FSB FINANCIAL STABILITY BOARD

Press release

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FSB publishes 2017 G-SIB list

The Financial Stability Board (FSB) today published the 2017 list of global systemically important banks (G-SIBs) using end-2016 data and an assessment methodology designed by the Basel Committee on Banking Supervision (BCBS).

The list comprises 30 banks. One bank (Royal Bank of Canada) has been added to the list of G-SIBs identified in 2016 and one bank (Groupe BPCE) has been removed, and therefore the total number of G-SIBs remains the same.

FSB member authorities apply the following requirements to G-SIBs:

- *Higher capital buffer:* There have been a number of changes to the position of banks in relation to the buckets of higher capital buffers that national authorities require banks to hold in accordance with international standards.[1] Compared with the 2016 list of G-SIBs, two banks moved to a higher bucket: Bank of China and China Construction Bank moved from bucket 1 to 2. Three banks moved to a lower bucket: Citigroup moved from bucket 4 to 3, BNP Paribas moved from bucket 3 to 2 and Credit Suisse moved from bucket 2 to 1. These changes reflect changes in underlying activity and the use of supervisory judgement.
- *Total Loss-Absorbing Capacity (TLAC):* G-SIBs are required by national authorities to meet the TLAC standard, alongside regulatory capital requirements set out in the Basel III framework.[2] The TLAC standard will be phased-in from 1 January 2019 for G-SIBs identified in the 2015 list (provided that they continue to be designated as G-SIBs thereafter).
- *Resolvability:* These include group-wide resolution planning and regular resolvability assessments. The resolvability of each G-SIB is also reviewed in a high-level FSB Resolvability Assessment Process (RAP) by senior regulators within the firms' Crisis Management Groups.[3]

1 See BCBS, (www.bis.org/bcbs/gsib/index.htm)

2 See FSB, *Total Loss-Absorbing Capacity (TLAC) Principles and Term Sheet*, 9 November 2015 (www.fsb.org/2015/11/total-loss-absorbing-capacity-tlac-principles-and-term-sheet/). The BCBS published the final standard on the regulatory capital treatment of banks' investments in instruments that comprise TLAC for G-SIBs on 12 October 2016 (www.bis.org/bcbs/publ/d387.htm).

3 See FSB, *Ten years on – taking stock of post-crisis resolution reforms*, 6 July 2017 (www.fsb.org/2017/07/ten-years-on-taking-stock-of-post-crisis-resolution-reforms).

- *Higher supervisory expectations:* These include heightened supervisory expectations for risk management functions, risk data aggregation capabilities, risk governance and internal controls.[4]

BCBS published today updated denominators used to calculate banks' scores, and the thresholds used to allocate the banks to buckets, as well as updated links to the G-SIBs' public disclosures.

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 also conducts outreach with 65 other jurisdictions through its six regional consultative groups.

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.

[4] The timeline for G-SIBs to meet this requirement were set out in the November 2013 update. See FSB, *2013 update of group of global systemically important banks (G-SIBs),* November 2013 (www.fsb.org/wp-content/uploads/r_131111.pdf).