Progress on Addressing “Too Big To Fail”

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February 4, 2016

BCBS-FSI High-level Meeting for Africa on “Strengthening Financial Sector Supervision and Current Regulatory Priorities”
Cape Town, South Africa

bostonfed.org
Figure 1: Assets of U.S. Global Systemically Important Bank Holding Companies (GSIBs)

Source: Consolidated Financial Statements for Bank Holding Companies (FR Y-9C)
Figure 2: U.S. GSIB Share of Banking Industry Assets
2010:Q1 - 2015:Q3

Note: Commercial and savings bank assets only. Does not include the assets of former OTS-regulated institutions or branches and agencies of foreign banking organizations.

Source: Quarterly Bank Call Reports
Figure 3: U.S. GSIB Actual Tier 1 Leverage Ratio in 2014:Q3 and Projected Minimum in the Severely Adverse CCAR Scenario

Source: Federal Reserve Board, Comprehensive Capital Analysis and Review (CCAR), March 2015
Figure 4: Common Equity Tier 1 Risk-Based Capital Ratio for U.S. Domestic Bank Holding Companies

2010:Q1 - 2015:Q3

Uses Tier 1 common capital until common equity Tier 1 capital is reported (during 2014 phase in for advanced approaches BHCs and as of 2015:Q1 for all others). Risk-weighted assets are calculated using the general, standardized and advanced approaches as appropriate over time.

Note: Includes firms with assets over $1 billion throughout the period. Several sharp declines in the ratios can partly be attributed to the implementation of new Basel capital rules.

Source: Consolidated Financial Statements for Bank Holding Companies (FR Y-9C)
Figure 5: Tier 1 Leverage Ratio for U.S. Domestic Bank Holding Companies

2010:Q1 - 2015:Q3

Note: Includes firms with assets over $1 billion throughout the period as the reporting size increased with the March 31, 2015 report, from $500 million to $1 billion in assets.

Source: Consolidated Financial Statements for Bank Holding Companies (FR Y-9C)
Figure 6: Depiction of Proposed Long-Term Debt Requirement and Fully Phased-in Tier 1 Risk-Based Capital Requirements

Chart illustrates the minimum level of loss-absorbing capacity that a U.S. GSIB would have as a result of the proposed rule, if the GSIB meets the fully phased-in capital requirements and capital buffers under the board’s existing capital rules.

External LTD Requirement: (RWA Approach – 6.0% + GSIB surcharge)

GSIB Surcharge:\(^1\) Additional CET1 Capital

Tier 1 Capital:
2.5% Capital Conservation Buffer plus
1.5% Additional Tier 1 plus
4.5% Common Equity Tier 1 (CET1) Minimum

\(^1\)GSIB surcharge is based on estimates disclosed with the final rule in July 2015.

Note: Chart does not depict (i) the amount of external TLAC that would be required under the proposed rulemaking or (ii) any higher amount of LTD that could be required if calibrated under the proposed external LTD requirement’s leverage approach.

Source: Federal Reserve Board Press Release, October 30, 2015