



Communication Department

## PRESS RELEASE

Madrid, 14 December 2023

# The Banco de España designates a Global Systemically Important Institution and sets its macroprudential capital buffer rate for 2025

In the annual review conducted by the Banco de España, it has designated<sup>1</sup> Banco Santander S.A., on a consolidated basis, as a global systemically important institution (G-SII) for 2025, bearing in mind the list of global systemically important banks (G-SIBs) published by the Financial Stability Board (FSB).<sup>2</sup>

This macroprudential requirement aims to shore up the solvency of these institutions and mitigate any potential systemic effects they may have on the financial system. It is also conceived as a requirement to help counterbalance the possible competitive advantage these institutions may have on the funding markets compared with smaller banks.<sup>3</sup>

Rule 13 of Banco de España Circular 2/2016 sets out the methodology to be used to identify G-SIIs, which is fully consistent with that developed by the Basel Committee on Banking Supervision (BCBS).<sup>4</sup> This methodology estimates a bank's global systemic importance, based on the following variables: size, substitutability of services or financial infrastructure, business complexity, interconnectedness with the financial system and cross-border activity.

---

<sup>1</sup> This annual macroprudential policy decision is taken within the framework of the powers conferred upon the Banco de España – in transposition of Directive 2013/36/EU (CRD) – by Law 10/2014 of 26 June 2014 on the regulation, supervision and solvency of credit institutions and Royal Decree 84/2015, implementing the aforementioned Law, and implemented by Banco de España Circular 2/2016 of 2 February 2016 to credit institutions on supervision and solvency, which completes the adaptation of Spanish law to the CRD.

<sup>2</sup> See FSB, [2023 List of Global Systemically Important Banks \(G-SIBs\)](#), and the Bank for International Settlements (BIS) press release, [Basel Committee publishes more details on global systemically important banks](#), both of 27 November 2023.

<sup>3</sup> The G-SII capital buffer also helps to determine various bank resolution regulatory requirements applicable to these institutions. Specifically, the minimum requirement for own funds and eligible liabilities (MREL) and total loss-absorbing capacity (TLAC).

<sup>4</sup> BCBS. [Global systemically important banks: revised assessment methodology and the higher loss absorbency requirement](#), July 2018.

**Table 1. Information on the designation of a Spanish G-SII**

Legal Entity Identifier (LEI)	Institution	Systemic importance score (bp)	Capital buffer rate (% of RWAs) in 2025	Sub-category
5493006QMFDDMYWIAM13	<b>Banco Santander, S.A.</b>	190	1.0%	1
<i>Memorandum:</i>				
	<i>Categories of indicators</i>			
	Size (20%)	174		
	Interconnectedness (20%)	147		
	Substitutability (20%)	42		
	Complexity (20%)	102		
	Cross-border activity (20%)	483		
	<i>Additional score (CRD)</i>	182		
	<i>Additional score (ASTRA)</i>	185		

Sources: Banco de España, FSB and BCBS.

Notes. Additional score (CRD): as per the alternative metric provided for in Article 131(2a) of the CRD and Article 5(5a) of Commission Delegated Regulation (EU) No 1222/2014, whereby all claims and liabilities vis-à-vis counterparties established in Member States participating in the European banking union (EBU) are regarded as domestic (with a discount factor of 100%). Additional score (ASTRA) (Adjustment for Structural Regional Arrangements): metric developed by the European Central Bank<sup>5</sup> based on a BCBS resolution adopted in 2022, whereby cross-border exposures within the EBU are regarded as domestic (with a factor of 66%).

On data as at 31 December 2022, Banco Santander, S.A. obtained an overall systemic importance score of 190 basis points (bp) and, as in previous years, has thus been designated, on a consolidated basis, as a G-SII in sub-category 1 (see sub-category framework in Table 2). In consequence, it will remain subject to a Common Equity Tier 1 (CET1) capital buffer requirement for G-SIIs equal to 1% of its total risk exposure (risk-weighted assets or RWAs) on a consolidated basis.

**Table 2. G-SII sub-category framework**

Sub-category	Systemic importance score bucket (bp)	Capital buffer rate (% of RWAs, CET1)
5	530 – 629	3.5%
4	430 – 529	2.5%
3	330 – 429	2.0%
2	230 – 329	1.5%
1	130 – 229	1.0%

Source: BCBS.

<sup>5</sup> “Governing Council statement on the treatment of the European banking union in the assessment methodology for globally systemically important banks” of 27 June 2022.

Banco Santander, S.A. will foreseeably be designated as an Other Systemically Important Institution (O-SII) for 2025. According to Rule 23 of Circular 2/2016, the effective capital buffer rate applicable to Banco Santander, S.A. in 2025 as a G-SII will be the higher of the G-SII buffer rate and the O-SII buffer rate to be set at a later date.<sup>6</sup>

This G-SII measure was previously notified to the European Central Bank<sup>7</sup> and to the European Systemic Risk Board.<sup>8</sup> The proposal was also notified in advance to the Spanish macroprudential authority (AMCESFI)<sup>9</sup> and to Banco Santander, S.A.<sup>10</sup>

Designations of systemically important institutions are reviewed annually. The next decision on G-SIIs (determining the associated capital buffer rate for 2026) will foreseeably be taken in late 2024, in line with the deadlines and standard practices of other EU national authorities.

The list of systemically important institutions and the associated macroprudential capital buffer rates set by the Banco de España in previous years can be found [here](#).

---

<sup>6</sup> The Banco de España's macroprudential measure applicable to O-SIIs in 2025 will be adopted by 1 December 2024 at the latest. For purposes of reference, the O-SII buffer rate for Banco Santander, S.A. for 2024 has been set at 1.25%. See "[The Banco de España updates the list of other systemically important institutions and sets their macroprudential capital buffer rates for 2024](#)", press release of 29 September 2023.

<sup>7</sup> In accordance with the procedure envisaged in Article 5(1) of Regulation (EU) No 1024/2013.

<sup>8</sup> Pursuant to Article 46(6) of Law 10/2014, Article 66 of Royal Decree 84/2015 and Rule 16 of Circular 2/2016.

<sup>9</sup> As stipulated in Article 16 of Royal Decree 102/2019 and in the sole additional provision of Royal Decree-Law 22/2018. AMCESFI has not issued an advisory opinion since this measure entails no change from the previous year's applicable measure.

<sup>10</sup> In accordance with the consultation process envisaged in Article 82 of Ley 39/2015 of 1 October 2015 on the Common Administrative Procedure for General Government.

*Reproduction permitted only if the source is cited*

For further information: Tel. +34 91 338 5044 / 6097 / 5318 / 8839 / 6175 / 4397 / 5936 | [www.bde.es/](http://www.bde.es/) Email: [comunicacion@bde.es](mailto:comunicacion@bde.es)