



PUBLIC NOTICE

Domestic-Systemically Important Banks

8 September 2017

In June 2014, the Bank issued the ***Guideline for Dealing with Domestic-Systemically Important Banks (D-SIBs)*** which sets out the methodology to be applied for assessing the systemic importance of banks and the ensuing capital surcharge to be maintained by them. A first assessment was carried out in 2014 and five banks were identified as D-SIBs, namely, The Mauritius Commercial Bank Limited, SBM Bank (Mauritius) Ltd, Barclays Bank Mauritius Limited, The Hongkong and Shanghai Banking Corporation Limited and AfrAsia Bank Limited.

The assessment consisted of identifying those banks whose Segment A (domestic) assets represented at least 3.5% of GDP at market prices. Once these banks were identified, their importance in terms of five key indicators, namely, size, exposure to large groups, interconnectedness, complexity and substitutability was assessed on the basis of data provided.

The second exercise for the determination of domestic-systemically important banks was conducted last year. The list of systemically important banks remained unchanged.

The third assessment has recently been carried out and the same five banks have been determined to be systemically important in our jurisdiction.

These D-SIBs would be required to hold a capital surcharge ranging from 1.0% to 2.5% of their risk weighted assets depending on their systemic importance.

The assessment for determining domestic-systemically important banks is carried out on a yearly basis on end-June figures.