



PRESS RELEASE

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Banco de España updates the list of systemically important institutions and sets their capital buffers

The Banco de España has conducted the annual review of the Global Systemically Important Institutions (G-SIIs) in 2020 and Other Systemically Important Institutions (O-SIIs) in 2019.

Global Systemically Important Institutions (G-SIIs)

In application of the Financial Stability Board resolution published on 16 November 2018, and following the methodology specified in Rule 13 of Banco de España Circular 2/2016, the Banco de España has designated Banco Santander as a G-SII in 2020.

Banco Santander has been classified in sub-category 1, where it has been since 1 January 2016, because it obtained a score of 209 bp in the G-SII methodology. Therefore Banco Santander will be subject to an additional CET1 requirement, the so-called G-SII capital buffer, equal to 1.0% of its total risk exposure on a consolidated basis.

Other Systemically Important Institutions (O-SIIs)

The Banco de España has also designated the institutions which will be considered as O-SIIs in 2019.

It has designated as O-SIIs for 2019 those Spanish institutions with a score exceeding the threshold of 350 basis points calculated according to the European Banking Authority guidelines on assessment of O-SIIs (EBA/GL/2014/10), included in Rule 14 and Annex 1 of Banco de España Circular 2/2016.

Table 1 shows these institutions, along with their respective scores and capital buffer rates. These have been set by the Banco de España in terms of CET1 capital calculated as a percentage of consolidated

total risk exposure. The buffers will be fully applicable in 2019 owing to the expiry on 31 December 2018 of the phase-in period foreseen in the first transitional provision of Banco de España Circular 2/2016.

Table 1. O-SIIs for 2019¹

Institution	Score (basis points)	Capital buffer rate in 2019
Santander	4.385	1.0 %
BBVA	1.979	0.75 %
CaixaBank	807	0.25 %
Sabadell	517	0.25 %
Bankia	445	0.25 %

In the case of Banco Santander, which was already identified by the Banco de España as a G-SII for 2019, under Rule 23 of Banco de España Circular 2/2016 only the higher of the two capital buffer rates will apply. Since they are identical, the buffer rate required of Banco Santander in 2019 will be 1.0%.

The allocation to OEIS buffer rates is based on a methodology developed in compliance with the minimum criteria defined by the European Central Bank (ECB) to promote, within the Single Supervisory Mechanism, the convergence in the calibration of this requirement.²

In accordance with Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions, G-SII and O-SII decisions adopted by the Banco de España have been previously consulted with the ECB.

The designations of systemically important institutions are reviewed on a yearly basis. The next decisions on O-SIIs (for implementation in 2020) and G-SIIs (in 2021) will be adopted in the fourth quarter of 2019, in line with the specified regulatory time periods and customary practices followed by other European national authorities.

The lists of systemically important institutions and capital buffer rates announced in previous years by the Banco de España can be consulted at [this link](#).

¹ Under the methodology of the European Banking Authority, the scores are calculated using the maximum scope of consolidation. Noteworthy in this respect is the case of Bankia, where the scope of consolidation includes its parent company BFA.

² See the ECB's Governing Council statement on macroprudential policies, 15 December 2016.

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