

1 November 2012

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 an initial group of G-SIFIs, namely 29 global systemically important banks (G-SIBs), using a methodology developed by the BCBS.¹
2. The November 2011 report noted that the group of G-SIFIs is to be updated annually based on new data and published by the FSB each November.
3. The FSB and BCBS have updated the list of G-SIBs using end-2011 data. The list of banking groups identified as G-SIBs is reduced by one overall, from 29 to 28 (Annex I). Compared with the list published in November 2011, two banks have been added to the G-SIB list, and three banks have been removed from it.
4. As noted in 2011, from this year, the list of G-SIBs shows their allocation to buckets corresponding to their required level of additional loss absorbency. Additional loss absorbency requirements for G-SIBs will be phased in starting from 2016, initially for those banks identified as G-SIBs in November 2014.
5. The quality of data used in applying the identification methodology and to allocate G-SIBs into buckets for additional loss absorbency has improved considerably over the last year. In addition, several of the underlying data items included in the methodology have been refined to make the calibration more robust. The BCBS will continue to work to address remaining data quality issues and adopt any necessary methodological refinements before the loss absorbency requirements go into effect. The scores and the corresponding buckets for G-SIBs are provisional and will be based in the future on the best and most current available data prior to implementation.
6. The group of G-SIBs will be updated in November 2013.
7. The November 2011 report set out the policy requirements relating to G-SIFIs, together with the timetable by which those requirements were to be met. For this updated list, as well as for future updates, the following time-lines relating to the requirements will apply (Annex II):
 - i) Financial institutions no longer designated as a G-SIFI will continue to be subject to the requirement for recovery and resolution plans to the extent that the firm is

¹ See BCBS, [Global systemically important banks: Assessment methodology and the additional loss absorbency requirement](#), November 2011

assessed by national authorities to be systemically significant or critical in the event of failure.² Authorities are encouraged to continue to apply the other resolution requirements to support resolution planning; however, once a financial institution is no longer designated as a G-SIFI, implementation of those requirements will no longer be subject to peer review by the FSB under its resolvability assessment process.

- ii) As set out in the November 2011 report, the additional loss absorbency requirements for G-SIBs will begin to apply from 2016, applying initially to G-SIBs identified in November 2014, using the allocation to buckets for higher loss absorbency at that date. The requirements will be phased in starting from January 2016 with full implementation by January 2019.
 - iii) G-SIFIs are required to meet higher supervisory expectations for risk management functions, data aggregation capabilities, risk governance and internal controls. G-SIBs designated in November 2011 or November 2012 must meet the higher expectations for data aggregation capabilities and risk reporting by January 2016. G-SIBs designated in subsequent annual updates will need to meet these higher expectations within three years of the designation.
8. The FSB and the standard setting bodies are extending the SIFI framework to other systemically important financial institutions.
- i) The FSB and BCBS have finalised a principles-based, minimum framework for addressing [domestic systemically important banks \(D-SIBs\)](#). National authorities should begin to apply requirements to banks identified as D-SIBs in line with the phase-in arrangements for the G-SIB framework, i.e. from January 2016.
 - ii) The International Association of Insurance Supervisors (IAIS) has issued for public consultation its proposed [assessment methodology for identifying global systemically important insurers](#) (G-SIIs) as well as policy measures to be applied to G-SIIs. An initial designation by the FSB of insurance groups as G-SIIs is planned in April 2013.
 - iii) The FSB, in consultation with IOSCO, will finalise a proposed assessment methodology for identifying systemically important non-bank non-insurance financial institutions over the course of 2013.

² See FSB, [Key Attributes of Effective Resolution Regimes for Financial Institutions](#), October 2011

G-SIBs as of November 2012³ allocated to buckets corresponding to required level of additional loss absorbency

Bucket ⁴	G-SIBs in alphabetical order within each bucket
5 (3.5%)	(Empty)
4 (2.5%)	Citigroup Deutsche Bank HSBC JP Morgan Chase
3 (2.0%)	Barclays BNP Paribas
2 (1.5%)	Bank of America Bank of New York Mellon Credit Suisse Goldman Sachs Mitsubishi UFJ FG Morgan Stanley Royal Bank of Scotland UBS
1 (1.0%)	Bank of China BBVA Groupe BPCE Group Crédit Agricole ING Bank Mizuho FG Nordea Santander Société Générale Standard Chartered State Street Sumitomo Mitsui FG Unicredit Group Wells Fargo

³ Compared with the group of G-SIBs published in 2011, two banks have been added (BBVA and Standard Chartered) and three banks removed: Dexia, as it is undergoing an orderly resolution process; Commerzbank and Lloyds, as result of a decline in their global systemic importance.

⁴ The bucket approach is defined in Table 3 of the Basel Committee document [Global systemically important banks: Assessment methodology and the additional loss absorbency requirement](#), November 2011. The numbers in parentheses are the required level of additional common equity loss absorbency as a percentage of risk-weighted assets for each bucket.

Timetable for implementation of resolution planning requirements for newly designated G-SIFIs

G-SIFI Requirement	Deadline for completion following date of G-SIFI designation
Establishment of Crisis Management Group (CMG)	6 months
Development of recovery plan	12 months
Development of a resolution strategy and review within CMG	12 months
Agreement of institution specific cross-border cooperation agreement	18 months
Development of operational resolution plan	18 months
Conduct of resolvability assessment by CMG and resolvability assessment process	24 months