FSB FINANCIAL STABILITY BOARD

6 November 2014

2014 update of list 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).[1] 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]
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.[3] 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 thresholds used to allocate the banks to buckets.[4] 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 the annual update each November will apply to them as from January fourteen months later.

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1 See FSB, *Policy Measures to Address Systemically Important Financial Institutions*, November 2011.

2 See BCBS, *Global systemically important banks: Assessment methodology and the additional loss absorbency requirement*, November 2011

3 See BCBS, *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement*, July 2013.

4 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.

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. [5]

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

[5] See FSB, *2013 update of group of global systemically important banks (G-SIBs)*, November 2013.

Annex I

G-SIBs as of November 2014[6] allocated to buckets corresponding to required level of additional loss absorbency

Bucket[7]	G-SIBs in alphabetical order within each bucket
5 **(3.5%)**	(Empty)
4 **(2.5%)**	HSBC JP Morgan Chase
3 **(2.0%)**	Barclays BNP Paribas Citigroup Deutsche Bank
2 **(1.5%)**	Bank of America Credit Suisse Goldman Sachs Mitsubishi UFJ FG Morgan Stanley Royal Bank of Scotland
1 **(1.0%)**	Agricultural Bank of China Bank of China Bank of New York Mellon BBVA Groupe BPCE Group Crédit Agricole Industrial and Commercial Bank of China Limited ING Bank Mizuho FG Nordea Santander Société Générale Standard Chartered State Street Sumitomo Mitsui FG UBS Unicredit Group Wells Fargo

6 Compared with the group of G-SIBs published in 2013, one bank (Agricultural Bank of China) has been added.

7 The bucket approach is defined in Table 2 of the Basel Committee document *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement*, July 2013. The numbers in parentheses are the required level of additional common equity loss absorbency as a percentage of risk-weighted assets that will apply to G-SIBs identified in November 2014, with phase-in starting in January 2016.