

G-SIB 2017

Disclosure for global systemically important banks (G-SIBs) indicators as of 31 December 2017

G-SIB 2017

Introduction

In November 2011 the FSB published an integrated set of policy measures to address the systemic and moral hazard risks associated with systemically important financial institutions. It identified an initial group of global systemically important banks (G-SIBs), using a methodology developed by the Basel Committee on Banking Supervision (BCBS). The report noted that the list of G-SIBs would be updated annually and published by the FSB each November. The latest G-SIBs list was published in November 2017. 30 banks are identified as G-SIBs. The list remains identical to the one published in 2015. The next G-SIBs list will be published in November 2018.

The Basel Committee on Banking Supervision (BCBS) assesses the systemic importance of banks in a global context. Global systemic importance should be measured in terms of the impact that a bank's failure can have on the global financial system and wider economy, rather than the risk that a failure could occur. This can be thought of as a global, system-wide, loss-given-default (LGD) concept rather than a probability of default (PD) concept.

The supervisory process is based on the results of the **indicator-based measurement approach**.

The selected indicators shall reflect:

- Size
- Interconnectedness
- Substitutability/Financial Infrastructure
- Complexity
- Cross-Jurisdictional Activity

G-SIB 2017

Introduction

Banks that have a score produced by the indicator-based measurement approach that exceeds a cutoff level set by the Committee will be classified as G-SIBs. The current cut-off score for G-SIB designation is 130 bps

This score, which captures the global share of activity and systemic risk that a bank poses to the larger financial system, is used in determining the higher loss absorbency (HLA) requirement.

According to Article 131 CRD, a mandatory **capital buffer** applies for banks identified as being of global systemic importance (the 'G-SII buffer'). This has been transposed to Spanish regulation.

The capital surcharge amounts to 1 % up to 3.5 % common equity tier 1 over risk weighted assets (RWA). Following the timeline agreed at global level, the buffer is gradually phased-in between 1/01/2016 and 01/01/2019.

Although Banco de Sabadell group is not currently a G-SIB, the obligation to disclose is defined as follows:

“In accordance with the BCBS standards, all banks with a leverage ratio exposure measure exceeding 200 billion euros (using the exchange rate applicable at the financial year-end) are required to publically disclose information containing at least the 12 indicators defined in G-SIB methodology within four months of the financial year-end”.

In the next slides we disclose the information, corresponding to the fiscal year 2017.

G-SIB 2017

Summary

Category	Individual indicator	Amount
Size	Total exposures as defined for use in the BIS Basel III leverage ratio ¹	226.499.064
Interconnectedness	Intra-financial system assets	6.775.354
	Intra-financial system liabilities	15.218.316
	Securities outstanding	33.029.687
Substitutability/financial institution infrastructure	Assets under custody	76.424.049
	Payments activity	239.967.671
	Underwritten transactions in debt and equity markets	572.656
Complexity	Notional amount of over-the-counter (OTC) derivatives	167.236.405
	Level 3 Assets	176.282
	Trading and available for sale securities ²	1.215.761
Cross-Jurisdictional Activity	Cross-Jurisdictional claims	57.486.855
	Cross-Jurisdictional liabilities	57.836.734

Amount in thousand EUR at 12/31/2017.

¹ According to the instructions of GSIBs template requirements, this indicator matches the definition of total exposures as defined in Basel III leverage ratio framework and disclosure requirements, January 2014, Basel Committee on Banking Supervision, available at www.bis.org/publ/bcbs270.html.

² After offsetting of trading and available-for-sale securities that meet the definition of unencumbered Level 1 and Level 2 (after haircuts) assets, as per BCBS definition.

G-SIB 2017

General Bank Data

Section 1 - General Information	GSIB	Response
a. General information provided by the relevant supervisory authority:		
(1) Country code	1001	ES
(2) Bank name	1002	Banco de Sabadell, S.A.
(3) Reporting date (yyyy-mm-dd)	1003	2017-12-31
(4) Reporting currency	1004	EUR
(5) Euro conversion rate	1005	1
(6) Submission date (yyyy-mm-dd)	1006	2018-05-04
b. General Information provided by the reporting institution:		
(1) Reporting unit	1007	1.000
(2) Accounting standard	1008	IFRS
(3) Date of public disclosure (yyyy-mm-dd)	1009	2018-04-30
(4) Language of public disclosure	1010	English
(5) Web address of public disclosure	1011	https://www.grupobancosabadell

G-SIB 2017

Size Indicator

Section 2 - Total Exposures	GSIB	Amount in thousand EUR
a. Derivatives		
(1) Counterparty exposure of derivatives contracts	1012	881.480
(2) Capped notional amount of credit derivatives	1201	61.000
(3) Potential future exposure of derivative contracts	1018	909.224
b. Securities financing transactions (SFTs)		
(1) Adjusted gross value of SFTs	1013	112.457
(2) Counterparty exposure of SFTs	1014	361.738
c. Other assets	1015	213.087.175
d. Gross notional amount of off-balance sheet items		
(1) Items subject to a 0% credit conversion factor (CCF)	1019	8.625.364
(2) Items subject to a 20% CCF	1022	12.633.903
(3) Items subject to a 50% CCF	1023	7.732.229
(4) Items subject to a 100% CCF	1024	3.830.558
e. Regulatory adjustments	1031	2.970.511
f. Total exposures indicator (Total exposures prior to regulatory adjustments) (sum of items 2.a.(1) thorough 2.c, 0.1 times 2.d.(1), 0.2 times 2.d.(2), 0.5 times 2.d.(3), and 2.d.(4))	1103	226.499.064

G-SIB 2017

Interconnectedness Indicators (1/2)

Section 3 - Intra-Financial System Assets	GSIB	Amount in thousand EUR
a. Funds deposited with or lent to other financial institutions	1033	4.335.036
(1) Certificates of deposit	1034	0
b. Unused portion of committed lines extended to other financial institutions	1035	360.554
c. Holdings of securities issued by other financial institutions:		
(1) Secured debt securities	1036	8.947
(2) Senior unsecured debt securities	1037	560.498
(3) Subordinated debt securities	1038	1.501
(4) Commercial paper	1039	0
(5) Equity securities	1040	291.318
(6) Offsetting short positions in relation to the specific equity securities included in item 3.c.(5)	1041	0
d. Net positive current exposure of securities financing transactions with other financial institutions	1213	516.438
e. Over-the-counter derivatives with other financial institutions that have a net positive fair value:		
(1) Net positive fair value	1043	125.938
(2) Potential future exposure	1044	575.124
f. Intra-financial system assets indicator (sum of items 3.a, 3.b through 3.c.(5), 3.d, 3.e.(1), and 3.e.(2), minus 3.c.(6))	1045	6.775.354

G-SIB 2017

Interconnectedness Indicators (2/2)

Section 4 - Intra-Financial System Liabilities	GSIB	Amount in thousand EUR
a. Funds deposited by or borrowed from other financial institutions:		
(1) Deposits due to depository institutions	1046	1.954.898
(2) Deposits due to non-depository financial institutions	1047	12.730.262
(3) Loans obtained from other financial institutions	1105	249.487
b. Unused portion of committed lines obtained from other financial institutions	1048	0
c. Net negative current exposure of securities financing transactions with other financial institutions	1214	22.871
d. Over-the-counter derivatives with other financial institutions that have a net negative fair value:		
(1) Net negative fair value	1050	129.010
(2) Potential future exposure	1051	131.788
e. Intra-financial system liabilities indicator (sum of items 4.a.(1) through 4.d.(2))	1052	15.218.316

Section 5 - Securities Outstanding	GSIB	
a. Secured debt securities	1053	13.206.925
b. Senior unsecured debt securities	1054	4.843.573
c. Subordinated debt securities	1055	1.331.835
d. Commercial paper	1056	3.179.100
e. Certificates of deposit	1057	0
f. Common equity	1058	9.318.254
g. Preferred shares and any other forms of subordinated funding not captured in item 5.c.	1059	1.150.000
h. Securities outstanding indicator (sum of items 5.a through 5.g)	1060	33.029.687

G-SIB 2017

Substitutability/Financial Institution Infrastructure Indicators

Section 6 - Payments made in the reporting year (excluding intragroup payments)	GSIB	Amount in thousand EUR
a. Australian dollars (AUD)	1061	26.634
b. Brazilian real (BRL)	1062	0
c. Canadian dollars (CAD)	1063	94.589
d. Swiss francs (CHF)	1064	60.256
e. Chinese yuan (CNY)	1065	21.897
f. Euros (EUR)	1066	225.216.583
g. British pounds (GBP)	1067	730.485
h. Hong Kong dollars (HKD)	1068	3.234
i. Indian rupee (INR)	1069	0
j. Japanese yen (JPY)	1070	115.377
k. Mexican pesos (MXN)	1108	238.755
l. Swedish krona (SEK)	1071	34.163
m. United States dollars (USD)	1072	13.425.698
n. Payments activity indicator (sum of items 6.a through 6.m)	1073	239.967.671

Section 7 - Assets Under Custody	GSIB	Amount in thousand EUR
a. Assets under custody indicator	1074	76.424.049

Section 8 - Underwritten Transactions in Debt and Equity Markets	GSIB	Amount in thousand EUR
a. Equity underwriting activity	1075	26.612
b. Debt underwriting activity	1076	546.044
c. Underwriting activity indicator (sum of items 8.a and 8.b)	1077	572.656

G-SIB 2017

Complexity indicators

Section 9 - Notional Amount of Over-the-Counter (OTC) Derivatives	GSIB	Amount in thousand EUR
a. OTC derivatives cleared through a central counterparty	1078	49.017.112
b. OTC derivatives settled bilaterally	1079	118.219.293
c. OTC derivatives indicator (sum of items 9.a and 9.b)	1080	167.236.405

Section 10 - Trading and Available-for-Sale Securities	GSIB	Amount in thousand EUR
a. Held-for-trading securities (HFT)	1081	131.761
b. Available-for-sale securities (AFS)	1082	13.180.716
c. Trading and AFS securities that meet the definition of Level 1 assets	1083	12.051.952
d. Trading and AFS securities that meet the definition of Level 2 assets, with haircuts	1084	44.764
e. Trading and AFS securities indicator (sum of items 10.a and 10.b, minus the sum of 10.c and 10.d)	1085	1.215.761

Section 11 - Level 3 Assets	GSIB	Amount in thousand EUR
a. Level 3 assets indicator (Assets valued for accounting purposes using Level 3 measurement inputs)	1086	176.282

G-SIB 2017

Cross-Jurisdictional Activity Indicators

Section 12 - Cross-Jurisdictional Claims	GSIB	Amount in thousand EUR
a. Cross-jurisdictional claims indicator (Total foreign claims on an ultimate risk basis)	1087	57.486.855

Section 13 - Cross-Jurisdictional Liabilities	GSIB	Amount in thousand EUR
a. Foreign liabilities (excluding derivatives and local liabilities in local currency)	1088	59.234.682
(1) Any foreign liabilities to related offices included in item 13.a.	1089	6.514.762
b. Local liabilities in local currency (excluding derivatives activity)	1090	5.116.814
c. Cross-jurisdictional liabilities indicator (sum of items 13.a and 13.b, minus 13.a.(1))	1091	57.836.734

 **Sabadell**

There, wherever you are