



FEDERAL

This document is scheduled to be published in the Federal Register on 12/17/2020 and available online at [federalregister.gov/d/2020-27591](https://www.federalregister.gov/d/2020-27591), and on [govinfo.gov](https://www.govinfo.gov)

[Docket No. R-1734]

RIN 7100-AG04

Regulation Q; Regulatory Capital Rules: Risk-based Capital Surcharges for Global Systemically Important Bank Holding Companies

AGENCY: Board of Governors of the Federal Reserve System (Board).

ACTION: Notice.

SUMMARY: The Board is providing notice of the 2020 aggregate global indicator amounts, as required under the Board's rule regarding risk-based capital surcharges for global systemically important bank holding companies (GSIB surcharge rule).

DATES: [Insert date of Federal Register publication].

FOR FURTHER INFORMATION CONTACT: Constance Horsley, Deputy Associate Director, (202) 452-5239, Mark Handzlik, Manager, (202) 475-6636, Naima Jefferson, Lead Financial Institution Policy Analyst, (202) 912-4613, Christopher Appel, Senior Financial Institution Policy Analyst II, (202) 973-6862, or Brendan Rowan, Senior Financial Institution Policy Analyst I, (202) 475-6685, Division of Supervision and Regulation; or Mark Buresh, Senior Counsel, (202) 452-5270, or Mary Watkins, Counsel, (202) 452-3722, Legal Division. Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551. For users of Telecommunications Device for the Deaf (TDD) contact (202) 263-4869.

SUPPLEMENTARY INFORMATION: The Board's GSIB surcharge rule establishes a methodology to identify global systemically important bank holding companies in the United States (GSIBs) based on indicators that are correlated with systemic importance.¹ Under the GSIB surcharge rule, a firm must calculate its GSIB score using a specific formula (Method 1). Method 1 uses five equally weighted categories that are correlated with systemic importance – size, interconnectedness, cross-jurisdictional activity, substitutability, and complexity – and subdivided into twelve systemic indicators. A firm divides its own measure of each systemic

¹ See 12 CFR 217.402, 217.404.

indicator by an aggregate global indicator amount. A firm's Method 1 score is the sum of its weighted systemic indicator scores expressed in basis points. The GSIB surcharge for a firm is the higher of the GSIB surcharge determined under Method 1 and a second method, Method 2, which weights size, interconnectedness, cross-jurisdictional activity, complexity, and a measure of a firm's reliance on short-term wholesale funding.²

The aggregate global indicator amounts used in the score calculation under Method 1 are based on data collected by the Basel Committee on Banking Supervision (BCBS). The BCBS amounts are determined based on the sum of the systemic indicator amounts as reported by the 75 largest U.S. and foreign banking organizations as measured by the BCBS, and any other banking organization that the BCBS includes in its sample total for that year. The BCBS publicly releases these amounts, denominated in euros, each year.³ Pursuant to the GSIB surcharge rule, the Board publishes the aggregate global indicator amounts each year as denominated in U.S. dollars using the euro-dollar exchange rate provided by the BCBS.⁴ Specifically, to determine the 2020 aggregate global indicator amounts, the Board multiplied each of the euro-denominated indicator amounts made publicly available by the BCBS by 1.1234, which was the daily euro to U.S. dollar spot rate on December 31, 2019.⁵

The aggregate global indicator amounts for purposes of the 2020 Method 1 score calculation under § 217.404(b)(1)(i)(B) of the GSIB surcharge rule are:

² Method 2 uses similar inputs to those used in Method 1, but replaces the substitutability category with a measure of a firm's use of short-term wholesale funding. In addition, Method 2 is calibrated differently from Method 1.

³ The data used by the Board are available on the BCBS website at https://www.bis.org/bcbs/gsib/denominators/gsib_framework_denominators_end19_exercise.xlsx.

⁴ 12 CFR 217.404(b)(1)(i)(B); 80 FR 49082, 49086-87 (August 14, 2015). In addition, the Board maintains the GSIB Framework Denominators on its website, available at <https://www.federalreserve.gov/bankinfo/reg/basel/denominators.htm>.

⁵ Data are provided by the BCBS (as published by the European Central Bank, available at <http://www.ecb.europa.eu/stats/eurofxref/index.en.html>).

Aggregate Global Indicator Amounts in U.S. dollars (USD) for 2020

Category	Systemic indicator	Aggregate Global Indicator Amount (in USD)
Size	Total exposures	91,356,116,001,552
Interconnectedness	Intra-financial system assets	8,711,746,598,677
	Intra-financial system liabilities	9,745,958,746,356
	Securities outstanding	16,507,336,812,775
Substitutability	Payments activity	2,597,250,324,410,487
	Assets under custody	181,254,610,899,160
	Underwritten transactions in debt and equity markets	7,280,431,346,279
Complexity	Notional amount of over-the-counter (OTC) derivatives	623,682,857,713,896
	Trading and available-for-sale (AFS) securities	3,854,344,460,622
	Level 3 assets	577,982,516,649
Cross-jurisdictional activity	Cross-jurisdictional claims	22,968,366,792,194
	Cross-jurisdictional liabilities	18,594,151,540,975

Authority: 12 U.S.C. 248(a), 321-338a, 481-486, 1462a, 1467a, 1818, 1828, 1831n, 1831o, 1831p-l, 1831w, 1835, 1844(b), 1851, 3904, 3906-3909, 4808, 5365, 5368, 5371.

By order of the Board of Governors of the Federal Reserve System, acting through the Director of Supervision and Regulation under delegated authority.

Ann Misback,

Secretary of the Board.

[FR Doc. 2020-27591 Filed: 12/16/2020 8:45 am; Publication Date: 12/17/2020]