FSB FINANCIAL STABILITY BOARD

Excerpts from 2015 IMN Survey (status as on 15 October 2015) on establishing supervisory colleges and conducting risk assessments (Recommendation 8)

Jurisdiction[1]	Name of the G-SIBs/G-SIIs headquartered	1. Please indicate whether supervisory colleges for all G-SIBs/G-SIIs headquartered in your jurisdiction have been established.	2. Please indicate the structure of the supervisory colleges for G-SIBs/G-SIIs in your jurisdiction (core, universal, other) and the reasons why it may differ across firms	3. Please indicate the frequency of meetings over the past year of the supervisory colleges for G-SIBs/G-SIIs in your jurisdiction.	4. Please describe the main objectives of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction. Please indicate briefly some of the main challenges in conducting joint risk assessments and steps taken to address them.	5. Please describe the main challenges in the functioning of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction and any plans to enhance the effectiveness of colleges.
China	G-SIBs: Agricultural Bank of China, Bank of China, Industrial and Commercial Bank of China Limited Ping G-SII: An Insurance (Group) Company of China, Ltd	Yes	There are core colleges. The Financial Supervisory Coordination College, established in August, 2013, includes PBOC,CBRC,CSRC,CIRC and SAFE.	Every year, the CBRC holds supervisory colleges according to our supervisory judgement.	The colleges discuss the risk assessment of the whole bank group and also the host supervisors' assessments of the bank's local institutions. The core colleges focus on some specific topics and/or risks the bank may confronted.	None.
France	G-SIBs: Groupe BPCE (Banque Populaire), BNP Paribas, Group Crédit Agricole, Société Générale G-SII: Axa S.A	Yes[2]	• The supervisory College is divided up into a European College (with a special focus on Solvency 2) and a World College. • There is also a "Steering committee" dedicated to the internal model (Solvency 2) and two regional forums (Asian entities / Medla entities).	• World and European Colleges: one in-person meeting in the fall and one conference call in the spring every year. • The Steering Committee meets every two months. • Each of the two regional forums alternates one in-person meeting and one conference call every other year.	Monitoring of the group financial situation, of local financial situations, joint risk assessment, preparedness to Solvency 2 (European College only), group strategy, follow-up on G-SII designation.	• The functioning of the College appears overall satisfactory but appears to be somewhat complex for the largest ones, for which coordination and confidentiality may be more challenging to handle, given also that the participants may not always have the same experience there. It is assessed annually during the in-person meeting in Paris.
Germany	G-SIB: Deutsche Bank G-SII: Allianz SE	Yes.	The structure of the supervisory colleges varies depending on the structure of the group. There are usually both European and international colleges for groups that are internationally active. In case the group is at the same time a financial conglomerate,	• The meetings of the European supervisory college take place at least annually, for large groups at least twice a year. • Core colleges (if existing) orientate themselves on this. • The meetings of the global	The main objective in this area for the ECB which is now in charge of steering the college work in the Eurozone, is to continue the well-established international cooperation by BaFin and Deutsche Bundesbank. Therefore there are no longer special national objectives with regards to the German jurisdiction. Types of	• The drafting of a coordination arrangement was a big challenge for European colleges. • Additionally, there are plenty of tasks for the colleges regarding the change to Solvency-II. In case a group wants to calculate its group solvency capital requirements by an internal model, the concerned supervisory authorities need

1 Reporting for this recommendation was restricted to home jurisdictions of G-SIBs/G-SIIs. Hence, this recommendation is not applicable for Argentina, Australia, Brazil, Canada, Hong Kong, India, Indonesia, Mexico, Korea, Russia, Saudi Arabia, Singapore, South Africa and Turkey. To view the complete responses to the 2015 IMN Survey, see http://www.fsb.org/what-we-do/implementation-monitoring/other-areas/nationalregional-responses-by-jurisdiction/

2 There is no formal supervisory college for Group BPCE at this time because its operations are primarily in the EU jurisdictions, which fall under the supervision of the ECB's Single Supervisory Mechanism.

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			the global college takes the form of a FiCo-College. If the group is particularly strongly engaged in certain jurisdictions, Core Colleges exist. For one group, the activities of the Core College have been replaced by the CMG and its activities.	colleges usually take place annually. • The CMG meets at least once per year, next to conference calls that take place regularly.	issues that have been discussed are all relevant categories of risk according to the supervised banking group, joint risk assessments and joint decisions on capital and liquidity, the SEP steered by the ECB. Main topics were: - Business situation of the group and selected entities - Risk Assessment - Clarification of several questions regarding Solvency II	to approve this by a joint decision. • Furthermore, the European college needs to be consulted before deciding on the method to calculate the group-SCR. Some examples on the decisions that need to be made within a college are defining the language of the narrative reports, reporting thresholds for intra-group transaction or risk concentrations under Solvency II.
Italy	G-SIB: Unicredit Group G-SII: Assicurazioni Generali S.p.A.	Yes	The Unicredit college of supervisors may be considered as a "universal" college. In insurance, different level and types of supervisory colleges are set out depending on the group structure: • Financial Conglomerates (Fi.Co): Most extensive college gathering representatives from both the insurance , financial and banking sector. • Insurance Colleges of Supervisors: Held at an European level including the Supervisor from Switzerland. • Thematic colleges: more focused colleges are set-up on specific issues such as Internal Models where European Authorities involved in the pre-application process are expected to participate. • CMG: Meetings concerning the Crisis Management group are	• In 2014, the Unicredit's college of supervisors has met thrice (15 April / 4-5 September /27 October) • Fi.Co: The college meets annually. • The Insurance College of Supervisors is held at least once a year. • Thematic colleges: May be many over the year. In the past year around 10 colleges on Internal Models were organised. • CMG: meetings arranged on a quarterly basis.	• G-SIBs: the main objective of the meetings held in 2014 was to reach a joint decision on capital adequacy and on matters pertaining to the liquidity situation of the Group. Other minor issue referred was the internal model validation. • G-SIIs: to coordinate the supervisory work cross border groups have approved a concrete work plan. The areas covered by the work plans are, amongst the others: assessment of the solvency position of the group; shared view of the risk profile of the group and the major entities; definition of an emergency plan; monitoring of intra-group transactions and risk concentration; approval of a joint-timetable for the pre-application of internal model (when relevant). In the absence of a defined joint risk assessment framework, Group Supervisors	G-SIBs: Main challenges faced in the functioning of the Unicredit college: • College objectives • Resource intensive (budget, manpower, etc.) • Expectations asymmetry (home and host) • Colleges' preparation challenges (time constraint, circulation of materials in advance) • College structure - seniority vs technical expertise. • Information sharing restrictions due to confidentiality concerns. More information shared in bilateral meetings rather than colleges. • Collaborative work: Differences in legal requirements/restrictions makes joint-work a challenge (observed in most jurisdictions except in the EU). • Lack of harmonization on accounting and regulatory standards. G-SIIs: Major challenges in the supervisory functioning of colleges originate from the increasing number of

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			set up sideways.		have developed a risk-sensitive framework within colleges, identifying common methodologies and building up best practices	tasks assigned by Solvency II, which allocates a broad consultation activity within the Colleges. To enhance effectiveness of colleges, the initiatives taken aim to develop very detailed and concrete work plans, and to update regularly on the implementation progress through physical meetings and calls.
Japan	G-SIBs: Mitsubishi UFJ FG, Mizuho FG, Sumitomo Mitsui FG	Yes	With regards to the G-SIBs, the FSA has established core colleges for all G-SIBs. The membership of host supervisors differs depending on the size and the business models of each G-SIB.	Once a year.	The main objectives are promoting mutual understandings among supervisors and banks, and helping to develop future supervisory views for the Japanese G-SIBs. The types of major issues that have been discussed are as follows: economic and market environment surrounding these G-SIBs, results of risk analysis of them, the adequacy of supervisory methods by host and home supervisors, the effectiveness of the risk management of the G-SIBs themselves, financial results and future business strategies of the G-SIBs and so on.	The main challenge is in ensuring the participation of relevant host officials in the college meeting. We will continue to circulate agendas and meeting materials to host supervisors before the colleges as early as possible, in order to invite the appropriate host participants for the topics in the colleges.
Spain	G-SIB: BBVA, Santander	Yes.	The general structure of the Supervisory Colleges has been Universal Colleges. However, in 2015 the ECB has set a Core College for Banco Santander. Insurance and pension funds. There are no G-SIIs headquartered in Spain.	• Banco Santander: Supervisory College has met twice. • BBVA: There has been one meeting.	One of the main objectives of Supervisory Colleges is the assessment of risk matrix for the Bank. From our perspective, one of the main issues is the use of a common methodology for the risk assessment. There is a sharing of information of the outcome of the risk assessment made by each supervisor. The most significant issues under debate are those that have impact on Banking Groups.	Since November 2014, the ECB has assumed the leadership of the Supervisory Colleges.

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Switzerland	G-SIB: Credit Suisse, UBS	Yes.	For both Swiss G-SIBs, FINMA has set up a General Supervisory College, a Core Supervisory College and a Crisis Management College. There are no relevant differences across firms.	For both Swiss G-SIBs, a General Supervisory College is held once a year, a Core Supervisory College twice a year and a Crisis Management College once a year. Regular exchanges with core regulators also take place at least monthly.	The aim of supervisory colleges is to step up cooperation between supervisory authorities and improve supervision of internationally active groups and conglomerates. At the General Supervisory Colleges of the two G-SIBs in 2014, FINMA discussed key supervisory risk topics and provided an update on recovery and resolution plans. Unlike other authorities, FINMA does not perform a formal joint risk assessment at its General Supervisory Colleges for the two G-SIBs, but discusses common issues between authorities.	The following main challenges were observed during supervisory colleges of our two G-SIBs: • Open dialogue from the authorities and the banks • Active participation of the authorities • Consolidation of issues from the authorities • Adequate seniority of participants Effectiveness of colleges is enhanced through feedbacks received and internal consultations.
Netherlands	G-SIB:ING Bank	Yes, for all G-SIBs/G-SIIs headquartered in the Netherlands supervisory colleges have been established. Please note that as of the commencement of the SSM on 4 November 2014, the ECB has taken over the role of consolidating supervisor / home authority.	The supervisory college of the Dutch G-SIB consists of a General College and a (European) Joint Decision College: • The General College, consisting of all the Supervisory Authorities supervising branches or subsidiaries of the institution (worldwide); • The (European) Joint Decision college, consisting of the Supervisory Authorities supervising subsidiaries of the institution in the EEA; • A CMG consisting of the Supervisory Authorities and Ministries of Finance of countries where a significant subsidiary is located.	• General college: 1 physical meeting; • European JD College: 2 physical meetings, several conference calls and several bilateral calls; • CMG: 1 physical meeting of the restricted CMG (without the Ministries of Finance).	The main objective of the General College is to enable and optimize cooperation between the different Supervisory Authorities supervising the G-SIB and share relevant information. In addition, the European JD College has the objective to conduct a Joint Risk Assessment and reach a Joint Decision on Capital and Liquidity. Among the work discussed are Joint Risk Assessments, updates on the local risk assessment and local supervisory work, Coordinated Supervisory Plans, and joint supervisory work.	The main challenge in the functioning of the supervisory colleges organised by DNB (Both for G-SIBs/G-SIIs as well as for other institutions) was to ensure sufficient college interaction, especially in the general college setting. Another challenge was the sharing of confidential information, due to restrictions in the national legislation in some countries on content, method of sharing and eligible recipients. DNB does no longer organise any colleges as home supervisor for G-SIBS as this responsibility has been transferred to the ECB, so there are no concrete plans to enhance the effectiveness of the colleges in the past.
United Kingdom	G-SIBs: Barclays, HSBC, Royal Bank of Scotland, Standard Chartered	Yes	In line with the BCBS principles for Colleges the PRA has adopted a pragmatic approach to college structure and membership	All G-SIB colleges have met at least once in the past year. Core banking colleges meet twice a year. For insurance,	The objectives for supervisory colleges are set out in EU legislation, and Basel and IAIS principles. These include enhancing information-	Some of the main challenges experienced in the functioning of G-SIB and G-SIIs colleges have included the timeliness of joint decision making, information sharing

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	G-SIIs: Aviva plc, Prudential plc		determining the most appropriate format for the individual firm based on a range of criteria including, where relevant, geographic spread and business model. Each college has a core and global college. We also will have to meet the requirements of the technical standards on colleges of supervisors in accordance with Articles 51 and 116 of the Capital Requirements Directive IV. For G-SII colleges, the PRA has also adapted the college structure and membership both to reflect the requirements in EU law (Solvency II Directive, 2009/138/EC) and to deliver specific tasks. For example, we have used the college framework as a basis for our Crisis Management Groups, with specific arrangements being tailored to the circumstances of the firms in question.	supervisory colleges, including our colleges for G-SIIs, are required to hold meetings at least annually, though may meet more frequently (see below)	sharing and collaboration among supervisors, planning and coordination of supervisory activities in going-concern situations and emergency situations. The colleges discuss the key risks faced by the firms they supervise. The core banking colleges discuss issues like firm strategy, financial crime and joint reviews. Examples of issues discussed by the global college include updates on the banks' strategy, execution risk, offshoring and IT and cyber risk. For insurance colleges, the PRA has used the College framework to support international work and, in the specific case of the two UK groups that have been designated at G-SIIs, for the delivery of FSB requirements. The CMGs use the College framework to draw on the outputs for wider college work including, for example, the group-wide risk assessment processes being developed to support group supervision under Solvency II.	among college members, balancing the different needs and priorities of different regulators, and the different speeds of implementing regulatory change across jurisdictions. The EU level requirements seek to address many of these challenges, upon which we expect to continue to improve. Plans to enhance the effectiveness of colleges include feedback questionnaires, promoting discussions through round-table sessions, and bi-lateral engagement with other regulators.
United States of America	G-SIBs: Bank of America, Bank of New York Mellon, Citigroup, Goldman Sachs, JP Morgan Chase, Morgan Stanley, State Street, Wells Fargo G-SIIs: American	Yes[3]	Core colleges have been established for all G-SIBs and universal colleges for JPMC and Citi commenced in 2014. Universal colleges have been formed for two firms with significant geographical footprints.			

[3] There is no formal supervisory college for Wells Fargo at this time because its operations are primarily domestic and US supervisors meet regularly, and that an international supervisory college for Wells Fargo will not be established until the firm has sufficiently large non-US operations

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	International Group, Inc.; MetLife, Inc.; Prudential Financial, Inc.					