Office of the Superintendent of Financial Institutions Canada
Bureau du surintendant des institutions financières Canada

# Global Systemically Important Banks (G-SIBs)

**In November 2011, the Financial Stability Board (FSB) published an integrated set of policy measures to address the systemic risk and moral hazard associated with systemically important financial institutions. It identified an initial group of Global Systemically Important Banks (G-SIBs), using a methodology developed by the Basel Committee on Banking Supervision (BCBS). The list of G-SIBs is updated every November.**

## 1. What is a G-SIB?

A financial institution whose distress or disorderly failure, because of its size, complexity and systemic interconnectedness, would cause significant disruption to the wider financial system and economic activity, and is therefore subject to additional capital buffers and increased supervisory scrutiny.

## 2. How are G-SIBs identified?

The Basel Committee on Banking Supervision has a methodology for identifying G-SIBs. It is based on 12 indicators grouped in five broad categories:

- **Size**
- **Interconnectedness**
- **Substitutability**
- **Complexity**
- **Cross-jurisdictional activity**

## 3. Once identified, what are G-SIBs subject to?

- **Higher capital buffer requirements**
- **Total Loss-absorbing Capital (TLAC) requirements**
- **Resolvability requirements**
- **Higher supervisory and disclosure requirements**

## 4. Are all G-SIBs the same?

No, G-SIBs are sorted into five separate buckets with increasing additional capital buffers.

| Bucket | Additional Capital Buffer | Number of G-SIBs |
|---|---|---|
| 5 | 3.5% | 0 |
| 4 | 2.5% | 1 |
| 3 | 2.0% | 2 |
| 2 | 1.5% | 9 |
| 1 | 1.0% | 18 |

As November 2019

**More loss absorbancy**

**Less loss absorbancy**

## 5. Did you know?

While Canada has two identified G-SIBs, in 2013 OSFI named Canada's six largest banks as D-SIBs (Domestic Systemically Important Banks), and since that time they have been subject to enhanced supervision as well as increased capital, resolution and disclosure requirements.


OSFI
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Canada