



2015 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 2015, as set out in the statement of policy on the PRA's approach to identifying O-SIIs,² and based on its methodology on O-SII identification the PRA has designated sixteen firms as O-SIIs based on data as at 31/12/2014.

List of O-SIIs for 2015

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 Eight 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	1,338
Barclays Plc	1,304
Royal Bank of Scotland Group Plc	1,088
Lloyds Banking Group Plc	826
Goldman Sachs Group UK Limited	590
Merrill Lynch International	459
Nomura Europe Holdings Plc	392
Credit Suisse International	376

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/approachtosiiis.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 is set out in Chapter four 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)
Santander UK Plc	297	254
Morgan Stanley International Limited	273	347
Standard Chartered Plc	258	228
Nationwide Building Society	212	172
J.P. Morgan Capital Holdings Limited	214	245
Citigroup Global Markets Limited ¹	201	156
Credit Suisse Investments (UK)	81	187
UBS Limited	46	127

Rationale for designation through supervisory overlay

Name of O-SII	Rationale for designation ²
Santander UK Plc	Significant activities in retail banking
Morgan Stanley International Limited	Significant activities in intra-financial banking and investment banking
Standard Chartered Plc	Significant activities in corporate banking
Nationwide Building Society	Significant activities in retail banking
J.P. Morgan Capital Holdings Limited	Significant activities in intra-financial banking and investment 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.³

¹ The EBA mandatory score and the supervisory overlay score for Citigroup Global Markets Limited are calculated using data for Citigroup Global Market Europe Limited, which no longer exists.

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: www.bankofengland.co.uk/pr/Pages/publications/sop/2016/approachtoosiis.aspx).

³ As at 31/12/2014, Citibank International Limited would have been designated due to interdependencies between it and its sister subsidiary, Citigroup Global Markets Europe Limited. However, the activities of Citibank International Limited are now carried out by the UK branch of Citibank Europe PLC, and so it is no longer in scope of designation.