

Annex IV – Insolvency ranking¹

Rank	Name	Description	Legal basis	Comments
1	Common equity Tier 1 instruments	Accepted claims of a credit institution which arise from own funds provided for in Articles 26-88 of Regulation (EU) No 575/2013 of the European Parliament and of the Council. Common Equity Tier 1 items are reduced first in proportion to the losses.	Subsection 131 (2) of the Credit Institutions Act, Subsection 74 (1) 1) of Financial Crisis Prevention and Resolution Act	Claims arising from own funds are separated into Common equity Tier 1 Instruments, Additional Tier 1 instrument and Tier 2 capital instruments in accordance with clause 74(1) of Financial Crisis Prevention and Resolution Act
2	Additional Tier 1 instrument	Accepted claims of a credit institution which arise from own funds provided for in Articles 26-88 of Regulation (EU) No 575/2013 of the European Parliament and of the Council. if the reduction of Common Equity Tier 1 items is less than the aggregate amount of write down, the amounts of Additional Tier 1 items are reduced to the extent required and, where appropriate, to the extent of the aggregate amount of Additional Tier 1 capital.	Subsection 131 (2) of the Credit Institutions Act, Subsection 74 (1) 2) of Financial Crisis Prevention and Resolution Act	

¹ This is the translation of the insolvency ranking published by Finantsinspektsioon in Estonian in accordance with article 8 of Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities. The ranking starts with the most junior ranking instruments and items. The ranking takes into account the bail-in specifics stipulated in Financial Crisis Prevention and Resolution Act. Finantsinspektsioon reserves the right to change the ranking at any time. In case of differences between the Estonian and English version of the insolvency ranking, the Estonian version supersedes.

Rank	Name	Description	Legal basis	Comments
3	Tier 2 capital instruments	Accepted claims of a credit institution which arise from own funds provided for in Articles 26-88 of Regulation (EU) No 575/2013 of the European Parliament and of the Council. if the amount of the total reduction of Common Equity Tier 1 and Additional Tier 1 items is less than the aggregate amount of write down, the amounts of Tier 2 items are reduced to the extent required and, where appropriate, to the extent of the aggregate amount of Additional Tier 1 capital.	Subsection 131 (2) of the Credit Institutions Act, Subsection 74 (1) 3) of Financial Crisis Prevention and Resolution Act	
4	Capital instruments and subordinated obligations not included in own funds	Capital instruments and subordinated obligations which are not included in the own funds specified in Articles 26 to 88 of Regulation (EU) No 575/2013 of the European Parliament and of the Council.	Subsection 131 (1) 6) of the Credit Institutions Act	
5	Other unsecured claims	Other unsecured claims arising from debt instruments with a contractual maturity of at least one year as of the date of their issue, which do not contain the characteristics of derivatives and which are not derivative instruments, and for which the contractual documentation and prospectus related to their issue, when relevant, clearly indicate the degree of lower satisfaction.	Subsection 131 (1) 5 ¹) of the Credit Institutions Act	
6	Late/Other	Other accepted claims both submitted on time and submitted not on time	Subsection 131 (1) 4) and 5) of the Credit Institutions Act, Subsection 74 (9) of Financial Crisis Prevention and Resolution Act	Late and Other claims are merged in accordance with Subsection 74 (9) of Financial Crisis Prevention and Resolution Act

Rank	Name	Description	Legal basis	Comments
7	Dep-ISME	Claims arising from deposits of natural persons and microenterprises, small and medium-sized enterprises which are subject to guarantee by the Guarantee Fund in the part which exceeds the limits for compensation (including branches in 3rd countries).	Subsection 131 (1) 3) of the Credit Institutions Act	
8	Ins-Dep	Secured deposits and claims of the Guarantee Fund which have arisen from the right of recourse of depositors whose deposits have been compensated by the Guarantee Fund.	Subsection 131 (1) 2) of the Credit Institutions Act	
9	Pledged	Accepted claims secured by a pledge (to the extent provided in section 153 subsection 2 of the Bankruptcy Act).	Subsection 131 (1) 1) of the Credit Institutions Act	