



PRESS RELEASE

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The Banco de España sets the capital buffers for systemic institutions and the countercyclical capital buffer for 2016

The Banco de España has approved the creation of capital buffers for systemic institutions and has set the countercyclical capital buffer at 0% for 2016. These macroprudential measures have been adopted pursuant to the powers granted to the Banco de España by Law 10/2014 on the regulation, supervision and solvency of credit institutions, and by Royal Decree 84/2015 implementing that law.

Capital buffers for systemically important institutions

The financial crisis revealed the impact that systemic institutions have on financial stability in their home countries and, in view of their high degree of interconnectedness, on the global financial system. This situation warrants special prudential treatment, which has led to the creation of specific capital buffers for global systemically important institutions (G-SIIs)¹ and for other systemically important institutions (O-SIIs).

The Banco de España has approved the list of G-SIIs and O-SIIs for the Spanish financial system, along with the related capital buffers for 2016.

Table 1. Combined capital buffer requirements for G-SIIs and O-SIIs in 2016

Institution	Systemic importance	Capital buffer
Santander	G-SII (sub-category 1) and O-SII	0.25 %
BBVA	G-SII (sub-category 1) and O-SII	0.25 %
Caixabank	O-SII	0.0625 %
Bankia	O-SII	0.0625 %
Popular	O-SII	0 %
Sabadell	O-SII	0 %

Countercyclical capital buffer

The Banco de España has agreed to set the countercyclical capital buffer (CCB) applicable to credit exposures in Spain at 0% from 1 January 2016. The percentages will be revised each quarter.

During the crisis, it was observed that the losses generated in the banking sector were exacerbated by a preceding period of excessive credit growth. This evidence revealed the importance and usefulness of building up, during expansionary periods, capital buffers that can be released during crises. Analysis of the indicators that warn on systemic risk formation associated with periods of excessive credit growth currently advises against setting the CCB above 0%. On the information available as at June 2015, the credit-GDP gap was -58%, still far from the 2% threshold established as a reference by the Basel Committee on Banking Supervision for the activation of the buffer.

¹ G-SIIs are those institutions whose systemic importance might generate risks to the stability of the global financial system. O-SIIs, for their part, are those institutions of systemic importance for the national and European Union financial systems.