

## Governing Council statement on macroprudential policies

The Governing Council of the European Central Bank (ECB) is releasing the following statement after the meeting of its Macroprudential Forum on 30 November 2022.

The ECB revised its floor methodology for assessing capital buffers for other systemically important institutions (O-SIIs). The revised floor methodology increases the number of buckets to which O-SIIs are allocated from four to six and raises the floor level for the highest bucket to 1.50% while keeping the floor of the lowest bucket unchanged at 0.25% (see Table).

The ECB will use the revised floor methodology to assess O-SII buffers proposed by national authorities as of 1 January 2024.

The revised floor methodology will strengthen the capacity of systemically important banks to absorb losses and continue to provide key financial services to the real economy, in line with the direction set out in the November 2022 Governing Council statement on macroprudential policies. It will further reduce the risk of heterogeneity in O-SII buffers and lead to a more consistent treatment of these institutions across the countries participating in European banking supervision.<sup>1</sup>

Since 2016 the ECB has applied a methodology for assessing capital buffers of O-SIIs<sup>2</sup> in line with its responsibilities under Article 5 of the SSM Regulation.<sup>3</sup> The buffers complying with this methodology have been fully phased in since 1 January 2022 in all European Union (EU) Member States participating in the Single Supervisory Mechanism.<sup>4</sup>

The O-SII buffer is part of the combined buffer requirement which includes the capital conservation buffer, the countercyclical capital buffer, the systemic risk buffer and a buffer for either global or other systemically important institutions. Capital buffers are a key element of the international regulatory framework for banks.

---

<sup>1</sup> See European Banking Authority, “[EBA report on the appropriate methodology to calibrate O-SII buffer rates](#)”, 22 December 2020; ECB, “[ECB response to the European Commission’s call for advice on the review of the EU macroprudential framework](#)”, March 2022.

<sup>2</sup> [Governing Council statement on macroprudential policies](#), 15 December 2016.

<sup>3</sup> [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).

<sup>4</sup> The list of implemented macroprudential measures that the ECB has been notified of in countries subject to ECB Banking Supervision is available on the [ECB website](#).

Going forward, the ECB will continue to promote the development of a common EU methodology for buffers for O-SIIs to counter unwarranted heterogeneity in how they are set and ensure more consistency in the resilience of O-SIIs.

**Table**

Current and revised ECB methodology for assessing O-SII buffers

Bucket	Current floor methodology (fully phased in on 1 January 2022)		Revised floor methodology (from 1 January 2024)	
	Score	Buffer rate	Score	Buffer rate
1	up to 1,250	0.25%	up to 750	0.25%
2	1,250-1,950	0.50%	750-1,299	0.50%
3	1,950-2,900	0.75%	1,300-1,949	0.75%
4	above 2,900	1.00%	1,950-2,699	1.00%
5			2,700-4,449	1.25%
6			above 4,450	1.50%

Notes: The scores are computed by national authorities on the basis of the European Banking Authority (EBA) [Guidelines on the criteria to determine the conditions of application of Article 131\(3\) of Directive 2013/36/EU \(CRD\) in relation to the assessment of other systemically important institutions \(O-SIIs\)](#). Scores equal to one of the boundaries are assigned to the higher-scoring bucket.

© European Central Bank, 2022

Postal address 60640 Frankfurt am Main, Germany

Telephone +49 69 1344 0

Website [www.ecb.europa.eu](http://www.ecb.europa.eu)

All rights reserved. Reproduction for educational and non-commercial purposes is permitted provided that the source is acknowledged.

For specific terminology please refer to the [ECB glossary](#) (available in English only).