

G-SIB 2018

Disclosure for global systemically important banks (G-SIBs) indicators as of 31 December 2018

G-SIB 2018

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 list was published in November 2018, where 29 banks were identified as G-SIBs.

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 2018

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.

FSB apply the following requirements to G-SIBs:

- Higher capital buffer*
- Total Loss-Absorbing Capacity (TLAC)
- Resolution planning and regular resolvability assessments
- Higher supervisory expectations

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 2018.

* The G-SIBs shall be subject to a mandatory **capital buffer (the ‘G-SII buffer’)** according to Article 131 CRD (EU), and its transposition to Spanish regulation: Art. 46 LOSSEC, Art. 62 RD 84/2015 and N^o 13 CBE 2/2016.

G-SIB 2018

Summary

Category	Individual indicator	Amount
Size	Total exposures as defined for use in the BIS Basel III leverage ratio	225.034.165
Interconnectedness	Intra-financial system assets	7.651.370
	Intra-financial system liabilities	15.810.772
	Securities outstanding	28.203.775
Substitutability / financial institution infrastructure	Payments activity	239.768.357
	Assets under custody	71.037.495
	Underwritten transactions in debt and equity markets	522.217
Complexity	Notional amount of over-the-counter (OTC) derivatives	178.146.613
	Level 3 Assets	128.194
	Trading and available for sale securities	1.762.754
Cross-Jurisdictional Activity	Cross-Jurisdictional claims	58.558.377
	Cross-Jurisdictional liabilities	50.600.496

Amount in thousand EUR at 31/12/2018.

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 2018

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	2018-12-31
(4) Reporting currency	1004	EUR
(5) Euro conversion rate	1005	1
(6) Submission date (yyyy-mm-dd)	1006	2019-05-03
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	2019-04-30
(4) Language of public disclosure	1010	English
(5) Web address of public disclosure	1011	https://www.grupbancsabadell.c

G-SIB 2018

Size Indicator

Section 2 - Total Exposures	GSIB	Amount in thousand EUR
a. Derivatives		
(1) Counterparty exposure of derivatives contracts	1012	879.680
(2) Capped notional amount of credit derivatives	1201	74.000
(3) Potential future exposure of derivative contracts	1018	1.502.491
b. Securities financing transactions (SFTs)		
(1) Adjusted gross value of SFTs	1013	33.585
(2) Counterparty exposure of SFTs	1014	120.925
c. Other assets	1015	212.988.597
d. Gross notional amount of off-balance sheet items		
(1) Items subject to a 0% credit conversion factor (CCF)	1019	9.455.642
(2) Items subject to a 20% CCF	1022	13.456.915
(3) Items subject to a 50% CCF	1023	8.606.177
(4) Items subject to a 100% CCF	1024	1.405.525
e. Regulatory adjustments	1031	3.187.585
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	224.944.839

G-SIB 2018

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	3.863.916
(1) Certificates of deposit	1034	263.467
b. Unused portion of committed lines extended to other financial institutions	1035	416.884
c. Holdings of securities issued by other financial institutions:		
(1) Secured debt securities	1036	0
(2) Senior unsecured debt securities	1037	676.135
(3) Subordinated debt securities	1038	4.801
(4) Commercial paper	1039	0
(5) Equity securities	1040	195.311
(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	726.039
e. Over-the-counter derivatives with other financial institutions that have a net positive fair value:		
(1) Net positive fair value	1043	368.085
(2) Potential future exposure	1044	707.995
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	6.959.166

G-SIB 2018

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	2.622.303
(2) Deposits due to non-depository financial institutions	1047	12.864.679
(3) Loans obtained from other financial institutions	1105	0
b. Unused portion of committed lines obtained from other financial institutions	1048	30.182
c. Net negative current exposure of securities financing transactions with other financial institutions	1214	14.404
d. Over-the-counter derivatives with other financial institutions that have a net negative fair value:		
(1) Net negative fair value	1050	30.222
(2) Potential future exposure	1051	248.982
e. Intra-financial system liabilities indicator (sum of items 4.a.(1) through 4.d.(2))	1052	15.810.772

Section 5 - Securities Outstanding	GSIB	
a. Secured debt securities	1053	12.332.006
b. Senior unsecured debt securities	1054	3.979.311
c. Subordinated debt securities	1055	1.836.344
d. Commercial paper	1056	3.276.336
e. Certificates of deposit	1057	0
f. Common equity	1058	5.629.778
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	28.203.775

G-SIB 2018

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	38.697
b. Brazilian real (BRL)	1062	0
c. Canadian dollars (CAD)	1063	50.474
d. Swiss francs (CHF)	1064	56.932
e. Chinese yuan (CNY)	1065	26.027
f. Euros (EUR)	1066	224.716.342
g. British pounds (GBP)	1067	1.109.435
h. Hong Kong dollars (HKD)	1068	35.969
i. Indian rupee (INR)	1069	0
j. Japanese yen (JPY)	1070	99.151
k. Mexican pesos (MXN)	1108	271.421
l. Swedish krona (SEK)	1071	37.982
m. United States dollars (USD)	1072	13.325.927
n. Payments activity indicator (sum of items 6.a through 6.m)	1073	239.768.357

Section 7 - Assets Under Custody	GSIB	Amount in thousand EUR
a. Assets under custody indicator	1074	71.037.495

Section 8 - Underwritten Transactions in Debt and Equity Markets	GSIB	Amount in thousand EUR
a. Equity underwriting activity	1075	0
b. Debt underwriting activity	1076	522.217
c. Underwriting activity indicator (sum of items 8.a and 8.b)	1077	522.217

G-SIB 2018

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	88.451.847
b. OTC derivatives settled bilaterally	1079	89.694.766
c. OTC derivatives indicator (sum of items 9.a and 9.b)	1080	178.146.613

Section 10 - Trading and Available-for-Sale Securities	GSIB	Amount in thousand EUR
a. Held-for-trading securities (HFT)	1081	466.004
b. Available-for-sale securities (AFS)	1082	13.247.056
c. Trading and AFS securities that meet the definition of Level 1 assets	1083	11.475.137
d. Trading and AFS securities that meet the definition of Level 2 assets, with haircuts	1084	475.169
e. Trading and AFS securities indicator (sum of items 10.a and 10.b, minus the sum of 10.c and 10.d)	1085	1.762.754

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	128.194

G-SIB 2018

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	78.571.576

Section 13 - Cross-Jurisdictional Liabilities	GSIB	Amount in thousand EUR
a. Foreign liabilities (excluding derivatives and local liabilities in local currency)	1088	18.504.791
(1) Any foreign liabilities to related offices included in item 13.a.	1089	0
b. Local liabilities in local currency (excluding derivatives activity)	1090	43.701.902
c. Cross-jurisdictional liabilities indicator (sum of items 13.a and 13.b, minus 13.a.(1))	1091	62.206.693

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