

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	Finansinspektionen (Swedish Financial Supervisory Authority)		
1.2 Country of the notifying authority	Sweden		
2. Description of the measure			
2.1a Institution or group of institutions concerned	-		
	Name of institution	LEI	Consolidation level
	Skandinaviska Enskilda Banken AB	F3JS33DEI6XQ4ZBPTN86	consolidated
	Swedbank AB	M312WZV08Y7LYUC71685	consolidated
	Svenska Handelsbanken AB	NHBDILHZTYCNBV5UYZ31	consolidated
	Nordea Hypotek AB	5493000K2HPWIF6MFO29	individual

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authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.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	No changes.																										
2.2 Level of the buffer applied	At what level is the fully phased-in buffer (in %) applied to the institution(s)?																										
	<table border="1"> <thead> <tr> <th data-bbox="568 331 833 362">Name of institution</th> <th data-bbox="839 331 1152 362">New O-SII buffer</th> <th data-bbox="1158 331 1439 362">Previous O-SII buffer</th> </tr> </thead> <tbody> <tr> <td data-bbox="568 371 833 421">Skandinaviska Enskilda Banken AB</td> <td data-bbox="839 371 1152 421">1,00%</td> <td data-bbox="1158 371 1439 421">1,00%</td> </tr> <tr> <td data-bbox="568 430 833 461">Swedbank AB</td> <td data-bbox="839 430 1152 461">1,00%</td> <td data-bbox="1158 430 1439 461">1,00%</td> </tr> <tr> <td data-bbox="568 470 833 501">Svenska Handelsbanken AB</td> <td data-bbox="839 470 1152 501">1,00%</td> <td data-bbox="1158 470 1439 501">1,00%</td> </tr> <tr> <td data-bbox="568 510 833 542">Nordea Hypotek AB</td> <td data-bbox="839 510 1152 542">1,00%</td> <td data-bbox="1158 510 1439 542">1,00%</td> </tr> <tr> <td data-bbox="568 551 833 582"></td> <td data-bbox="839 551 1152 582"></td> <td data-bbox="1158 551 1439 582"></td> </tr> <tr> <td data-bbox="568 591 833 609"></td> <td data-bbox="839 591 1152 609"></td> <td data-bbox="1158 591 1439 609"></td> </tr> </tbody> </table>						Name of institution	New O-SII buffer	Previous O-SII buffer	Skandinaviska Enskilda Banken AB	1,00%	1,00%	Swedbank AB	1,00%	1,00%	Svenska Handelsbanken AB	1,00%	1,00%	Nordea Hypotek AB	1,00%	1,00%						
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3.1 Timing for the decision	08/09/2023																										
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3.3 Disclosure	Publish on our website, www.fi.se.																										
3.4 Timing for application	What is the intended date of application of the measure? 31/12/2023																										
3.5 Phasing in	<p>N/A</p> <table border="1"> <thead> <tr> <th data-bbox="568 1756 887 1787">Name of institution</th> <th data-bbox="893 1756 1002 1787">Date1</th> <th data-bbox="1008 1756 1117 1787">Date2</th> <th data-bbox="1123 1756 1232 1787">Date3</th> <th data-bbox="1238 1756 1347 1787">Date4</th> <th data-bbox="1353 1756 1439 1787">Date5</th> </tr> </thead> <tbody> <tr> <td data-bbox="568 1796 887 1827"></td> <td data-bbox="893 1796 1002 1827">%</td> <td data-bbox="1008 1796 1117 1827">%</td> <td data-bbox="1123 1796 1232 1827">%</td> <td data-bbox="1238 1796 1347 1827">%</td> <td data-bbox="1353 1796 1439 1827">%</td> </tr> <tr> <td data-bbox="568 1836 887 1868"></td> <td data-bbox="893 1836 1002 1868">%</td> <td data-bbox="1008 1836 1117 1868">%</td> <td data-bbox="1123 1836 1232 1868">%</td> <td data-bbox="1238 1836 1347 1868">%</td> <td data-bbox="1353 1836 1439 1868">%</td> </tr> </tbody> </table>						Name of institution	Date1	Date2	Date3	Date4	Date5		%	%	%	%	%		%	%	%	%	%			
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3.6 Review of the measure	Year-end 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>	<p>Please list here the names, overall scores and category scores of the O-SIIs identified based on</p> <ol style="list-style-type: none"> size; importance for the economy of the relevant Member State or the Union, capturing substitutability/financial institution infrastructure; complexity, including the additional complexities from cross-border activity; interconnectedness of the institution or (sub-)group with the financial system. <table border="1" data-bbox="571 555 1437 958"> <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>Skandinaviska Enskilda Banken AB</td> <td>1987</td> <td>1986</td> <td>4120</td> <td>2339</td> <td>2608</td> </tr> <tr> <td>Swedbank AB</td> <td>1621</td> <td>1814</td> <td>2752</td> <td>1208</td> <td>1849</td> </tr> <tr> <td>Svenska Handelsbanken AB</td> <td>2046</td> <td>1610</td> <td>1628</td> <td>1364</td> <td>1662</td> </tr> <tr> <td>Nordea Hypotek AB</td> <td>462</td> <td>254</td> <td>4</td> <td>663</td> <td>346</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>	Name of institution	Size	Substitutability	Complexity	Interconnectedness	Overall Score	Skandinaviska Enskilda Banken AB	1987	1986	4120	2339	2608	Swedbank AB	1621	1814	2752	1208	1849	Svenska Handelsbanken AB	2046	1610	1628	1364	1662	Nordea Hypotek AB	462	254	4	663	346																								
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<p>4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)</p>	<p>Please provide information on:</p> <ol style="list-style-type: none"> whether you followed the EBA guidelines on the assessment of O-SIIs; Yes which threshold score has been set to identify O-SIIs; 350 whether relevant entities with relative total assets not in excess of 0.02% have been excluded from the identification process; No 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); Please see 3.3 whether non-bank institutions have been included in the calculations. Yes, non-bank institutions under CRR/CRD were included. 																																																						
<p>4.3 Supervisory judgement</p>	<p>Nordea Hypotek AB was identified using supervisory judgement in combination with the fact that the total score by a good margin exceeds the EBA's lower threshold of 275. We did not use any optional indicators.</p>																																																						
<p>4.4 Calibrating the O-SII buffer</p>	<p>Skandinaviska Enskilda Banken AB, Svenska Handelsbanken AB, Swedbank AB and Nordea Hypotek AB shall be subject to an O-SII buffer of 1 % because they, through their operations separately create risks that not only can affect the own institution's survival but also lead to risks for the stability of the financial system. FI has concluded that these risks require an add-on of at least 1pp for each of the three largest banks O-SII.</p>																																																						

	Nordea Hypotek AB is a subsidiary and is subject to the capital requirements set by the Finnish authorities on its parent Nordea Bank Abp. Finansinspektionen has judged it necessary to set an additional buffer requirement of 1pp on the subsidiary.
4.5 Effectiveness and proportionality of measure	The O-SII buffer covers risks that the other measures in CRR and CRD do not cover. Given the amendments to CRR and CRD, including e.g. the pillar 2 guidance, Finansinspektionen considers that the O-SII buffer shall be 1 %.
5. Sufficiency, consistency and non-overlap of the policy response	
5.1 Sufficiency of the policy response	FI does not believe that a 1% O-SII buffer in isolation is sufficient to completely mitigate the risks mentioned in section 4.4. As such, and taking into account the accumulation rules of the O-SII buffer and Systemic Risk Buffer when applied at the consolidated level, additional capital requirements have been applied to the three large Swedish O-SIIs via the SRB and Pillar 2 in order to mitigate the individual and aggregate risks. Note, however, that the un-addressed O-SII risk encompasses only a small part of the justification for these additional measures.
5.2 Consistency of application of the policy response	The policy response of setting an O-SII buffer is consistent with the goal of limiting the potential risks stemming from a failure of these institutions on the overall Swedish banking market. The measure is applied in a consistent manner, strengthening the resilience of financial infrastructure through build-up of loss absorption capacity within these institutions.
5.3 Non-overlap of the policy response	No other policy instruments used to address the same systemic risk. Svenska Handelsbanken AB, Swedbank AB, Skandinaviska Enskilda Banken AB are subject to an O-SII buffer, a systemic risk buffer and a risk weight floor for mortgages via article 458. The measures cover different risks and complement each other.
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)	<p>FI does not expect the measure to have any negative consequences on the functioning of the single market. The O-SII buffer is placed on Svenska Handelsbanken AB's, Swedbank AB's, Skandinaviska Enskilda Banken AB's total exposures, thus no difference is made based on the domicile of the exposures.</p> <p>When a few banks dominate a national banking system, the risk is that the markets perceive them to be subject to some form of implicit state guarantee, especially in countries with strong fiscal positions such as Sweden. The additional capital requirements for the large banks could be seen as somewhat reducing this competitive advantage, a measure which should be regarded as positive for the single market.</p>

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).

6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	<p>As regards domestic implications, the differences between the total structural buffers for the biggest Swedish institutions are kept at their previous levels.</p>																																				
7. Combinations and interactions with other measures																																					
7.1 Combinations between G-SII and O-SII buffers (Article 131.14)	<p>There are no entities in Sweden subject to both buffers.</p> <table border="1" data-bbox="571 551 1442 701"> <thead> <tr> <th>Name of institution</th> <th>O-SII buffer</th> <th>G-SII buffer</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">%</td> <td style="text-align: center;">%</td> </tr> <tr> <td></td> <td style="text-align: center;">%</td> <td style="text-align: center;">%</td> </tr> <tr> <td></td> <td style="text-align: center;">%</td> <td style="text-align: center;">%</td> </tr> </tbody> </table>	Name of institution	O-SII buffer	G-SII buffer		%	%		%	%		%	%																								
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7.2 Combinations with systemic risk buffers (SyRBs) (Article 131.15 CRD)	<p>Are any of the institutions identified as O-SIIs subject to a systemic risk buffer? If yes, please provide the following information:</p> <p>a. What is/are the systemic risk buffer rate(s)? See below</p> <p>b. At what level is/are the systemic risk buffer rate(s) applied (i.e. consolidation level and/or individual)? The systemic risk buffer is applied at the same consolidation level as the O-SII buffer.</p> <p>c. 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%? No</p> <table border="1" data-bbox="571 1227 1422 1610"> <thead> <tr> <th>Name of institution</th> <th>SyRB rate</th> <th>SyRB application level</th> <th>Sum of G-SII/O-SII and SyRB rates</th> </tr> </thead> <tbody> <tr> <td>Skandinaviska Enskilda Banken AB</td> <td style="text-align: center;">3,00%</td> <td style="text-align: center;">consolidated</td> <td style="text-align: center;">4,00%</td> </tr> <tr> <td>Swedbank AB</td> <td style="text-align: center;">3,00%</td> <td style="text-align: center;">consolidated</td> <td style="text-align: center;">4,00%</td> </tr> <tr> <td>Svenska Handelsbanken AB</td> <td style="text-align: center;">3,00%</td> <td style="text-align: center;">consolidated</td> <td style="text-align: center;">4,00%</td> </tr> <tr> <td></td> <td style="text-align: center;">%</td> <td></td> <td style="text-align: center;">%</td> </tr> <tr> <td></td> <td style="text-align: center;">%</td> <td></td> <td style="text-align: center;">%</td> </tr> <tr> <td></td> <td style="text-align: center;">%</td> <td></td> <td style="text-align: center;">%</td> </tr> <tr> <td></td> <td style="text-align: center;">%</td> <td></td> <td style="text-align: center;">%</td> </tr> <tr> <td></td> <td style="text-align: center;">%</td> <td></td> <td style="text-align: center;">%</td> </tr> </tbody> </table>	Name of institution	SyRB rate	SyRB application level	Sum of G-SII/O-SII and SyRB rates	Skandinaviska Enskilda Banken AB	3,00%	consolidated	4,00%	Swedbank AB	3,00%	consolidated	4,00%	Svenska Handelsbanken AB	3,00%	consolidated	4,00%		%		%		%		%		%		%		%		%		%		%
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7.3 O-SII requirement for a subsidiary (Article 131.8 CRD)	<p>For Nordea Hypotek AB, its parent – Nordea Bank Abp – is subject to a 2.5% O-SII buffer.</p> <p>Does the cap for the subsidiary prevent the implementation of a higher O-SII buffer based on the domestic buffer setting methodology? No</p> <table border="1" data-bbox="571 1818 1422 2022"> <thead> <tr> <th>Name of O-SII subsidiary</th> <th>Name of the EU parent of the O-SII subsidiary</th> <th>Buffer applicable to O-SII EU parent</th> </tr> </thead> <tbody> <tr> <td>Nordea Hypotek AB</td> <td style="text-align: center;">Nordea Bank Abp</td> <td style="text-align: center;">2,50%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">%</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	Nordea Hypotek AB	Nordea Bank Abp	2,50%			%			%																								
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8. Miscellaneous	
8.1 Contact person(s)/mailbox at notifying authority	Per Axelsson, Analyst, Bank Analysis and Policy +46 76 507 8148 per.axelsson@fi.se
8.2 Any other relevant information	
8.3 Date of the notification	Please provide the date on which this notification was uploaded/sent. 09/10/2023