

## 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](mailto: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 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.

<b>1. Notifying national authority</b>			
<b>1.1 Name of the notifying authority</b>	Bank of Lithuania (BoL)		
<b>1.2 Country of the notifying authority</b>	Republic of Lithuania		
<b>2. Description of the measure</b>			
<b>2.1a Institution or group of institutions concerned</b>	<b>Name of institution</b>	<b>LEI</b>	<b>Consolidation level</b>
	<b>AB SEB bankas</b>	549300SBPFE9JX7N 8J82	sub-consolidated level
	„Swedbank“, AB	549300GH3DFCXVN BHE59	sub-consolidated level
	<b>AB Artea bankas</b>	549300TK038P6EV4 YU51	highest level of consolidation
	<b>Revolut Bank UAB</b>	485100NUOK3CEDC UTW40	individual

<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authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.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>2.1b Changes to the list of institutions concerned</b>	Please note that AB Šiaulių bankas was renamed to AB Artea bankas in May 2025. The LEI of the entity remains the same.																	
<b>2.2 Level of the buffer applied</b>	<table border="1"> <thead> <tr> <th>Name of institution</th><th>New O-SII buffer</th><th>Previous O-SII buffer</th></tr> </thead> <tbody> <tr> <td><b>AB SEB bankas</b></td><td>2 %</td><td>2 %</td></tr> <tr> <td>„Swedbank“, AB</td><td>2 %</td><td>2 %</td></tr> <tr> <td><b>AB Artea bankas</b></td><td>1 %</td><td>1 %</td></tr> <tr> <td><b>Revolut Bank UAB</b></td><td>2 %</td><td>2 %</td></tr> </tbody> </table>			Name of institution	New O-SII buffer	Previous O-SII buffer	<b>AB SEB bankas</b>	2 %	2 %	„Swedbank“, AB	2 %	2 %	<b>AB Artea bankas</b>	1 %	1 %	<b>Revolut Bank UAB</b>	2 %	2 %
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<b>3.1 Timing for the decision</b>	04/12/2025																	
<b>3.2 Timing for publication</b>	05/01/2026																	
<b>3.3 Disclosure</b>	The decision will be published on the BoL's website.																	
<b>3.4 Timing for application</b>	The O-SII buffers for AB SEB bankas, „Swedbank“, AB, AB Artea bankas and Revolut Bank UAB are already in force, which is why there is no reason to set a particular timing for application.																	
<b>3.5 Phasing in</b>	The buffer requirements for AB SEB bankas, „Swedbank“, AB, AB Artea bankas and Revolut Bank UAB have been fully phased in.																	
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<b>3.6 Review of the measure</b>	The list of the identified O-SIIs and the O-SII buffer rates are reviewed at least annually as provided in Point 44.2 of the Rules for the Formation of Capital Buffers approved by the Resolution No 03-51 of the Board of the BoL of 9 April 2015.																	
<b>4. Reason for O-SII identification and activation of the O-SII buffer</b>																		

<p><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></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>AB SEB bankas</td><td>2053</td><td>2745</td><td>1888</td><td>1850</td><td>2133</td></tr> <tr> <td>„Swedbank“, AB</td><td>2752</td><td>3477</td><td>1505</td><td>2339</td><td>2518</td></tr> <tr> <td>AB Artea bankas</td><td>699</td><td>672</td><td>99</td><td>3446</td><td>1229</td></tr> <tr> <td>Revolut Bank UAB</td><td>2360</td><td>1076</td><td>4579</td><td>1417</td><td>2357</td></tr> </tbody> </table>	Name of institution	Size	Substitutability	Complexity	Interconnectedness	Overall Score	AB SEB bankas	2053	2745	1888	1850	2133	„Swedbank“, AB	2752	3477	1505	2339	2518	AB Artea bankas	699	672	99	3446	1229	Revolut Bank UAB	2360	1076	4579	1417	2357
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<p><b>4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)</b></p>	<p><i>Please provide information on:</i></p> <ol style="list-style-type: none"> <li><i>whether you followed the EBA guidelines on the assessment of O-SIIs;</i> Designation of O-SIIs in Lithuania was carried out in line with EBA Guidelines EBA/GL/2014/10 and applying a 350 basis point threshold as indicated in the Guidelines. To counteract potential effects of window dressing behaviour by banks, the scores are first calculated using the quarterly data of 2024. Then, the final score is obtained by taking the mean of the quarterly scores.</li> <li><i>which threshold score has been set to identify O-SIIs;</i> 350</li> <li><i>whether relevant entities with relative total assets not in excess of 0.02% have been excluded from the identification process;</i> No institutions were excluded from the computations in the identification process with a view to obtaining an accurate total sum of respective indicators.</li> <li><i>the names and scores of all relevant entities not excluded from the identification process (could be sent in a separate Excel file, see 4.1);</i> The Excel file is attached to the present Notification form.</li> <li><i>whether non-bank institutions have been included in the calculations.</i> Yes, central credit union groups (comprising of central credit unions and their member credit unions) were included in the calculations.</li> </ol>																														
<p><b>4.3 Supervisory judgement</b></p>	<p><i>Have any of the institutions listed in 2.1 been identified by applying supervisory judgement as laid down in EBA guidelines on the assessment of O-SIIs?</i></p> <p>No.</p>																														
<p><b>4.4 Calibrating the O-SII buffer</b></p>	<p>For the calibration of the O-SII buffer, BoL has followed the EBA Guidelines on the assessment of O-SIIs, incorporating additional criteria and changes to weights applied to each of the indicators. Recent changes in the structure of the Lithuanian financial sector, particularly the expansion of participants' foreign operations, mean that the scores derived from the methodology outlined in the EBA Guidelines (EBA/GL/2014/10) do not adequately reflect the systemic importance of all credit institutions operating in Lithuania. As a result, domestic</p>																														

indicators that are essential for assessing the systemic importance of financial services to the Lithuanian economy would be underestimated when using only mandatory indicators. The adjusted methodology introduces an additional criterion – Importance to the Lithuanian Economy, which is represented by two indicators:

- Deposits of households and non-financial corporations which are Lithuanian residents;
- Loans to households and non-financial corporations which are Lithuanian residents.

The O-SII scores provided in the below table adhere to the adjusted methodology that BoL uses to determine the systemic importance of credit institutions and set the O-SII capital buffer requirements for relevant market participants in Lithuania.

Name of institution	Size	Substitutability	Complexity	Interconnectedness	Importance to the Lithuanian Economy	Overall Score
AB SEB bankas	2053	2745	1888	2617	2667	2428
„Swedbank” , AB	2752	3477	1505	3308	3502	2983
AB Artea bankas	699	672	99	880	956	698
Revolut Bank UAB	2360	1076	4579	2004	51	1768

The Importance to the Lithuanian Economy criterion is given a 30% weight (15% for each indicator), with the remaining four criteria allocated a weight of 17.5% each. Furthermore, the weight of the debt securities outstanding indicator is reduced to 1%. The rationale for such an adjustment is based on the fact that the value of the indicator in Lithuania is very small – as of end-2024, it amounted to EUR 461 million or 0.6% of the total assets indicator. Therefore, taking this indicator into account at full weight distorts the overall results to a great degree. By reducing the weight of the debt securities outstanding indicator to 1%, greater weight is given to the two remaining indicators in the interconnectedness criteria (8.25% each). To counteract potential effects of window dressing behaviour by banks, the scores are first calculated using the quarterly data of 2024. Then, the final score is obtained by taking the mean of the quarterly scores.

The table below provides a comparison of the methodologies.

Criteria	Indicator	Weights as described in the Guidelines	Weights for the calibration score
Size	Total assets	25 %	17.5 %
Importance (including substitutability/financi	Value of domestic payment transactions	8.33 %	5.83 %

	al system infrastructure)	Private sector deposits from depositors in the EU	8.33 %	5.83 %
		Private sector loans to recipients in the EU	8.33 %	5.83 %
Complexity/cross-border activity	Value of OTC derivatives (notional)	8.33 %	5.83 %	
	Cross-jurisdictional liabilities	8.33 %	5.83 %	
	Cross-jurisdictional claims	8.33 %	5.83 %	
Interconnectedness	Cross-jurisdictional claims	8.33 %	8.25 %	
	Intra-financial system assets	8.33 %	8.25 %	
	Debt securities outstanding	8.33 %	1 %	
Importance to the Lithuanian economy	Deposits of households and non-financial corporations which are Lithuanian residents	-		15 %
	Loans to households and non-financial corporations which are Lithuanian residents.	-		15 %
	As the Guidelines do not specify any buffer calibration methods, the calibration was based on 2 approaches: "expected impact" and "expected losses" (detailed below). The quarterly returns on risk weighted assets (RoRWA) of banks operating in Lithuania were used for both methods. Institution-specific O-SII capital buffers were calculated as an average of the results from both approaches.			
	1. The goal of the "expected impact" approach is to determine particular O-SII capital buffers so that the expected impact of failure of systemically important banks (SIBs) would equal that of a reference non-SIB (a reference non-SIB is defined as an institution with the systemic importance score of 350 basis points). Since SIBs have higher economic costs of failure than non-SIBs, the probability of default (PD) of SIBs must be lower than the PD of the reference non-SIB in order to achieve an equal expected impact of failure. Additional O-SII capital buffers for SIBs lower their PDs and thus limit their economic costs of failure. The defined O-SII score of each SIB was used as the relative measure of the economic costs of failure, while the threshold of 350 basis points was used as the			

	<p>relative measure of the economic costs of failure of the reference non-SIB. The PD of a reference non-SIB was determined using the empirical distribution of the RoRWA of banks operating in Lithuania.</p> <p>2. The “expected losses” calibration is based on determining the required loss absorbing capacity of SIBs. It was assumed that a larger than 2.5% loss of the capital adequacy ratio would render a SIB insolvent. The 2.5% capital adequacy threshold for losses was chosen to proxy the capital conservation buffer. The amount of additional capital buffer needed for each SIB is determined by its systemic importance score with the intention to increase its ability to withstand a loss that equals the historical average of Lithuanian bank losses in excess of 2.5% of the capital adequacy ratio.</p> <p>The amount of additional capital needed was calculated proportionally to the SIB score in excess of 350 basis points using the average of historical losses exceeding 2.5% of the capital adequacy ratio and the probability of such event.</p>
<b>4.5 Effectiveness and proportionality of measure</b>	<p>Lithuania’s banking system is highly concentrated. As of end-2024, the market share of the 3 largest banks comprised 73.5% of the total assets of Lithuania’s banking system. The failure of a systemically important institution could have a severe negative impact on the stability of the Lithuanian financial sector and on the real economy. A higher capital requirement for systemically important institutions improves the overall banking sector resilience against negative shocks and helps limiting the possibility of misaligned incentives of systemically important financial institutions.</p> <p>Activities of AB SEB bankas, „Swedbank“, AB, AB Artea bankas and Revolut Bank UAB should not be affected by this intended O-SII decision because the buffers remain unchanged compared to the previous notification period.</p>
<b>5. Sufficiency, consistency and non-overlap of the policy response</b>	
<b>5.1 Sufficiency of the policy response</b>	<p>In the case of AB Artea bankas, the measure is deemed sufficient by the BoL, taking into account its relatively more moderate size and importance in various financial services.</p> <p>For AB SEB bankas and „Swedbank“, AB, the measure is presently deemed sufficient within the current legal framework – the maximum O-SII buffer rate allowed by the provision of Art. 131.8(a) of the CRD is set. It is worth noting that the buffer resulting from the application of BoL’s calibration methodology (see Section 4.4) implies somewhat higher O-SII capital buffers for these banks. However, due to the size of the O-SII buffers set to the parent banks of these institutions, BoL may not set buffer rates higher than 1% to AB SEB bankas and „Swedbank“, AB. As of end-2024, the two banks accounted for 20.2% and 26.2%, respectively, of the Lithuanian banking sector in terms of their assets. In case either of them would be faced with financial difficulties, it could cause significant negative consequences for the entire financial sector, as well as for the real economy.</p> <p>In the case of Revolut Bank UAB, the measures are deemed sufficient by the BoL, taking into account its consistent growth. Based on end-2024 data, Revolut Bank UAB is now the largest bank in Lithuania in terms of total assets (27%). The bank’s O-SII score has been steadily increasing, indicating that the 2% buffer rate is warranted.</p>
<b>5.2 Consistency of application of the policy response</b>	<p>The measure is consistent with the aim of limiting the potential negative impact systemically important banks could have in terms of the higher risk they pose. In application of the measure the BoL adheres to the common principles set out in Article 131 of CRD and EBA Guidelines EBA/GL/2014/10.</p>

<b>5.3 Non-overlap of the policy response</b>	There are no other policy instruments used to address the same endogenous risk stemming from the systemic importance of particular institutions. A sectoral Systemic Risk Buffer (SyRB) (see Section 7.2), effective from 1 July 2022, aims to fortify the banking sector against persistent risks in the housing market, where overvaluation remains and prices continue to rise despite slower growth. High mortgage exposure – above 44% of total loans at the time of the review of the measure conducted in 2024 – leaves banks vulnerable to potential quality deterioration, and any sharp price correction could also impact construction and real estate firms.						
<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>	Cross-border effects and the impact on the internal market are expected to be non-material as the cross-border activities of AB SEB bankas, „Swedbank“, AB, AB Artea bankas within the EU are limited and the business model of Revolut Bank UAB is primarily focused on payment services.						
<b>6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State</b>	No leakages or regulatory arbitrage is expected.						
<b>7. Combinations and interactions with other measures</b>							
<b>7.1 Combinations between G-SII and O-SII buffers (Article 131.14)</b>	<p>N/A</p> <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> </tbody> </table>	Name of institution	O-SII buffer	G-SII buffer		%	%
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	%	%					
<b>7.2 Combinations with systemic risk buffers (SyRBs) (Article 131.15 CRD)</b>	<p>a. <i>What is/are the systemic risk buffer rate(s)?</i></p> <p>A sectoral SyRB rate of 2 % to retail (natural persons) exposures in Lithuania which are secured by residential property is effective from 1 July 2022. All banks and central credit union groups are subject to the sectoral SyRB if their exposure to the relevant sector is above a set materiality threshold.</p> <p>b. <i>At what level is/are the systemic risk buffer rate(s) applied (i.e. consolidation level and/or individual)?</i></p> <p>The buffer rate is applied at the national consolidation level.</p> <p>c. <i>Is the sum of the systemic risk buffer rate(s) and the O-SII buffer rate (or the higher of the G-SII and O-SII buffer rates, if a group is subject to a G-SII buffer and to an O-SII buffer at consolidated level) to which the same institution is subject over 5%?</i></p> <p>No.</p>						

<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).

	Name of institution	SyRB rate	SyRB application level	Sum of G-SII/O-SII and SyRB rates										
<b>AB SEB bankas</b>	2 %	Sub-consolidated	4 %											
„Swedbank“, AB	2 %	Sub-consolidated	4 %											
<b>AB Artea bankas</b>	2 %	Highest level of consolidation	3 %											
<b>7.3 O-SII requirement for a subsidiary (Article 131.8 CRD)</b>					The buffer calibration methodology applied by BoL suggests higher O-SII buffer rates for AB SEB bankas and „Swedbank“, AB than is allowed by Art. 131.8(a) of the CRD.									
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„Swedbank“, AB	Swedbank AB	1 %												
<b>8. Miscellaneous</b>														
<b>8.1 Contact person(s)/mailbox at notifying authority</b>	Milda Stankuvienė, Head of the Macroprudential Policy Division, +370 659 36 954 ( <a href="mailto:mstankuviene@lb.lt">mstankuviene@lb.lt</a> ) Urtė Kalinauskaitė, Senior Economist - Macroprudential Policy Division, +370 652 93 431 ( <a href="mailto:ukalinauskaite@lb.lt">ukalinauskaite@lb.lt</a> )													
<b>8.2 Any other relevant information</b>														
<b>8.3 Date of the notification</b>	05/12/2025													