



2017 list of UK firms designated as other systemically important institutions (O-SIIs)

The Prudential Regulation Authority (PRA) is required to identify other systemically important institutions (O-SIIs) on an annual basis.¹ The PRA has conducted its O-SII identification process for 2017, as set out in the statement of policy on the PRA's approach to identifying O-SIIs.² Based on its methodology for O-SII identification, the PRA has designated sixteen firms as O-SIIs based on data as at 31 December 2016.

List of O-SIIs for 2017

Barclays Plc
Citigroup Global Markets Limited
Credit Suisse International
Credit Suisse Investments (UK)³
Goldman Sachs Group UK Limited
HSBC Holdings Plc
J.P. Morgan Capital Holdings Limited
Lloyds Banking Group Plc
Merrill Lynch International
Morgan Stanley International Limited
Nationwide Building Society
Nomura Europe Holdings Plc
Royal Bank of Scotland Group Plc
Santander UK Plc
Standard Chartered Plc
UBS Limited

Firms designated under the EBA's mandatory O-SII scoring methodology

Under the European Banking Authority (EBA) Guidelines, firms scoring equal to or higher than 350 basis points should be automatically designated as O-SIIs.⁴ Six firms have been designated under this methodology. The table below lists these firms and their respective scores.

Name of O-SII	EBA mandatory score (in basis points)
HSBC Holdings Plc	1,585
Barclays Plc	1,073
Royal Bank of Scotland Group Plc	836
Goldman Sachs Group UK Limited	672
Lloyds Banking Group Plc	653
J.P. Morgan Capital Holdings Limited	370

1 The Capital Requirements (Capital Buffers and Macro-prudential measures) Regulations 2014 (SI 2014/894) designate the PRA as the authority responsible for identifying O-SIIs for the purposes of Article 131(3) of the Capital Requirements Directive (2013/36/EU).

2 PRA Statement of Policy 'The PRA's approach to identifying other systemically important institutions (O-SIIs)', February 2016: www.bankofengland.co.uk/pr/Pages/publications/sop/2016/approachtoosii.aspx.

3 Credit Suisse has multiple entities operating in the United Kingdom. Of these, two are deemed systemically important, and as such both have been designated (see Chapter 2 of the Statement of Policy on the PRA's approach to identifying O-SIIs).

4 www.eba.europa.eu/documents/10180/930752/EBA-GL-2014-10+%28Guidelines+on+O-SIIs+Assessment%29.pdf.

Firms designated through supervisory overlay

In addition to the mandatory framework set out in the EBA Guidelines, the PRA uses a supervisory overlay to assess the systemic importance of firms that do not meet the 350 basis point threshold for automatic designation. The indicators used in the calculation of the supervisory overlay score and the justification for their use are set out in Section 4 of the statement of policy on the PRA's approach to identifying O-SIIs. The PRA has designated all firms whose supervisory overlay score exceeds 100 basis points as O-SIIs. The table below lists these firms and their respective scores.

Name of O-SII	EBA mandatory score (in basis points)	Supervisory overlay score (in basis points) ¹
Santander UK Plc	301	264
Merrill Lynch International	296	276
Nomura Europe Holdings Plc	282	203
Morgan Stanley International Limited	280	378
Standard Chartered Plc	267	256
Credit Suisse International	251	154
Nationwide Building Society	221	155
Citigroup Global Markets Limited	171	160
Credit Suisse Investments (UK)	53	178
UBS Limited	33	104

Rationale for designation through supervisory overlay

Name of O-SII	Rationale for designation ²
Santander UK Plc	Significant activities in retail banking
Merrill Lynch International	Significant activities in intra-financial banking and investment banking
Nomura Europe Holdings Plc	Significant activities in intra-financial banking and investment banking
Morgan Stanley International Limited	Significant activities in intra-financial banking and investment banking
Standard Chartered Plc	Significant activities in corporate banking
Credit Suisse International	Significant activities in intra-financial banking
Nationwide Building Society	Significant activities in retail banking
Citigroup Global Markets Limited	Significant activities in intra-financial banking and investment banking
Credit Suisse Investments (UK)	Significant activities in investment banking
UBS Limited	Significant activities in investment banking

Firms designated through supervisory overlay with supervisory overlay score less than 100 basis points

The PRA has not designated any firms with a supervisory overlay score less than 100 basis points.

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¹ Supervisory overlay scores are based on data as at 31 December 2015.

² Each of these firms is considered systemically important in the indicator(s) listed above due to the impact that their distress or failure would have on the specified market, given their large market share (see Appendix 1 of the Statement of Policy on the PRA's approach to identifying O-SIIs).