



Notification template for Article 131 of the Capital Requirements Directive (CRD) – Other Systemically Important Institutions (O-SIIs)

Template for notifying the European Central Bank (ECB) and the European Systemic Risk Board (ESRB) of the setting or resetting of an O-SII buffer under Article 131(7) CRD and of the identity of O-SIIs under Article 131(12) CRD

Please send/upload this template to:

- macropru.notifications@ecb.europa.eu when notifying the ECB (under Article 5 of the Single Supervisory Mechanism (SSM) Regulation¹);
- [DARWIN/ASTRA](#) when notifying the ESRB.

The ESRB will forward this notification to the European Commission, to the European Banking Authority (EBA) and to the competent and designated authorities of the Member States concerned without delay and will publicly disclose the names of the O-SIIs on its website. This notification will be made public by the ESRB once the relevant authorities have adopted and published the notified macroprudential measure².

E-mailing/uploading this template to the above addresses constitutes official notification; no further official letter is required. To facilitate the work of the notified authorities, please send the notification template in a format that allows the information to be read electronically.

1. Notifying national authority			
1.1 Name of the notifying authority	Banco de España (BdE)		
1.2 Country of the notifying authority	Spain		
2. Description of the measure			
2.1a Institution or group of institutions concerned	On which institution(s) is the measure applied (name and Legal Entity Identifier (LEI) code)?		
	Is the measure applied at:		
	<ul style="list-style-type: none"> - The highest level of consolidation? - A sub-consolidated level? - An individual level? 		
	Name of institution	LEI	Consolidation level
	Banco Santander, S.A.	5493006QMFDDMY WIAM13	highest level of consolidation

¹ Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63).

² On request by the notifying authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.

	Banco Bilbao Vizcaya Argentaria, S.A.	K8MS7FD7N5Z2WQ 51AZ71	highest level of consolidation																									
	CaixaBank, S.A.	7CUNS533WID6K7D GFI87	highest level of consolidation																									
	Banco de Sabadell, S.A.	SI5RG2M0WQQLZC XKRM20	highest level of consolidation																									
2.1b Changes to the list of institutions concerned	Please indicate under 2.1a any changes to the list as compared to the last notification, and provide an explanation, if applicable.																											
2.2 Level of the buffer applied	At what level is the fully phased-in buffer (in %) applied to the institution(s)? <table border="1" data-bbox="571 788 1445 1227"> <thead> <tr> <th data-bbox="571 788 834 824">Name of institution</th> <th data-bbox="834 788 1153 824">New O-SII buffer</th> <th data-bbox="1153 788 1445 824">Previous O-SII buffer</th> </tr> </thead> <tbody> <tr> <td data-bbox="571 824 834 909"> Banco Santander, S.A. </td> <td data-bbox="834 824 1153 909"> 1.0% </td> <td data-bbox="1153 824 1445 909"> 1.0% </td> </tr> <tr> <td data-bbox="571 909 834 1025"> Banco Bilbao Vizcaya Argentaria, S.A. </td> <td data-bbox="834 909 1153 1025"> 0.75% </td> <td data-bbox="1153 909 1445 1025"> 0.75% </td> </tr> <tr> <td data-bbox="571 1025 834 1070"> CaixaBank, S.A. </td> <td data-bbox="834 1025 1153 1070"> 0.5% </td> <td data-bbox="1153 1025 1445 1070"> 0.375% </td> </tr> <tr> <td data-bbox="571 1070 834 1155"> Banco de Sabadell, S.A. </td> <td data-bbox="834 1070 1153 1155"> 0.25% </td> <td data-bbox="1153 1070 1445 1155"> 0.25% </td> </tr> <tr> <td data-bbox="571 1155 834 1227"></td> <td data-bbox="834 1155 1153 1227"></td> <td data-bbox="1153 1155 1445 1227"></td> </tr> </tbody> </table>				Name of institution	New O-SII buffer	Previous O-SII buffer	Banco Santander, S.A.	1.0%	1.0%	Banco Bilbao Vizcaya Argentaria, S.A.	0.75%	0.75%	CaixaBank, S.A.	0.5%	0.375%	Banco de Sabadell, S.A.	0.25%	0.25%									
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2.3 Name of the ultimate EU parent institution	Please provide the name and LEI code of the ultimate EU parent institution of the group for each of the O-SIIs identified. if the ultimate EU parent institution is not the concerned institution itself. Not applicable. <table border="1" data-bbox="571 1384 1445 1675"> <thead> <tr> <th data-bbox="571 1384 869 1451">Name of identified O-SII</th> <th data-bbox="869 1384 1168 1451">Ultimate EU parent institution</th> <th data-bbox="1168 1384 1445 1451">LEI of ultimate parent institution</th> </tr> </thead> <tbody> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> </tbody> </table>				Name of identified O-SII	Ultimate EU parent institution	LEI of ultimate parent institution																					
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2.4 Names of subsidiaries	If any of the O-SIIs identified is a parent institution and the buffer is applied at a (sub)consolidated level, please name the subsidiaries of the institution that are notified as O-SIIs (please give names and LEI codes). Not applicable. <table border="1" data-bbox="571 1832 1445 2011"> <thead> <tr> <th data-bbox="571 1832 869 1899">Name of parent O-SII identified</th> <th data-bbox="869 1832 1168 1899">Name of O-SII subsidiary</th> <th data-bbox="1168 1832 1445 1899">LEI of O-SII subsidiary</th> </tr> </thead> <tbody> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td></tr> </tbody> </table>				Name of parent O-SII identified	Name of O-SII subsidiary	LEI of O-SII subsidiary																					
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3. Timing for the measure																							
3.1 Timing for the decision	<p>What is the date of the official decision? <u>For SSM countries when notifying the ECB</u>: provide the date on which the decision referred to in Article 5 of the Single Supervisory Mechanism Regulation (SSMR) will be taken.</p> <p>18/07/2022</p>																						
3.2 Timing for publication	<p>What is the date of publication of the notified measure?</p> <p>Shortly after the decision date.</p> <p>Click here to enter a date.</p>																						
3.3 Disclosure	<p>Information about the strategy for if the communicating the notified measure to the market.</p> <p>As in previous years, the institutions designated as O-SIIs and their respective capital buffer requirements will be announced via press statement on the BdE website. The information will remain available under the following link:</p> <p>EN: https://www.bde.es/bde/en/areas/estabilidad/herramientas-macprudenciales/identificacion_bbe79f06544b261.html</p>																						
3.4 Timing for application	<p>What is the intended date of application of the measure?</p> <p>1 January 2023 (applicable until 31 December 2023).</p> <p>Click here to enter a date.</p>																						
3.5 Phasing in	<p>What is the intended timeline for the phase-in of the measure?</p> <p>The general phase-in of O-SII buffer requirements in Spain ended on 1 January 2019.</p> <table border="1"> <thead> <tr> <th>Name of institution</th> <th>Date1</th> <th>Date2</th> <th>Date3</th> <th>Date4</th> <th>Date5</th> </tr> </thead> <tbody> <tr> <td></td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> </tr> <tr> <td></td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> <td>%</td> </tr> </tbody> </table>					Name of institution	Date1	Date2	Date3	Date4	Date5		%	%	%	%	%		%	%	%	%	%
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3.6 Review of the measure	<p>When will the measure be reviewed (Article 131, paragraphs (6) and (12), specify that the buffer, the identification of O-SIIs and their allocation to subcategories must be reviewed at least annually)?</p> <p>By 30 November 2023 at the latest.</p>																						
4. Reason for O-SII identification and activation of the O-SII buffer																							
4.1 Scores of institutions or group of institutions concerned, as per EBA guidelines on the assessment of O-SIIs (Article 131.3 CRD)	<p>Please list here the names, overall scores and category scores of the O-SIIs identified based on</p> <ol style="list-style-type: none"> size; importance for the economy of the relevant Member State or the Union, capturing substitutability/financial institution infrastructure; complexity, including the additional complexities from cross-border activity; interconnectedness of the institution or (sub-)group with the financial system. <table border="1"> <thead> <tr> <th>Name of institution</th> <th>Size</th> <th>Substitutability</th> <th>Complexity</th> <th>Interconnectedness</th> <th>Overall Score</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Name of institution	Size	Substitutability	Complexity	Interconnectedness	Overall Score												
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Banco Santander, S.A.	995	815	1381	1067	4258
Banco Bilbao Vizcaya Argentaria, S.A.	403	539	492	598	2032
CaixaBank, S.A.	382	442	151	267	1243
Banco de Sabadell, S.A.	158	124	108	78	469

Please provide other relevant information (indicator values, methodology, calculations and formulas, data sources, information set used for denominators) in a separate Excel file.

4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)

Please provide information on:

- a. whether you followed the EBA guidelines on the assessment of O-SIIs; **Yes, the identification of the O-SIIs is based on EBA/GL/2014/10. The FINREP variables proposed by the EBA guidelines (EBA/GL/2014/10) to identify O-SIIs have been used whenever possible. For those institutions where FINREP data was not available, alternative data sources at the BdE were used, but this issue generally affects rather small-sized institutions.**
- b. which threshold score has been set to identify O-SIIs; **Baseline threshold score of 350bp (in accordance with EBA/GL/2014/10).**
- c. whether relevant entities with relative total assets not in excess of 0.02% have been excluded from the identification process; **No.**
- d. the names and scores of all relevant entities not excluded from the identification process (could be sent in a separate Excel file, see 4.1); **Names and scores of all relevant entities are provided separately in a confidential spreadsheet file.**
- e. whether non-bank institutions have been included in the calculations. **Non-bank institutions have not been included in the calculations.**

4.3 Supervisory judgement

Have any of the institutions listed in 2.1 been identified by applying supervisory judgement as laid down in EBA guidelines on the assessment of O-SIIs? If yes, please list the respective institutions and provide information on:

- a. which of the optional indicators have been used to justify the supervisory assessment decisions, if any, and what the scores were;
- b. why these optional indicators are relevant for the Member State;
- c. why the bank is systemically important in terms of those particular optional indicators.

	<p>No institutions have been identified through supervisory judgement. Besides, no institution stands below-but-close to the 350 bp threshold.</p>															
<p>4.4 Calibrating the O-SII buffer</p>	<p>Please provide information on the criteria and indicators used to calibrate the level of the O-SII buffer requirement and the mapping to institution-specific buffer requirements.</p> <p>Buffer requirements for identified institutions are set in accordance with the O-SII methodological framework agreed for the Single Supervisory Mechanism by the ECB (see Governing Council Statement on Macroprudential Policies, 15 December 2016), under the following bucketing scheme adopted by the Banco de España:</p> <table border="1" data-bbox="679 741 1337 983"> <thead> <tr> <th>Bucket</th> <th>Overall score range (bp)</th> <th>Phased-in buffer rate (CET1 RWA)</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>2,901 or above</td> <td>1.0%</td> </tr> <tr> <td>3</td> <td>1,951 – 2,900</td> <td>0.75%</td> </tr> <tr> <td>2</td> <td>901 – 1,950</td> <td>0.50%</td> </tr> <tr> <td>1</td> <td>350 – 900</td> <td>0.25%</td> </tr> </tbody> </table>	Bucket	Overall score range (bp)	Phased-in buffer rate (CET1 RWA)	4	2,901 or above	1.0%	3	1,951 – 2,900	0.75%	2	901 – 1,950	0.50%	1	350 – 900	0.25%
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<p>4.5 Effectiveness and proportionality of measure</p>	<p>Please provide a justification for why the O-SII buffer is considered likely to be effective and proportionate to mitigate the risk.</p> <p>The O-SII buffer is acknowledged to mitigate negative externalities, reduce potential moral hazard incentives and implicit subsidies (in terms of funding costs) and, ultimately, increase the designated institutions’ resilience.</p> <p>The proposed measure ensures continuity with previous years’ O-SII decisions. Past and present phase-in arrangements for the build-up of the O-SII buffer have sought to allow O-SIIs to comply with the buffer requirement in a smooth and gradual manner, thereby minimising any unintended negative effects to the financial system or the real economy.</p>															
<p>5. Sufficiency, consistency and non-overlap of the policy response</p>																
<p>5.1 Sufficiency of the policy response</p>	<p>For a macroprudential policy to be ‘sufficient’, the policy responses must be deemed to significantly mitigate, or reduce the build-up of, risks over an appropriate time horizon with a limited unintended impact on the general economy.</p> <p>Note that the ESRB will use the assessment of the macroprudential stance as relevant input in assessing the sufficiency of the macroprudential policy in the Member State.</p> <p>Please provide any additional information that the ESRB should consider in assessing the sufficiency of the policy response.</p> <p>The proposed O-SII buffers are assessed to be sufficient. No unintended impact on the general economy is expected as institutions have sufficient CET1 capital to comply with these O-SII buffers.</p>															

<p>5.2 Consistency of application of the policy response</p>	<p>For a macroprudential policy to be 'consistent', the policy instruments meet their respective objectives, as outlined in ESRB/2013/1³, and must be implemented in accordance with the common principles set out in the relevant legal texts.</p> <p>Note that the ESRB assessment of consistency will consider whether the same systemic risks are addressed in a similar way across and within the Member States over time.</p> <p>Please provide any additional information that the ESRB should consider in assessing the consistency of the policy response.</p> <p>The application of the proposed O-SII buffers is consistent with the national transposition of the EU Capital Requirements Directive to Spanish legislation, as well as with the policy guidance of the ECB bucketing and floor methodology for O-SIIs. Within the regulatory calibration range, the proposed measure attaches higher buffer rates to those O-SIIs with larger scores of systemic importance.</p>
<p>5.3 Non-overlap of the policy response</p>	<p>For a policy instrument to be 'non-overlapping', it should aim to address a systemic risk that either differs from a risk addressed by other active tools in the same Member State, or be complementary to another tool in that Member State which addresses the same systemic risk.</p> <ul style="list-style-type: none"> - Are other policy instruments used to address the <u>same</u> systemic risk? No. - If yes, please explain the need for more than one instrument to address the same systemic risk and how the different instruments interact with each other. Not applicable.
<p>6. Cross-border and cross-sector impact of the measure</p>	
<p>6.1 Assessment of cross-border effects and the likely impact on the Internal Market (Recommendation ESRB/2015/2⁴)</p>	<p>Assessment of the cross-border effects of implementation of the measure.</p> <p>a. Assessment of the spillover channels operating via risk adjustment and regulatory arbitrage. The relevant indicators provided in Chapter 11 of the ESRB Handbook on Operationalising Macroprudential Policy in the Banking Sector⁵ and the Framework to assess cross-border spillover effects of macroprudential policies of the ECB Task Force on cross-border spillover effects of macroprudential measures can be used.</p> <p>b. Assessment of the:</p> <ul style="list-style-type: none"> o cross-border effects of implementation of the measure in your own jurisdiction (inward spillovers); o cross-border effects on other Member States and on the Single Market of the measure (outward spillovers); o overall impact on the Single Market of implementation of the measure. <p>The Spanish banking sector is dominated by national (i.e. domestically-owned) institutions. Furthermore, large and internationally active Spanish banks operate abroad typically through financially autonomous subsidiaries.</p>

³ Recommendation of the European Systemic Risk Board of 4 April 2013 on intermediate objectives and instruments of macro-prudential policy (ESRB/2013/1) (OJ C 170, 15.6.2013, p. 1)

⁴ Recommendation of the European Systemic Risk Board of 15 December 2015 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2015/3) (OJ C 97, 12.3.2016, p. 9).

⁵ Available on the ESRB's website at www.esrb.europa.eu.

	<p>These features are considered to limit the potential for cross-border effects resulting from the O-SII buffer requirement.</p> <p>Supported by empirical evidence and the experience gained since 2016 with the use of this macroprudential instrument, BdE's internal assessment of the O-SII buffer requirement suggests limited spillovers within the EU (particularly vis-à-vis those Member States hosting the institutions' subsidiaries). Likewise, other types of potential cross-border effects of the proposed measure are, a priori, expected to be contained. BdE remains committed to monitor developments in this area over the coming year in coordination with the relevant EU bodies and national authorities.</p>																												
<p>6.2 Assessment of leakages and regulatory arbitrage within the notifying Member State</p>	<p>Referring to your Member State's specific characteristics, what is the scope for "leakages and regulatory arbitrage" in your own jurisdiction (i.e. circumvention of the measure/leakages to other parts of the financial sector)?</p> <p>Is there scope for "leakages and regulatory arbitrage" in other jurisdictions?</p> <p>The scope for potential leakages and regulatory arbitrage/circumvention is deemed to be very narrow, particularly on account of two key mitigating factors: (i) the macroprudential measure is directly targeted at the largest Spanish banking groups (which account for around 80% of total assets of the country's banking sector), and (ii) the Spanish financial system is largely bank-based.</p>																												
<p>7. Combinations and interactions with other measures</p>																													
<p>7.1 Combinations between G-SII and O-SII buffers (Article 131.14)</p>	<p>If both G-SII and O-SII criteria apply to the same institution at consolidated level, which of the two buffers is the highest?</p> <table border="1" data-bbox="571 1070 1442 1232"> <thead> <tr> <th>Name of institution</th> <th>O-SII buffer</th> <th>G-SII buffer</th> </tr> </thead> <tbody> <tr> <td>Banco Santander, S.A.</td> <td>1%</td> <td>1%</td> </tr> <tr> <td></td> <td>%</td> <td>%</td> </tr> <tr> <td></td> <td>%</td> <td>%</td> </tr> </tbody> </table>	Name of institution	O-SII buffer	G-SII buffer	Banco Santander, S.A.	1%	1%		%	%		%	%																
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<p>7.2 Combinations with systemic risk buffers (SyRBs) (Article 131.15 CRD)</p>	<p>Are any of the institutions identified as O-SIIs subject to a systemic risk buffer?</p> <p>No.</p> <p>If yes, please provide the following information:</p> <ol style="list-style-type: none"> What is/are the systemic risk buffer rates(s)? At what level is/are the systemic risk buffer rate(s) applied (i.e. consolidation level and/or individual)? Is the sum of the systemic risk buffer rate(s) and the O-SII buffer rate (or the higher of the G-SII and O-SII buffer rates, if a group is subject to a G-SII buffer and to an O-SII buffer at consolidated level) to which the same institution is subject over 5%? <p>Not applicable.</p> <table border="1" data-bbox="571 1720 1423 2024"> <thead> <tr> <th>Name of institution</th> <th>SyRB rate</th> <th>SyRB application level</th> <th>Sum of G-SII/O-SII and SyRB rates</th> </tr> </thead> <tbody> <tr> <td></td> <td>%</td> <td></td> <td>%</td> </tr> <tr> <td></td> <td>%</td> <td></td> <td>%</td> </tr> <tr> <td></td> <td>%</td> <td></td> <td>%</td> </tr> <tr> <td></td> <td>%</td> <td></td> <td>%</td> </tr> <tr> <td></td> <td>%</td> <td></td> <td>%</td> </tr> <tr> <td></td> <td>%</td> <td></td> <td>%</td> </tr> </tbody> </table>	Name of institution	SyRB rate	SyRB application level	Sum of G-SII/O-SII and SyRB rates		%		%		%		%		%		%		%		%		%		%		%		%
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7.3 O-SII requirement for a subsidiary (Article 131.8 CRD)	<p>If the O-SII is a subsidiary of an EU parent institution subject to a G-SII or O-SII buffer on a consolidated basis, what is the G-SII or O-SII buffer rate on a consolidated basis of the parent institution?</p> <p>Does the cap for the subsidiary prevent the implementation of a higher O-SII buffer based on the domestic buffer setting methodology?</p> <p>Not applicable.</p> <table border="1"> <thead> <tr> <th>Name of O-SII subsidiary</th> <th>Name of the EU parent of the O-SII subsidiary</th> <th>Buffer applicable to O-SII EU parent</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>%</td> </tr> <tr> <td></td> <td></td> <td>%</td> </tr> <tr> <td></td> <td></td> <td>%</td> </tr> </tbody> </table>				Name of O-SII subsidiary	Name of the EU parent of the O-SII subsidiary	Buffer applicable to O-SII EU parent			%			%			%
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8. Miscellaneous																
8.1 Contact person(s)/mailbox at notifying authority	Mailbox at the Financial Stability and Macroprudential Policy Department of BdE: macropru(at)bde(dot)es															
8.2 Any other relevant information	This notification was submitted on 20 June 2022, together with a confidential spreadsheet file (xls format) containing the sample and bank-level scores of the O-SII assessment exercise															
8.3 Date of the notification	Please provide the date on which this notification was uploaded/sent. 20/06/2022															