



2018 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 2018, 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 fifteen firms as O-SIIs based on data as at 31 December 2017.

List of O-SIIs for 2018

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
The Royal Bank of Scotland Group Plc
Santander UK Group Holdings Plc
Standard Chartered Plc

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	1,615
Barclays Plc	1,074
The Royal Bank of Scotland Group Plc	753
Goldman Sachs Group UK Limited	694
Lloyds Banking Group Plc	638
J.P. Morgan Capital Holdings Limited	397

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/prudential-regulation/publication/2016/the-pras-approach-to-identifying-other-systemically-important-institutions-o-siis-sop.

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)
Morgan Stanley International Limited	301	356
Standard Chartered Plc	258	275
Merrill Lynch International	277	270
Santander UK Group Holdings Plc	300	260
Nationwide Building Society	226	163
Citigroup Global Markets Limited	182	162
Credit Suisse Investments (UK)	60	157
Nomura Europe Holdings Plc	259	128
Credit Suisse International	212	124

The table below sets out the systemically important activities of the firms that have been identified through supervisory overlay. Each of these firms is considered systemically important due to the impact that their distress or failure would have on the specified market(s), given their large market share.⁵

Name of O-SII	Systemically important activities
Morgan Stanley International Limited	Intra-financial banking and investment banking
Standard Chartered Plc	Corporate banking
Merrill Lynch International	Intra-financial banking and investment banking
Santander UK Group Holdings Plc	Retail banking
Nationwide Building Society	Retail banking
Citigroup Global Markets Limited	Intra-financial banking and investment banking
Credit Suisse Investments (UK)	Investment banking
Nomura Europe Holdings Plc	Intra-financial banking and investment banking
Credit Suisse International	Intra-financial banking

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

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⁵ See Appendix 1 of the Statement of Policy on the PRA's approach to identifying O-SIIs.