



## PRESS RELEASE

Madrid, 25 November 2019

# 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 institutions to be identified as global systemically important institutions (G-SIIs) in 2021 and as other systemically important institutions (O-SIIs) in 2020, setting the corresponding capital buffer rates<sup>1</sup>. These buffers seek to offset the potential competitive advantage enjoyed by these institutions in funding markets as a result of their systemic footprint. Capital buffers contribute to enhance the banks' resilience and mitigate the adverse effects that they may pose to the financial system as a whole.

## Global systemically important institutions (G-SIIs)

In application of the recent Financial Stability Board (FSB) resolution,<sup>2</sup> and following the methodology specified in Rule 13 of Circular 2/2016, the Banco de España has designated **Banco Santander, S.A.** as a G-SII in 2021.

Banco Santander, S.A. has been classified in subcategory 1, where it has been since 1 January 2016, having obtained a score of 201 basis points (bp) under the Basel Committee methodology<sup>3</sup> used to identify global systemically important banks. Banco Santander, S.A. will therefore be subject to an additional CET1 requirement, known as the G-SII capital buffer, equal to 1.0% of its total risk exposure on a consolidated basis.

---

<sup>1</sup> These annual macroprudential policy decisions are adopted under the powers conferred upon the Banco de España, in transposition of Directive 2013/36/EU, by Law 10/2014 on the regulation, supervision and solvency of credit institutions, by Royal Decree 84/2015 and by Banco de España Circular 2/2016 of 2 February 2016 to credit institutions, on supervision and solvency, completing the transposition into Spanish legislation of Directive 2013/36/EU and Regulation (EU) No. 575/2013.

<sup>2</sup> See the FSB public communication titled *2019 list of global systemically important banks (G-SIBs)*, dated 22 November 2019.

<sup>3</sup> BCBS. *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement*, July 2013.

## Other systemically important institutions (O-SIIs)

The Banco de España has also designated as O-SIIs in 2020 those Spanish institutions with a score exceeding the threshold of 350 bp calculated according to the European Banking Authority (EBA) Guidelines on the assessment of O-SIIs<sup>4</sup> referred to in Rule 14 and Annex 1 of Banco de España Circular 2/2016.

Table 1 shows the list of O-SIIs, along with their respective scores and capital buffer rates for 2020. These have been set by the Banco de España in terms of CET1 capital calculated as a percentage of consolidated total risk exposure, and 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 macroprudential tool.<sup>5</sup>

**Table 1. List of O-SIIs for 2020**

<b>Name of institution</b>	<b>Systemic importance score (bp)<sup>6</sup></b>	<b>Capital buffer rate in 2020</b>
<b>Banco Santander S.A.</b>	4,434	1.0 %
<b>Banco Bilbao Vizcaya Argentaria, S.A.</b>	2,144	0.75 %
<b>CaixaBank, S.A.</b>	768	0.25 %
<b>Banco de Sabadell, S.A.</b>	510	0.25 %
<b>BFA Tenedora de Acciones, S.A.U. (Bankia, S.A.)<sup>7</sup></b>	494	0.25 %

In the case of Banco Santander, S.A., which the Banco de España had already identified as a G-SII for 2020, 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, S.A. in 2020 will be 1.0%.

In accordance with the procedure envisaged under Article 5(1) of 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.

---

<sup>4</sup> EBA/GL/2014/10, Guidelines on the criteria to determine the conditions of application of Article 131(3) of Directive 2013/36/EU in relation to the assessment of other systemically important institutions (O-SIIs).

<sup>5</sup> See the ECB's *Governing Council statement on Macroprudential Policies*, of 15 December 2016.

<sup>6</sup> Under the methodology of the EBA, the scores are calculated using the maximum scope of consolidation.

<sup>7</sup> This institution is required to comply with a capital buffer calculated both as a percentage of total risk exposure on a consolidated basis (BFA Tenedora de Acciones S.A.U.) and on a sub-consolidated basis (Bankia, S.A.).

Additionally, these G-SII and O-SII decisions have been notified in advance to the Spanish Macroprudential Authority Financial Stability Council (AMCESFI, by its Spanish abbreviation), as stipulated in Article 16 of Royal Decree 102/2019 of 1 March 2019, by virtue of which the AMCESFI was created and which lays down its legal regime and sets out certain matters relating to macroprudential tools, and in the sole additional provision of Royal Decree-Law 22/2018 of 14 December 2018, establishing macroprudential tools.<sup>8</sup>

Designation as a systemically important institution is subject to annual review. The next decisions on G-SIIs (for implementation in 2022) and O-SIIs (in 2021) will be adopted in the fourth quarter of 2020, in line with the specified regulatory timelines and customary practices followed by other European national authorities.

The list of systemically important institutions and the associated capital buffers established in previous years by the Banco de España can be found under [this link](#).


---

<sup>8</sup> AMCESFI has not issued an Opinion on the proposed decisions, since these G-SII and O-SII measures do not entail any changes with respect to those approved in the preceding year.

*Reproducción permitida solo si se cita la fuente*

Para más información: Tel. +34 91 338 5044 / 6097 / 5318 Fax +34 91 338 5203 [www.bde.es](http://www.bde.es) Correo electrónico: [comunicacion@bde.es](mailto:comunicacion@bde.es)

 @BancoDeEspana

 Banco de España