

## Press release

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### **FSB announces update of group of global systemically important banks (G-SIBs)**

1. In November 2011 the Financial Stability Board published an integrated set of policy measures to address the systemic and moral hazard risks associated with systemically important financial institutions (SIFIs). In that publication, the FSB identified as global SIFIs (G-SIFIs) an initial group of global systemically important banks (G-SIBs), using a methodology developed by the Basel Committee on Banking Supervision (BCBS).
2. The November 2011 report noted that the group of G-SIBs would be updated annually based on new data and published by the FSB each November. Beginning with the November 2012 update, the G-SIBs have been allocated to buckets corresponding to the higher loss absorbency requirements that they would be required to hold from January 2016.
3. The FSB and the BCBS have [updated](#) the list of G-SIBs, using end-2013 data and the updated assessment methodology published by the BCBS in July 2013. One bank has been added to the list of G-SIBs that were identified in 2013, increasing the overall number from 29 to 30 (Annex I).
4. Alongside this communication, the [BCBS published](#) today the denominators used to calculate banks' scores, and the thresholds used to allocate the banks to buckets.<sup>1</sup> The BCBS also published today a [technical summary of the methodology](#).
5. The changes in the institutions included in the list and in their allocation across buckets reflect the combined effects of data quality improvements, changes in underlying activity, and the use of supervisory judgement.
6. The assignment of the G-SIBs to the buckets in the updated list published today determines the higher loss absorbency requirement that will apply to each G-SIB as these requirements begin to be phased in from 1 January 2016 (with full implementation by 1 January 2019). The higher loss absorbency requirements for the G-SIBs identified in

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<sup>1</sup> The denominators are updated annually using the most recently collected data. The cut-off score and bucket thresholds remain fixed until the first review of the methodology, to be completed by November 2017.

the annual update each November will apply to them as from January fourteen months later.

7. G-SIBs are also subject to :

- requirements for group-wide resolution planning and resolvability assessments. In addition, the resolvability of each G-SIB is reviewed annually in a high-level FSB Resolvability Assessment Process by senior policy makers within the firms' Crisis Management Groups.
- higher supervisory expectations for risk management functions, data aggregation capabilities, risk governance and internal controls.

The timelines for G-SIBs to meet these requirements were set out in the November 2013 update.<sup>2</sup>

8. The list of G-SIBs will be next updated in November 2015.

### **Notes to editors**

The G20 Leaders at the Seoul Summit in 2010 endorsed the [FSB policy framework for reducing the moral hazard of SIFIs](#) and at the Cannes Summit in 2011 endorsed an integrated set of [policy measures to address the risks to the global financial system from SIFIs](#), which implement critical elements of the SIFI framework. In November 2011 the FSB identified an initial group of banks (G-SIBs) as G-SIFIs, to be updated each year in November.

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts.

The FSB is chaired by Mark Carney, Governor of the Bank of England. Its Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements. For further information on the FSB, visit the FSB website, [www.financialstabilityboard.org](http://www.financialstabilityboard.org).

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<sup>2</sup> See FSB, [2013 update of group of global systemically important banks \(G-SIBs\)](#), November 2013.