



2020 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 In light of the challenges posed by the ongoing Covid-19 pandemic, the PRA has used data from last year's submission alongside supervisory judgement to inform the 2020 identification exercise, in line with the PRA's Statement of Policy for identifying O-SIIs. This has helped alleviate the burden on firms by removing the requirement to return data requests that feed into PRA's OSII identification methodology. The action is in line with a range of prudential, supervisory and policy measures to address the challenges presented by Covid-19.² Based on this approach, the PRA has left the 2020 list of O-SIIs unchanged from 2019.

List of O-SIIs for 2020

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

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 For instance, the FPC and PRC decided to: cancel the annual cyclical scenario (ACS) stress-test this year; pause the 2019 biennial exploratory scenario (BES) on liquidity; postpone the launch of the 2021 Climate BES; and postpone any decision on an enduring approach for incorporating International Financial Reporting Standard (IFRS) 9 into the capital framework. In April, the PRC also took the decision to freeze SRB buffer rates for 2020.

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).

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	1,763
Barclays Plc	1,115
The Royal Bank of Scotland Group Plc	724
Goldman Sachs Group UK Limited	668
Lloyds Banking Group Plc	639
J.P. Morgan Capital Holdings Limited	407

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	326	356
Standard Chartered Plc	300	275
Merrill Lynch International	247	270
Santander UK Group Holdings Plc	297	260
Nationwide Building Society	230	163
Citigroup Global Markets Limited	230	162
Credit Suisse Investments (UK)	87	157
Nomura Europe Holdings Plc	241	128
Credit Suisse International	170	124

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

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.