categories have equal weighting, and each indicator within each category has an equal weighting relative to the other indicators within the category. The list of indicators and their weights for calculating the overall score are summarised in the following table:

Criterion	Indicators	Weights - Step 1	Weights - Step 2
<b>Size</b>	Total assets	25%	12.5%
<b>Importance (including substitutability/financial system infrastructure)</b>	Value of domestic payment transactions	8.33%	4.17%
	Private sector deposits from depositors in the EU	8.33%	4.17%
	Private sector loans to recipients in the EU	8.33%	4.17%

	Complexity/cross-border activity	Value of OTC derivatives (notional)	8.33%	4.17%
		Cross-jurisdictional liabilities	8.33%	4.17%
		Cross-jurisdictional claims	8.33%	4.17%
	Interconnectedness	Intra-financial system liabilities	8.33%	4.17%
		Intra-financial system assets	8.33%	4.17%
		Debt securities outstanding	8.33%	4.17%
	Importance in Estonian financial system	Private sector domestic deposits		25%
		Private sector domestic loans		25%

The indicators and the weights are chosen with consideration to better capture the importance of all banks in Estonia for the domestic financial system and non-financial economy.

Only banks were included in the calculations. The assessment covered the whole banking sector and Eesti Pank did not exclude any bank from the identification process. The data used for calculating the scores was obtained from FINREP and the database of Eesti Pank.

4.3 Supervisory judgement	<p>This year, Eesti Pank did not identify any additional institution as an O-SII through supervisory judgement.</p>
4.4 Calibrating the O-SII buffer	<p>Eesti Pank applies the maximum rate of 2% to those credit institutions that get an overall score of at least 1200 basis points in the assessment of systemic importance. A buffer rate of at least 0.5% is applied to credit institutions that pass the minimum threshold of 350 basis points. If the overall score for systemic importance is between 350 and 1200 basis points, the benchmark rate is found linearly, and the result rounded to the nearest 0.5 percentage point.</p> <p>The threshold of 1200 basis points results from peer review and an analysis of the systemic importance of the banks operating in Estonia. In addition, the 'equal expected impact' approach was used to assess the appropriateness of the score of 1200 basis points as the threshold for the maximum buffer rate of 2% for O-SIIs.</p>
4.5 Effectiveness and proportionality of measure	<p>The total assets of the banks identified as systemically important – Swedbank AS, AS SEB Pank, Luminor Bank AS, AS LHV Pank, Bigbank AS and Coop Pank AS – were worth 107% of Estonian GDP at the end of 2025. They had issued up to 94% of the loans to the domestic real sector and they held 99% of the total deposits of Estonian companies and households. The non-functioning of these banks would endanger the stability of the Estonian financial system, incur major costs for the state or have a negative effect on the real economy.</p> <p>In Q2 2025 the six banks fulfilled the total capital and buffer requirements with voluntary excess using CET1 capital.</p>

## 5. Sufficiency, consistency and non-overlap of the policy response

5.1 Sufficiency of the policy response	<p>The combination of the number of institutions in scope and the level of applied O-SII buffers is assessed as sufficient to significantly mitigate and reduce the contagion effects a systemically important bank could cause. Applying the supervisory assessment step in the O-SII identification methodology is necessary to better capture structural specificities of the Estonian banking sector. The O-SII buffer decision is based on the scores calculated for the O-SII identification.</p>
5.2 Consistency of application of the policy response	<p>The instrument is consistent with the goal of limiting the potential negative impact systemically important banks could have in terms of the higher risk they pose. The measure is applied under Article 131 of the Capital Requirements Directive (CRD). The identification process of systemically important credit institutions is followed by the EBA Guidelines EBA/GL/2014/10.</p>

<b>5.3 Non-overlap of the policy response</b>	The instrument is calibrated according to the respective systemic importance of each institution identified as O-SII. Currently, there are no other measures that target systemic risks in Estonian banking sector in relation to the systemically importance of credit institutions and thus there is no overlap present with other policy instruments.									
<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 (Recommendation ESRB/2015/2<sup>3</sup>)</b>	The potential impact of the O-SII buffers applied to the six banks in Estonia is small on the financial system of the European Union as a whole. In the Member States where Estonian banks have significant market share, the levels of O-SII buffer rates do not differ much. The O-SIIs in Estonia do not have subsidiaries in other European Union countries. The EU parent institutions of the two local subsidiaries identified as O-SIIs are required to hold higher buffer requirements (SyRB+O-SII buffer rate) on the consolidated level.									
<b>6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State</b>	The measure is institution-specific. Therefore, the possibility of any leakages is minimal.									
<b>7. Combinations and interactions with other measures</b>										
<b>7.1 Combinations between G-SII and O-SII buffers (Article 131.14)</b>	N/A									
<b>7.2 Combinations with systemic risk buffers (SyRBs) (Article 131.15 CRD)</b>	Following reciprocity, all credit institutions authorised in Estonia must apply a cumulatively 2% systemic risk buffer rate for all retail exposures to natural persons resident in Lithuania that are secured by residential property when calculating the systemic risk buffer.									
<b>7.3 O-SII requirement for a subsidiary (Article 131.8 CRD)</b>	As the maximum O-SII buffer rate applied by Eesti Pank currently is 2%, the cap did not prevent applying a higher O-SII buffer rate. In the future, the cap potentially may distort the implementation of the O-SII framework in Estonia. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; padding: 2px;">Name of O-SII subsidiary</th> <th style="text-align: center; padding: 2px;">Name of the EU parent of the O-SII subsidiary</th> <th style="text-align: center; padding: 2px;">Buffer applicable to O-SII EU parent</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 2px;">Swedbank AS</td> <td style="text-align: center; padding: 2px;">Swedbank AB</td> <td style="text-align: center; padding: 2px;">1%</td> </tr> <tr> <td style="text-align: center; padding: 2px;">AS SEB Pank</td> <td style="text-align: center; padding: 2px;">Skandinaviska Enskilda Banken AB</td> <td style="text-align: center; padding: 2px;">1%</td> </tr> </tbody> </table>	Name of O-SII subsidiary	Name of the EU parent of the O-SII subsidiary	Buffer applicable to O-SII EU parent	Swedbank AS	Swedbank AB	1%	AS SEB Pank	Skandinaviska Enskilda Banken AB	1%
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<b>8. Miscellaneous</b>										
<b>8.1 Contact person(s)/mailbox at notifying authority</b>	Jaak Törs, Head of Financial Stability Department +372 668 0905; jaak.tors@eestipank.ee									

<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>8.2 Any other relevant information</b>	N/A
<b>8.3 Date of the notification</b>	14 October 2025