

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? 							
	<table border="1"> <thead> <tr> <th>Name of institution</th> <th>LEI</th> <th>Consolidation level</th> </tr> </thead> <tbody> <tr> <td>Banco Santander, S.A.</td> <td>5493006QMFDDMY WIAM13</td> <td>highest level of consolidation</td> </tr> </tbody> </table>	Name of institution	LEI	Consolidation level	Banco Santander, S.A.	5493006QMFDDMY WIAM13	highest level of consolidation	
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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 (OJL 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.

	<table border="1"> <tr> <td>Banco Bilbao Vizcaya Argentaria, S.A.</td> <td>K8MS7FD7N5Z2WQ 51AZ71</td> <td>highest level of consolidation</td> </tr> <tr> <td>CaixaBank, S.A.</td> <td>7CUNS533WID6K7D GF187</td> <td>highest level of consolidation</td> </tr> <tr> <td>Banco de Sabadell, S.A.</td> <td>S15RG2M0WQQLZC XKRM20</td> <td>highest level of consolidation</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> </table>	Banco Bilbao Vizcaya Argentaria, S.A.	K8MS7FD7N5Z2WQ 51AZ71	highest level of consolidation	CaixaBank, S.A.	7CUNS533WID6K7D GF187	highest level of consolidation	Banco de Sabadell, S.A.	S15RG2M0WQQLZC XKRM20	highest level of consolidation												
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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	<p>At what level is the fully phased-in buffer (in %) applied to the institution(s)?</p> <table border="1"> <thead> <tr> <th>Name of institution</th> <th>New O-SII buffer</th> <th>Previous O-SII buffer</th> </tr> </thead> <tbody> <tr> <td>Banco Santander, S.A.</td> <td>1.25%</td> <td>1.0%</td> </tr> <tr> <td>Banco Bilbao Vizcaya Argentaria, S.A.</td> <td>1.0%</td> <td>0.75%</td> </tr> <tr> <td>CaixaBank, S.A.</td> <td>0.5%</td> <td>0.5%</td> </tr> <tr> <td>Banco de Sabadell, S.A.</td> <td>0.25%</td> <td>0.25%</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Name of institution	New O-SII buffer	Previous O-SII buffer	Banco Santander, S.A.	1.25%	1.0%	Banco Bilbao Vizcaya Argentaria, S.A.	1.0%	0.75%	CaixaBank, S.A.	0.5%	0.5%	Banco de Sabadell, S.A.	0.25%	0.25%						
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2.3 Name of the ultimate EU parent institution	<p>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.</p> <p>Not applicable.</p> <table border="1"> <thead> <tr> <th>Name of identified O-SII</th> <th>Ultimate EU parent institution</th> <th>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> </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	<p>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).</p> <p>Not applicable.</p> <table border="1"> <thead> <tr> <th>Name of parent O-SII identified</th> <th>Name of O-SII subsidiary</th> <th>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> </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
 What is the date of the official decision? For SSM countries when notifying the ECB: provide the date on which the decision referred to in Article 5 of the Single Supervisory Mechanism Regulation (SSMR) will be taken.
25/09/2023

3.2 Timing for publication
 What is the date of publication of the notified measure?
Shortly after the decision date.
 Click here to enter a date.

3.3 Disclosure
 Information about the strategy for if the communicating the notified measure to the market.
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:
EN: https://www.bde.es/bde/en/areas/estabilidad/herramientas-macroprudenciales/identificacion_bbe79f06544b261.html

3.4 Timing for application
 What is the intended date of application of the measure?
1 January 2024 (applicable until 31 December 2024).
 Click here to enter a date.

3.5 Phasing in
 What is the intended timeline for the phase-in of the measure?
No phase-in is considered for the proposed buffer increases.

Name of institution	Date1	Date2	Date3	Date4	Date5
	%	%	%	%	%
	%	%	%	%	%

3.6 Review of the measure
 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)?
By November 2024 at the latest.

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)
 Please list here the names, overall scores and category scores of the O-SIIs identified based on

- a. size;
- b. importance for the economy of the relevant Member State or the Union, capturing substitutability/financial institution infrastructure;
- c. complexity, including the additional complexities from cross-border activity;
- d. interconnectedness of the institution or (sub-)group with the financial system.

Name of institution	Size	Substitutability	Complexity	Interconnectedness	Overall Score

Banco Santander, S.A.	1,060	637	1160	1,303	4,160
Banco Bilbao Vizcaya Argentaria, S.A.	424	389	770	458	2,041
CaixaBank, S.A.	328	573	169	212	1,283
Banco de Sabadell, S.A.	155	132	69	93	449

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. In addition, additional data related to cross-border activity has also been employed to comply with the EBA guidelines indications for the computation of cross-jurisdictional claims and liabilities.**
 - 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.**

<p>4.3 Supervisory judgement</p>	<p>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:</p> <ul style="list-style-type: none"> 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 by the ECB for the Banking Union (see Governing Council Statement on Macroprudential Policies, 21 December 2022).</p>
<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. No unintended negative effects to the financial system or the real economy are expected.</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 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>

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)

	<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 Sector ⁵ 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. 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</p>

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>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="571 902 1444 1066"> <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>1.25%</td> <td>1.0%</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.	1.25%	1.0%		%	%		%	%																								
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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 1556 1422 1944"> <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> <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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<p>7.3 O-SII requirement for a subsidiary (Article 131.8 CRD)</p>	<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" data-bbox="571 427 1422 629"> <thead> <tr> <th data-bbox="571 427 887 517">Name of O-SII subsidiary</th> <th data-bbox="887 427 1251 517">Name of the EU parent of the O-SII subsidiary</th> <th data-bbox="1251 427 1422 517">Buffer applicable to O-SII EU parent</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td data-bbox="1251 517 1422 555">%</td> </tr> <tr> <td></td> <td></td> <td data-bbox="1251 555 1422 593">%</td> </tr> <tr> <td></td> <td></td> <td data-bbox="1251 593 1422 629">%</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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		%											
<p>8. Miscellaneous</p>													
<p>8.1 Contact person(s)/mailbox at notifying authority</p>	<p>Mailbox at the Financial Stability and Macroeconomic Policy Department of BdE: macropru(at)bde(dot)es</p>												
<p>8.2 Any other relevant information</p>	<p>This notification is submitted to the ESRB via DARWIN, together with a confidential spreadsheet file (xls format) containing the sample and bank-level scores of the O-SII assessment exercise. It has also been submitted to the ECB.</p>												
<p>8.3 Date of the notification</p>	<p>Please provide the date on which this notification was uploaded/sent. 29/08/2023</p>												