



## PRESS RELEASE

Madrid, 22 July 2022

# The Banco de España updates the list of other systemically important institutions and sets their macroprudential capital buffer rates for 2023

**The Banco de España has decided<sup>1</sup> to continue designating Banco Santander S.A., Banco Bilbao Vizcaya Argentaria, S.A., Banco de Sabadell, S.A. and CaixaBank, S.A. as other systemically important institutions (O-SIIs) in Spain. The capital buffer rate associated with each O-SII for 2023 also remains unchanged, except in the case of CaixaBank, S.A. (as indicated in the O-SII measure of last year), whose requirement increases by 0.125 percentage points (pp) owing to its greater systemic footprint following the takeover of Bankia, S.A.**

The identification and setting of capital buffers for O-SIIs provides a macroprudential instrument aimed at shoring up the solvency of these institutions and thus mitigating any potentially adverse systemic effects they may have on the financial system. Capital buffers for O-SIIs are also conceived as a requirement that can help correct the possible competitive advantage these institutions may have on the funding markets (compared with smaller institutions), and incentivise prudent risk-taking.

On data as at the end of 2021, and applying the methodology envisaged in the European Banking Authority (EBA) Guidelines on O-SIIs,<sup>2</sup> the Banco de España has maintained the designation of four Spanish banks as O-SIIs for 2023. Table 1 shows the list of O-SIIs, along with their respective systemic importance scores, classification sub-categories and capital buffer rates for 2023.

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<sup>1</sup>This annual macroprudential policy decision is 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.

<sup>2</sup> [EBA/GL/2014/10 Guidelines](#) 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.<sup>3</sup>

**Table 1. List of O-SIIs for 2023**

Legal Entity Identifier (LEI)	Institution	Systemic importance score (bp)	Capital buffer rate in 2023 (% of RWAs)	Sub-category
5493006QMFDDMYWIAM13	<b>Banco Santander, S.A.</b>	4,258	1.0%	4
K8MS7FD7N5Z2WQ51AZ71	<b>Banco Bilbao Vizcaya Argentaria, S.A.</b>	2,032	0.75%	3
7CUNS533WID6K7DGF187	<b>CaixaBank, S.A.</b>	1,243	0.5%	2
SI5RG2M0WQQLZCXKRM20	<b>Banco de Sabadell, S.A.</b>	469	0.25%	1

Source: Banco de España.

Note: Scores expressed in basis points (bp).

The applicable buffer rates also remain unchanged with respect to those set in 2022, except in the case of CaixaBank, S.A., where it increases to 0.5%, as already indicated in the exercise carried out in 2021. In the previous exercise, the buffer rate for CaixaBank, S.A. rose from 0.25% to 0.5%, according to the Banco de España's methodology for setting buffers, owing to the increase in the institution's systemic importance following the integration of Bankia, S.A. At the time, it was decided to phase in the 0.25 pp increase in the buffer rate applicable to CaixaBank, S.A. in a linear manner, with an effective increase of 0.125 pp in 2022 (buffer rate of 0.375%), and an additional 0.125 pp in 2023 (buffer rate of 0.5%). Thus, the 0.5% buffer rate required of CaixaBank, S.A. in 2023 has been confirmed by the score obtained in this exercise.

**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.

<sup>3</sup> ECB. [Governing Council statement on macroprudential policies](#), of 15 December 2016.

In the case of Banco Santander, S.A., which is also designated as a global systemically important institution (G-SII) with an associated capital buffer rate of 1%, as announced by the Banco de España in December 2021, the applicable buffer rate<sup>4</sup> in 2023 will continue to be 1%. The O-SII capital buffer rates for Banco Bilbao Vizcaya Argentaria, S.A and Banco de Sabadell, S.A. 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/EU. 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. Since this decision entails no changes with respect to the previous exercise, AMCESFI has not issued a new Opinion<sup>5</sup> on the matter.

Designation as a systemically important institution is subject to annual review. The next O-SII decision, for implementation in 2024, will be adopted no later than 1 December 2023. In line with the customary time periods observed in previous years, the Banco de España will foreseeably announce its G-SII decision for 2024 in November 2022.

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

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<sup>4</sup> 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.

<sup>5</sup> See the Opinion issued by AMCESFI regarding the Banco de España's proposal to review the list of other systemically important institutions (O-SIIs) for 2022 and the associated capital buffers, [AMCESFI Opinion on the macroprudential measure adopted by the Banco de España on other systemically important institutions \(O-SIIs\) for 2022](#), of 29 July 2021.

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