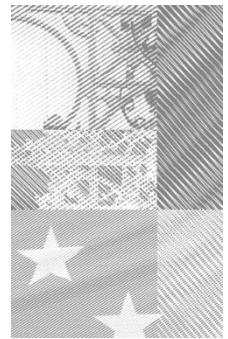


Communication Department

**PRESS RELEASE**

Madrid, 29 July 2021

The Banco de España updates the list of other systemically important institutions and sets their macroprudential capital buffer rates for 2022

The Banco de España has conducted the compulsory annual review of the institutions to be identified as other systemically important institutions (O-SIIs), setting their associated capital buffer rates for 2022.¹ Capital buffers for O-SIIs are macroprudential instruments that primarily seek to mitigate adverse systemic effects that these institutions may have on the financial system, reinforcing their solvency to help them absorb any significant unexpected losses. They also help correct any competitive advantage that these credit institutions may have in the funding market owing to their systemic importance at the national level, and to incentivise prudent risk-taking.

On data at the 2020 close, and applying the methodology envisaged in the European Banking Authority (EBA) Guidelines on O-SIIs,² the Banco de España has designated four Spanish banks as O-SIIs for 2022. Table 1 shows the list of O-SIIs, along with their respective systemic importance scores, classification sub-categories set by the Banco de España, and their capital buffer rates for 2022.

Compared with the previous year, BFA Tenedora de Acciones, S.A.U. (parent company of Bankia, S.A.) is no longer classified as an O-SII as a result of the recent merger whereby Bankia, S.A. was absorbed by CaixaBank, S.A. This merger also results in a significant increase in the systemic importance of CaixaBank, S.A., whose score has risen by 68% compared with a year ago, to 1,249 basis points (bp).

¹ 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 of 26 June 2014 on the regulation, supervision and solvency of credit institutions and in Royal Decree 84/2015 of 13 February 2015 implementing Law 10/2014 on the regulation, supervision and solvency of credit institutions, both implemented in 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 Directive 2013/36/EU and to Regulation (EU) No 575/2013.

² EBA Guidelines EBA/GL/2014/10 of 16 December 2014 on the criteria to determine the conditions of application of Article 131(3) of Directive 2013/36/EU (CRD) in relation to the assessment of other systemically important institutions (O-SIIs). The methodology contained in these Guidelines has been incorporated into Banco de España Circular 2/2016.

The buffer rates have been set by the Banco de España, in accordance with the framework presented in Table 2, in terms of Common Equity Tier 1 (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) for the calibration of this macroprudential instrument within the scope of the Single Supervisory Mechanism.³

Table 1. List of O-SIIs for 2022

Legal Entity Identifier (LEI)	Institution	Systemic importance score (bp)	Capital buffer rate in 2022 (% of RWAs)	Sub-category
5493006QMFDDMYWIAM13	Banco Santander, S.A.	4,358	1.0%	4
K8MS7FD7N5Z2WQ51AZ71	Banco Bilbao Vizcaya Argentaria, S.A.	2,048	0.75%	3
7CUNS533WID6K7DGF187	CaixaBank, S.A.	1,249	0.375% (2022) 0.5% (2023)	2
SI5RG2M0WQQLZXKRM20	Banco de Sabadell, S.A.	477	0.25%	1

Source: Banco de España.

Compared with a year ago, owing to the above-mentioned merger by absorption of Bankia, S.A., CaixaBank, S.A. migrates from sub-category 1 to sub-category 2 and, therefore, to a buffer rate of 0.5% (compared with 0.25% previously). However, in the face of what is still a complex macro-financial setting as a consequence of the COVID-19 pandemic, and consistent with the measures to make prudential requirements more flexible promoted by international organisations and national authorities in Europe, the Banco de España has decided to phase in the 0.25 percentage point (pp) increase in the capital buffer rate for CaixaBank, S.A. over the next two years. Specifically, the buffer rate applicable to CaixaBank, S.A. will be 0.375% in 2022 and – subject to confirmation in next year's O-SII decision – 0.5% from 1 January 2023.

Table 2. O-SII sub-category framework in Spain

Sub-category	Systemic importance score range (bp)	Capital buffer rate (% of RWAs)
4	> 2,901	1.0%
3	1,951 – 2,900	0.75%
2	901 – 1,950	0.5%
1	350 – 900	0.25%

Source: Banco de España.

In the case of Banco Santander, S.A., which is also designated as a global systemically important institution (G-SII), with a capital buffer rate of 1.0%, as announced by the Banco de España in November 2020, the applicable buffer rate⁴ in 2022 will continue to be 1.0%. The buffer rates for Banco Bilbao

³ See the ECB's [Governing Council statement on macroprudential policies](#) of 15 December 2016.

⁴ The applicable regulation (Rule 23 of Banco de España Circular 2/2016) establishes that in such cases the higher of the two buffers (G-SII and O-SII) will apply.

Vizcaya Argentaria, S.A. and Banco de Sabadell, S.A. also remain unchanged, at 0.75% and 0.25%, respectively.

This O-SII decision was previously notified to the ECB, pursuant to Article 5.1 of Regulation (EU) 1024/2013, and to the European Systemic Risk Board (ESRB), in accordance with Article 131.7 of Directive 2013/36/UE. In addition, the proposal was notified in advance to the Spanish macroprudential authority (AMCESFI, by its Spanish abbreviation), pursuant to Article 16 of Royal Decree 102/2019 and the sole additional provision of Royal Decree-Law 22/2018. In accordance with Article 11 of Royal Decree 102/2019, AMCESFI resolved to issue a favourable Opinion in this respect (see [link](#)).

Designation as a systemically important institution is subject to annual review. The next O-SII decision, for implementation in 2023, will be adopted no later than 1 December 2022. In accordance with the customary time periods observed in recent years, the Banco de España will announce its G-SII decision for 2023 in November 2021.

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

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