BANK OF ENGLAND
PRUDENTIAL REGULATION AUTHORITY

Notification document for Article 131 CRD – Other Systemically Important Institutions (O-SII)

1. Notifying national authority	
1.1 Name of the notifying authority	Prudential Regulation Authority
2. Description of the measure	
2.1 Concerned institution or group of institutions	The PRA has designated the following institutions as O-SIIs on the basis of their consolidated situations: - Barclays Plc - Citigroup Global Markets Limited - Credit Suisse International - Credit Suisse Investments (UK) - 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
2.2 Level of the buffer applied	No buffer has been applied.
2.3 Name of the EU ultimate parent institution	Not applicable.
2.4 Names of subsidiaries	Not applicable as a buffer has not been set.
3. Timing of the measure	
3.1 Timing of the Decision	19 February 2016
3.2 Timing of the Publication	19 February 2016
3.3 Disclosure	The PRA discloses its list of O-SIIs on its CRD IV updates page.
3.4 Timing of Application	Not applicable as a buffer has not been set.
3.5 Phasing in	Not applicable as a buffer has not been set.

<table>
<tr><td>3.6 Review of the measure</td><td>The PRA will conduct the O-SII identification annually.</td></tr>
<tr><td colspan="2">4. Reason for O-SII identification and activation of the O-SII buffer</td></tr>
<tr><td>4.1 Scores of concerned institution or group of institutions, as per EBA guidelines on the assessment of O-SIIs

(Article 131.3)</td><td>See the PRA's 2015 list of UK firms designated as other systemically important institutions (O-SIIs).</td></tr>
<tr><td>4.2 Methodology and indicators used for designation of the O-SII

(Article 131.3)</td><td>

The PRA followed the EBA guidelines in its assessment of O-SIIs.
The PRA used a threshold score for automatic designation of 350 basis points.
The PRA used the following indicators to inform the supervisory overlay element of the assessment:

Value of Retail Deposits
Value of Retail Lending
Number of Retail Customers
Value of Corporate Deposits
Value of Corporate Lending
Intra-financial Liabilities (Deposits, Repos, Derivatives)
Intra-financial Assets (Loans, Reverse Repos, Derivatives)
Daily Average Value of CHAPS transactions
Daily Average Value of BACS transactions
Daily Average Value of CREST transactions
Daily Average Value of LCH transactions
Custody assets
Trading Assets
Market transaction volumes

These indicators are relevant to the United Kingdom because they reflect the direct impact that the distress or failure of a systemic institution could have on the UK economy through the disruption or cessation of services, as well as reflecting other direct and indirect channels through which the distress or failure of institutions could pose a threat to the real economy, including through other intermediaries.
The table below sets out why each institution designated through the supervisory overlay is has been deemed systemically important:

<table>
<tr><th>Name of O-SII</th><th>Rationale for designation</th></tr>
<tr><td>Citigroup Global Markets Limited</td><td>Significant activities in intra-financial banking and investment banking</td></tr>
<tr><td>Credit Suisse Investments (UK)</td><td>Significant activities in investment banking</td></tr>
<tr><td>J.P. Morgan Capital Holdings Limited</td><td>Significant activities in intra-financial banking and investment banking</td></tr>
<tr><td>Morgan Stanley International Limited</td><td>Significant activities in intra-financial banking and investment banking</td></tr>
<tr><td>Nationwide Building Society</td><td>Significant activities in retail banking</td></tr>
<tr><td>Santander UK Plc</td><td>Significant activities in retail banking</td></tr>
<tr><td>Standard Chartered Plc</td><td>Significant activities in corporate banking</td></tr>
<tr><td>UBS Limited</td><td>Significant activities in Investment banking</td></tr>
</table>

The PRA elected to exclude relevant entities with relative total assets not in excess of 0.02% from the identification process.

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4.3 Supervisory judgement	In addition to the mandatory framework set out in the EBA Guidelines, the PRA uses a supervisory overlay to assess the systemic importance of institutions 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 section 4 of the statement of policy on the PRA's approach to identifying O-SIIs. The PRA has designated all institutions whose supervisory overlay score exceeds 100 basis points as O-SIIs. These institutions are: - Citigroup Global Markets Limited - Credit Suisse Investments (UK) - J.P. Morgan Capital Holdings Limited - Morgan Stanley International Limited - Nationwide Building Society - Santander UK Plc - Standard Chartered Plc - UBS Limited
4.4 Calibrating the O-SII buffer	Not applicable as a buffer has not been set.
4.5 Effectiveness and proportionality of measure	Not applicable as a buffer has not been set.
5. Cross-border and cross-sector impact of the measure	
5.1 Assessment of cross-border effects and the likely impact on the internal market **(Recommendation ESRB/2015/2)**	As no O-SII buffer has been set, we do not anticipate any cross-border effects of the O-SII identification.
5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	As no O-SII buffer has been set, we do not anticipate any cross-border effects of the O-SII identification.
6. Combinations and interactions with other measures	
6.1 Combinations between G-SII and O-SII buffers (Article 131.14)	All G-SIIs designated by the PRA have also been identified as O-SIIs, however as no O-SII buffer is set, only the G-SII buffer will apply to these firms.
6.2 Combinations with SRB buffers **(Article 131.14 + Article 133.5)**	The PRA has not yet set its SRB rates for institutions.
6.3 O-SII requirement for a subsidiary (Article 131.8)	Not applicable.
6.4 Interaction with other measures	Not applicable as a buffer has not been set.
7. Miscellaneous	
7.1 Contact person(s) at notifying authority	Contact Anna Jernova (+44 20 3461 7574) (Anna.Jernova@bankofengland.co.uk) or Casey Murphy (+44 20 7601 5828) (Casey.Murphy@bankofengland.co.uk) for further inquiries.

7.2 Any other relevant information	