

G-SIB 2020

Disclosure for global systemically important banks (G-SIBs) indicators as of 31 December 2020

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Introduction (1/2)

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 2019, where 30 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

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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 2020.

* 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° 13 CBE 2/2016.

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Summary

Category	Individual indicador	2020	2019*
Size	Total exposures as defined for use in the BIS Basel III leverage ratio ¹	238,870,059	228,057,529
Interconnectedness	Intra-financial system assets	5,277,045	6,002,970
	Intra-financial system liabilities	9,451,664	12,474,198
	Securities outstanding	21,650,062	28,371,953
Substitutability / financial institution infrastructure	Payments activity	278,396,977	242,121,906
	Assets under custody	69,347,479	77,041,762
	Underwritten transactions in debt and equity markets	2,107,871	2,091,131
Complexity	Notional amount of over-the-counter (OTC) derivatives	157,575,047	169,549,236
	Level 3 Assets	160,606	216,667
	Trading and available for sale securities ²	862,156	1,060,285
Cross-Jurisdictional Activity	Cross-Jurisdictional claims	76,582,767	87,086,114
	Cross-Jurisdictional liabilities	60,491,775	63,276,140

Amount in thousand EUR

* BIS-ECB validated figures

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.

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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	2020-12-31
(4) Reporting currency		1004	EUR
(5) Euro conversion rate		1005	1
(6) Submission date (yyyy-mm-dd)		1006	2021-04-30
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	2021-04-30
(4) Language of public disclosure		1010	English
(5) Web address of public disclosure		1011	
(6) LEI code		2015	SI5RG2M0WQLZCXKRM20

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Size Indicator

Section 2 - Total Exposures	GSIB	Amount in thousand EUR
a. Derivatives		
(1) Counterparty exposure of derivatives contracts	1012	1.127.185
(2) Capped notional amount of credit derivatives	1201	52.744
(3) Potential future exposure of derivative contracts	1018	629.961
b. Securities financing transactions (SFTs)		
(1) Adjusted gross value of SFTs	1013	693.139
(2) Counterparty exposure of SFTs	1014	9.166
c. Other assets	1015	225.723.351
d. Gross notional amount of off-balance sheet items		
(1) Items subject to a 0% credit conversion factor (CCF)	1019	9.179.109
(2) Items subject to a 20% CCF	1022	18.606.878
(3) Items subject to a 50% CCF	1023	10.286.939
(4) Items subject to a 100% CCF	1024	851.757
e. Regulatory adjustments	1031	2.980.068
f. Total exposures indicator (Total exposures prior to regulatory adjustments) (sum of items 2.a.(1) through 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	238.870.059

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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	3.026.381
(1) Certificates of deposit	1034	0
b. Unused portion of committed lines extended to other financial institutions	1035	688.811
c. Holdings of securities issued by other financial institutions:		
(1) Secured debt securities	1036	189.381
(2) Senior unsecured debt securities	1037	608.602
(3) Subordinated debt securities	1038	3.037
(4) Commercial paper	1039	4.866
(5) Equity securities	1040	77.825
(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	255.497
e. Over-the-counter derivatives with other financial institutions that have a net positive fair value:		
(1) Net positive fair value	1043	109.526
(2) Potential future exposure	1044	389.829
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	5.353.755

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	1.823.243
(2) Deposits due to non-depository financial institutions	1047	6.986.115
(3) Loans obtained from other financial institutions	1105	0
b. Unused portion of committed lines obtained from other financial institutions	1048	461.341
c. Net negative current exposure of securities financing transactions with other financial institutions	1214	84.908
d. Over-the-counter derivatives with other financial institutions that have a net negative fair value:		
(1) Net negative fair value	1050	8.763
(2) Potential future exposure	1051	87.293
e. Intra-financial system liabilities indicator (sum of items 4.a.(1) through 4.d.(2))	1052	9.451.664

Section 5 - Securities Outstanding	GSIB	Amount in thousand EUR
a. Secured debt securities	1053	9.423.146
b. Senior unsecured debt securities	1054	6.845.201
c. Subordinated debt securities	1055	1.748.070
d. Commercial paper	1056	365.865
e. Certificates of deposit	1057	120.711
f. Common equity	1058	1.991.946
g. Preferred shares and any other forms of subordinated funding not captured in item 5.c.	1059	1.155.123
h. Securities outstanding indicator (sum of items 5.a through 5.g)	1060	21.650.062

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	49.522
b. Brazilian real (BRL)	1062	0
c. Canadian dollars (CAD)	1063	43.256
d. Swiss francs (CHF)	1064	88.747
e. Chinese yuan (CNY)	1065	57.855
f. Euros (EUR)	1066	264.392.039
g. British pounds (GBP)	1067	956.060
h. Hong Kong dollars (HKD)	1068	37.410
i. Indian rupee (INR)	1069	0
j. Japanese yen (JPY)	1070	198.257
k. Mexican pesos (MXN)	1108	87.135
l. Swedish krona (SEK)	1071	40.981
m. United States dollars (USD)	1072	12.445.716
n. Payments activity indicator (sum of items 6.a through 6.m)	1073	278.396.977

Section 7 - Assets Under Custody	GSIB	Amount in thousand EUR
a. Assets under custody indicator	1074	69.347.479

Section 8 - Underwritten Transactions in Debt and Equity Markets	GSIB	Amount in thousand EUR
a. Equity underwriting activity	1075	160.625
b. Debt underwriting activity	1076	1.947.246
c. Underwriting activity indicator (sum of items 8.a and 8.b)	1077	2.107.871

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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	92.775.420
b. OTC derivatives settled bilaterally	1079	64.799.627
c. OTC derivatives indicator (sum of items 9.a and 9.b)	1080	157.575.047

Section 10 - Trading and Available-for-Sale Securities	GSIB	Amount in thousand EUR
a. Held-for-trading securities (HFT)	1081	428.440
b. Available-for-sale securities (AFS)	1082	6.676.802
c. Trading and AFS securities that meet the definition of Level 1 assets	1083	6.052.691
d. Trading and AFS securities that meet the definition of Level 2 assets, with haircuts	1084	190.395
e. Trading and AFS securities indicator (sum of items 10.a and 10.b, minus the sum of 10.c and 10.d)	1085	862.156

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	160.606

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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	76.582.767

Section 13 - Cross-Jurisdictional Liabilities	GSIB	Amount in thousand EUR
a. Foreign liabilities (excluding derivatives and local liabilities in local currency)	1088	15.633.413
(1) Any foreign liabilities to related offices included in item 13.a.	1089	0
b. Local liabilities in local currency (excluding derivatives activity)	1090	46.683.019
c. Cross-jurisdictional liabilities indicator (sum of items 13.a and 13.b, minus 13.a.(1))	1091	62.316.432

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