

Press release

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FSB publishes the 2015 update of the G-SIB list

The Financial Stability Board (FSB) today published an updated list of global systemically important banks (G-SIBs). The updated list comprises a total of 30 banks with one new bank, China Construction Bank, being added and one bank, BBVA, being removed from the list, and with Royal Bank of Scotland being moved down into the 1% bucket for required higher loss absorbency. The next update to the list will be published in November 2016.

In 2011 the FSB 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 an initial group of G-SIBs using a methodology developed by the Basel Committee on Banking Supervision (BCBS). The 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 will be required to hold. 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 the annual update each November will apply to them from the January fourteen months later according to the implementation schedule published by the BCBS. The assignment of the G-SIBs to the buckets in this updated list determines the higher loss absorbency requirement that will apply to each of them from January 2017.

G-SIBs will also be subject to a global standard for Total Loss-Absorbing Capacity (TLAC) to ensure that a G-SIB can be resolved in an orderly manner without putting public funds at risk. The TLAC standard was released for consultation last November and the final standard is expected to be released on 9 November.

G-SIBs are also subject to:

- i. Requirements for group-wide resolution planning and regular resolvability assessments. In addition, the resolvability of each G-SIB is also reviewed in a high-level FSB Resolvability Assessment Process (RAP) by senior policymakers within the firms' Crisis Management Groups.
- ii. Higher supervisory expectations for risk management functions, data aggregation capabilities, risk governance and internal controls.

For transparency around the G-SIB identifications, the BCBS publishes the denominators used to calculate banks' scores, and the thresholds used to allocate the banks to buckets. Starting this year, the BCBS also publishes and provides the links to the public disclosures of the full sample of banks assessed, as determined by the sample criteria set out in the BCBS G-SIB framework.

The FSB separately published today an updated list of global systemically important insurers (G-SIIs), based on the dedicated insurance methodology developed by the International Association of Insurance Supervisors.

Notes to editors

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.fsb.org