

Communication

PRESS RELEASE

Madrid, 17 May 2024

The Banco de España resolves to reciprocate a macroprudential measure approved by the Banco de Portugal

The Banco de España has decided¹ to reciprocate a macroprudential measure approved by the Banco de Portugal, with effect from 1 October 2024. The Banco de España's reciprocal measure sets a systemic risk buffer requirement for three banking groups at consolidated level, applicable to their exposures to the Portuguese residential real estate sector.

The overall objective of the European Union's (EU) voluntary reciprocity framework, provided for in Directive 2013/36/EU (known as the "CRD") and implemented in Recommendation 2015/2 of the European Systemic Risk Board (ESRB) on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures, is to strengthen the effectiveness of national macroprudential measures, minimise potential regulatory arbitrage by credit institutions and ensure that the same risk receives equivalent regulatory treatment, irrespective of the Member State to which the credit institutions concerned belong, in order to build up the resilience of the EU's financial system as a whole.

Against this backdrop, the Banco de Portugal has approved² a 4% sectoral systemic risk buffer (sSyRB) applicable to the retail exposures to natural persons secured by residential real estate located in Portugal for which credit institutions use the internal ratings-based (IRB) approach to calculate their regulatory capital requirements for credit risk. The application of this buffer is preventive and aims to address the buildup of risk in the residential real estate market in that country. It will apply from 1 October 2024 and will be reviewed at least every two years.

In 2023, the Banco de Portugal notified this measure to the ESRB, which issued [Recommendation ESRB/2023/11](#) containing a favourable assessment thereof. The Banco de Portugal also asked the

¹ 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 by Royal Decree 84/2015, implementing the aforementioned Law, and 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.

² See "[Press release by the Banco de Portugal on the imposition of a capital buffer on exposures secured by residential real estate](#)", Banco de Portugal press release of 15 November 2023.

ESRB to recommend that this measure be reciprocated within the EU. In response, the ESRB issued [Recommendation ESRB/2023/13](#), inviting the relevant authorities of other Member States to adopt reciprocal measures, at the highest level of consolidation for credit institutions, from 1 October 2024. As guidance for the authorities, the recommendation sets an institution-specific materiality threshold of €1 billion. This means that credit institutions with significant consolidated exposures in Portugal below this threshold may be exempted from application of the measure.

The Banco de España analyses on a case-by-case basis each request for reciprocation of the macroprudential measures adopted by the authorities of other Member States that affect the banking sector and have been endorsed by the ESRB. In all the cases analysed to date, the Banco de España had found that the volume of Spanish banks’ exposures to countries requesting reciprocity stood well below the pre-defined materiality thresholds in the corresponding recommendations. In addition, no other reasons calling for the reciprocation of macroprudential measures had been identified and, therefore, the Banco de España had not acted on any reciprocation requests.³

Regarding the measure approved in Portugal, the Banco de España, as the designated authority for adopting measures on macroprudential capital buffer requirements, taking into account the materiality of Spanish banks’ exposures to the Portuguese residential real estate market, and the reasons for contributing to the effectiveness of the measure in Portugal, considers it advisable to act on the ESRB’s recommendation. Accordingly, it has decided to set an sSyRB of 4% for three banks at consolidated level (see Table 1), on their retail exposures to natural persons secured by residential real estate located in Portugal for which those banks use the IRB approach to calculate their regulatory capital requirements for credit risk. The buffer will apply from 1 October 2024.

Table 1. Banks subject to the reciprocal measure

LEI ⁴	Bank
5493006QMFDDMYWIAM13	Banco Santander, S.A.
7CUNS533WID6K7DGF187	CaixaBank, S.A.
VWMYAEQSTOPNV0SUGU82	Bankinter, S.A.

Source: Banco de España.

The analysis carried out by the Banco de España has found that the banks affected by the measure have capital headroom in excess of their regulatory requirements with which to maintain the new buffer, and their business in Spain is therefore not expected to be affected.

The Banco de España notified the proposed measure to the Spanish macroprudential authority (AMCESFI), pursuant to Article 16 of Royal Decree 102/2019. In accordance with Article 11 of Royal Decree 102/2019, AMCESFI resolved to issue a favourable opinion on this measure ([see link](#)). The ESRB

³ All the measures in force on which the ESRB has issued recommendations on voluntary reciprocity in the EU can be found [here](#).


⁴ Legal Entity Identifier.

has also been notified of this measure, in accordance with Article 134(2) of Directive 2013/36/EU, as has the European Central Bank.

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