Official Journal
of the European Union

EN
L series

2025/400

27.2.2025

DECISION OF THE STANDING COMMITTEE OF THE EFTA STATES No. 6/2024/SC

of 24 October 2024

on the resetting of the systemic risk buffer pursuant to Article 133 and the Norwegian notification of the resetting of an O-SII buffer pursuant to Article 131 of Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions, as incorporated into the EEA Agreement by Joint Committee Decision No 79/2019 and later amendments [2025/400]

THE STANDING COMMITTEE OF THE EFTA STATES,

Having regard to the Agreement on the European Economic Area ('the EEA Agreement'), and in particular point 14 to Annex IX thereof,

Having regard to the Opinion of the European Systemic Risk Board ([1]),

Whereas:

(1) According to Article 131(6), point (b), of Directive 2013/36/EU (CRD), competent or designated authorities must review at least annually the other systemically important institutions' ('O-SIIs') buffer rates they require to be maintained. According to paragraph 12, second subparagraph of that Article, competent or designated authorities must also review annually the identification of the O-SIIs to which such buffer rate is imposed. According to Article 131(7) of that Directive, as incorporated into the EEA Agreement, competent or designated authorities must notify the European Systemic Risk Board ('ESRB') before setting or resetting a buffer rate for O-SIIs, and the ESRB is to forward such notifications to the Standing Committee of the EFTA States, the European Banking Authority and the competent and designated authorities of the EEA Contracting Parties concerned without delay.

(2) According to Article 131(15) of the CRD, in combination with paragraph 5a, third subparagraph of that Article, the Standing Committee of the EFTA States needs to authorise macroprudential measures in an EEA EFTA State that lead to a combined systemic risk buffer (SyRB) rate and O-SII buffer rate that exceeds 5 % of the relevant risk exposure amount for a given credit institution and set or subset of exposures. According to the same Articles of the CRD, the ESRB is to provide the Standing Committee of the EFTA States, within six weeks of receipt of a notification as referred to in Article 131(7) of the CRD, with an opinion on whether the combined SyRB rate and O-SII buffer rate is appropriate.

(3) On 5 November 2020, the Norwegian Ministry of Finance notified the ESRB, under Article 133(11) of Directive 2013/36/EU as applicable to and in Norway on 1 January 2020 ([2]), of its intention to set a SyRB rate of 4,5 % applicable to all credit institutions authorised in Norway. On 4 December 2020, the ESRB adopted Recommendation of the European Systemic Risk Board of 4 December 2020 regarding Norwegian notification of its intention to set a SyRB rate in accordance with Article 133 of Directive (EU) 2013/36/EU (ESRB/2020/14), in which it recommended that the proposed SyRB rate to be applied in Norway should be considered justified, suitable, proportionate, effective and efficient in relation to the risk targeted by the Norwegian Ministry of Finance. On 4 December 2020, the Standing Committee of the EFTA States, taking into account the above-mentioned recommendation of the ESRB, adopted Recommendation by the Standing Committee of the EFTA States No. 1/2020/SC in which it did not recommend any changes to the notified measure.

([1]) Opinion of the European Systemic Risk Board of 7 October 2024 regarding the Norwegian notifications of the resetting of the systemic risk buffer pursuant to Article 133 and of the resetting of the O-SII buffer pursuant to Article 131 of Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions (ESRB/2024/6).

([2]) Before the incorporation of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures into the EEA Agreement by Joint Committee Decision no. 383/2021.

(4) On 30 September 2022 the Norwegian Ministry of Finance notified the ESRB concerning its intention to require three institutions to maintain an O-SII buffer of Common Equity Tier 1 capital, in accordance with Article 131 of the CRD. On 15 November 2022 the ESRB provided the Standing Committee of the EFTA States with an Opinion which found that the level of the O-SII buffers in cumulation with the SyRB is effective and proportionate to address the identified risks. On 16 December 2022, the Standing Committee of the EFTA States, taking into account the above-mentioned Opinion of the ESRB, adopted Decision of the Standing Committee of the EFTA States No. 2/2022/SC which authorised the Norwegian Ministry of Finance to implement the O-SII buffer rates that result in the combined SyRB and O-SII buffer rate in excess of 5 % of the relevant risk exposure amount for three credit institutions, for a period of up to one year starting on 16 December 2022.

(5) On 26 June 2023 the Norwegian Ministry of Finance notified the ESRB of its intention to require four institutions to maintain an O-SII buffer of Common Equity Tier 1 capital, in accordance with Article 131 of the CRD. The ESRB provided the Standing Committee of the EFTA States with an Opinion on 3 August 2023 which found that the level of the O-SII buffers in cumulation with the SyRB continued to be effective and proportionate to address the identified risks. On 21 September 2023, the Standing Committee of the EFTA States, taking into account the above-mentioned Opinion of the ESRB, adopted Decision of the Standing Committee of the EFTA States No. 3/2023/SC which authorised the Norwegian Ministry of Finance to implement the O-SII buffer rates that result in the combined SyRB and O-SII buffer rate in excess of 5 % of the relevant risk exposure amount for three credit institutions, for a period of up to one year starting on 21 September 2023.

(6) On 29 August 2024 the Norwegian Ministry of Finance sent a formal notification to the ESRB concerning its intention to reset the current SyRB at its existing rate of 4,5 %. On the same date, the NFM also notified the ESRB of its intention to require four institutions to maintain an O-SII buffer of Common Equity Tier 1 capital, in accordance with Article 131 of the CRD. The Secretariat of the ESRB acknowledged receipt of the notification on 30 August 2024 and forwarded it, according to Article 131(5a) CRD, to the Standing Committee of the EFTA States the same day.

(7) The notified O-SII buffer will apply to four domestic credit institutions, one of which is a subsidiary whose parent entity is established in another European Economic Area country. Three of the credit institutions will be subject to an O-SII buffer of 1 % and one will be subject to a buffer of 2 %.

(8) The Norwegian Ministry of Finance has identified these credit institutions as O-SIIs pursuant to the following criteria: (i) total assets as share of Norway's gross domestic product (GDP) and/or (ii) loans to the private non-financial sector as share of total loans to the private non-financial sector in Norway. These criteria are listed as optional indicators in Annex 2 to the European Banking Authority's guidelines on the criteria to determine the conditions of application of Article 131(3) CRD in relation to the assessment of O-SIIs ([3]). In addition to these two main criteria, the Norwegian Ministry of Finance also considered the mandatory indicators of the EBA Guidelines when applying its supervisory judgement.

(9) As the 4,5 % SyRB and the proposed O-SII buffers will result in combined buffer rates above 5 %, the ESRB provided the Standing Committee of the EFTA States with an opinion on the proposed measure on 9 October 2024.

(10) In its Opinion of 9 October 2024, and the accompanying Assessment Note, the ESRB reviews the risks addressed through the proposed measure and finds that the risks leading to the resetting of the O-SII buffers stem from the particularly important role played by O-SIIs in the Norwegian economy.

([3]) EBA/GL/2014/10.

(11) The ESRB continues to be of the view that the level of the O-SII buffers in cumulation with the SyRB is appropriate and effective to address the identified risks. In that regard the ESRB takes into account that the O-SII buffers are cumulative with the existing SyRB to which the credit institutions are already subject. The ESRB notes that under the current circumstances, the cumulative buffer rates are assessed as appropriate and effective to address the identified risks for each of the credit institutions that falls within the scope of these two measures. In particular, the cumulative buffer rates do not entail disproportionate adverse effects on financial stability in Norway nor is it expected to form or create an obstacle to the proper functioning of the internal market.

(12) The Standing Committee of the EFTA States also takes note that the ESRB in the accompanying Assessment Note mentions that its assessment team is of the view that the Norwegian authorities are encouraged to monitor the impact of upcoming regulatory changes on the effectiveness of the SyRB and O-SII buffer measures.

(13) The Standing Committee of the EFTA States, after having examined the notification by the Norwegian Ministry of Finance of 29 August 2024 and taking into account the ESRB opinion, assess that the combination of the notified O-SII buffer rate for the credit institutions concerned and the SyRB in place for the exposures and credit institutions concerned does not entail disproportionate adverse effects on the whole or parts of the financial system of other EEA Contracting Parties, or of the EEA as a whole forming or creating an obstacle to the proper functioning of the internal market.

HAS DECIDED AS FOLLOWS:

Article 1

SyRB and O-SII buffer rates

The Norwegian Ministry of Finance is hereby authorised to implement the O-SII buffer rates that result in the combined SyRB and O-SII buffer rate in excess of 5 % of the relevant risk exposure amount for the following credit institutions, for a period of up to one year starting on *24 October 2024*, provided that the conditions for applying that SyRB and the O-SII buffer rates remain fulfilled:

Credit institution	Combined SyRB and O-SII buffer rate
DNB Bank ASA	6,5 %
Kommunalbanken AS	5,5 %
Nordea Eiendomskreditt AS	5,5 %
Sparebank 1 SR-Bank ASA	5,5 %

Article 2

Addressee

This Decision is addressed to the Norwegian Ministry of Finance, Finansdepartementet, Akersgata 40, 0180 Oslo, Norway.

Article 3

Publication

This Decision shall be published in the EEA Section of, and in the EEA Supplement to, the Official Journal of the European Union.

Article 4

Entry into force and application

This Decision shall enter into force on the day of its adoption.

Done at Brussels, 24 October 2024.

For the Standing Committee

The Chair	*The Secretary-General*
Anders H. EIDE	Kurt JÄGER