



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

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1. Notifying national authority																																			
1.1 Name of the notifying authority	Prudential Regulation Authority (PRA)																																		
2. Description of the measure																																			
2.1 Concerned institution or group of institutions	<p>The PRA has designated as O-SIIs the following institutions on the basis of their highest consolidated situations:</p> <table border="1"> <thead> <tr> <th>Institution</th> <th>LEI code</th> </tr> </thead> <tbody> <tr> <td>Barclays Plc</td> <td>G5GSEF7VJP5I7OUK5573</td> </tr> <tr> <td>Citigroup Global Markets Limited</td> <td>XKZZ2JZF41MRHTR1V493</td> </tr> <tr> <td>Credit Suisse International</td> <td>E58DKGMJYYYYJLN8C3868</td> </tr> <tr> <td>Credit Suisse Investments (UK)</td> <td>549300FK5LWVMQ9QY386</td> </tr> <tr> <td>Goldman Sachs Group UK Limited</td> <td>549300RQT6K4WXZL3083</td> </tr> <tr> <td>HSBC Holdings Plc</td> <td>MLU0ZO3ML4LN2LL2TL39</td> </tr> <tr> <td>J.P. Morgan Capital Holdings Limited</td> <td>549300Z1UDXFNobbUI23</td> </tr> <tr> <td>Lloyds Banking Group Plc</td> <td>549300PPXHEU2JF0AM85</td> </tr> <tr> <td>Merrill Lynch International</td> <td>GGDZP1UYGU9STUHRDP48</td> </tr> <tr> <td>Morgan Stanley International Limited</td> <td>LSMWH68Y2RHEDP8W5261</td> </tr> <tr> <td>Nationwide Building Society</td> <td>549300XFX12G42QIKN82</td> </tr> <tr> <td>Nomura Europe Holdings Plc</td> <td>549300IU15NXFPV2FC82</td> </tr> <tr> <td>Royal Bank of Scotland Group Public Limited Company</td> <td>2138005O9XJIJN4JPN90</td> </tr> <tr> <td>Santander UK Plc</td> <td>PTCQB104N23FMNK2RZ28</td> </tr> <tr> <td>Standard Chartered Plc</td> <td>U4LOSYZ7YG4W3S5F2G91</td> </tr> <tr> <td>UBS Limited</td> <td>REYPIEJN7XZHSUI0N355</td> </tr> </tbody> </table>	Institution	LEI code	Barclays Plc	G5GSEF7VJP5I7OUK5573	Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	Credit Suisse International	E58DKGMJYYYYJLN8C3868	Credit Suisse Investments (UK)	549300FK5LWVMQ9QY386	Goldman Sachs Group UK Limited	549300RQT6K4WXZL3083	HSBC Holdings Plc	MLU0ZO3ML4LN2LL2TL39	J.P. Morgan Capital Holdings Limited	549300Z1UDXFNobbUI23	Lloyds Banking Group Plc	549300PPXHEU2JF0AM85	Merrill Lynch International	GGDZP1UYGU9STUHRDP48	Morgan Stanley International Limited	LSMWH68Y2RHEDP8W5261	Nationwide Building Society	549300XFX12G42QIKN82	Nomura Europe Holdings Plc	549300IU15NXFPV2FC82	Royal Bank of Scotland Group Public Limited Company	2138005O9XJIJN4JPN90	Santander UK Plc	PTCQB104N23FMNK2RZ28	Standard Chartered Plc	U4LOSYZ7YG4W3S5F2G91	UBS Limited	REYPIEJN7XZHSUI0N355
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2.2 Level of the buffer applied	No buffer has been applied.																																		
2.3 Name of the EU ultimate parent institution	<table border="1"> <thead> <tr> <th>Institution</th> <th>LEI code</th> </tr> </thead> <tbody> <tr> <td>Banco Santander SA</td> <td>5493006QMFDDMYWIAM13</td> </tr> </tbody> </table>	Institution	LEI code	Banco Santander SA	5493006QMFDDMYWIAM13																														
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2.4 Names of subsidiaries	No buffer has been applied.					
3. Timing of the measure						
3.1 Timing of the Decision	30 November 2017					
3.2 Timing of the Publication	30 November 2017					
3.3 Disclosure	The PRA discloses its list of O-SIIs on its CRD IV updates page.					
3.4 Timing of Application	1 January 2018					
3.5 Phasing in	The designation will apply immediately from 1 January 2018 application.					
3.6 Review of the measure	The identification of O-SIIs will be reviewed by 1 December 2018 and at least annually going forward.					
4. Reason for O-SII identification and activation of the O-SII buffer						
4.1 Scores of concerned institution or group of institutions, as per EBA guidelines on the assessment of O-SIIs (Article 131.3)	Institution	Stage 1 score	Size	Importance	Complexity	Inter-connectedness
	Barclays Plc	1073	1009	1306	959	1019
	Citigroup Global Markets Limited	171	223	0	299	162
	Credit Suisse International	251	227	20	506	251
	Credit Suisse Investments (UK)	53	81	23	53	54
	Goldman Sachs Group UK Limited	672	639	88	1243	718
	HSBC Holdings Plc	1585	1563	1968	1737	1072
	J.P. Morgan Capital Holdings Limited	370	394	195	357	534
	Lloyds Banking Group Plc	653	566	1469	135	443
	Merrill Lynch International	296	280	130	484	289
	Morgan Stanley International Limited	280	288	20	500	314
	Nationwide Building Society	221	188	546	7	144
	Nomura Europe Holdings Plc	282	200	141	511	275
	Royal Bank of Scotland Group Plc	836	675	1446	691	531
	Santander UK Plc	301	253	654	54	242
Standard Chartered Plc	267	448	72	183	363	
UBS Limited	33	34	25	38	36	
4.2 Methodology and indicators used for designation of the O-SII (Article 131.3)	<p>a. The PRA followed the EBA guidelines on the assessment of O-SIIs.</p> <p>b. The PRA used a threshold score for automatic designation of 350 basis points.</p> <p>c. PRA O-SIIs are those institutions that scored over 350 basis points under the EBA's methodology, and that had a score greater than 100 basis points under the PRA's supervisory assessment (see below).</p> <p>d. The PRA used firms' market share in the following indicators as the basis for its supervisory assessment:</p> <ul style="list-style-type: none"> ▪ 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

The PRA has designated all institutions whose supervisory assessment score exceeds 100 basis points as O-SIIs. The table below lists these institutions and their supervisory assessment scores:

Institution	Supervisory assessment score (in basis points)
Morgan Stanley International Limited	378
Merrill Lynch International	276
Santander UK Plc	264
Standard Chartered Plc	256
Nomura Europe Holdings Plc	203
Credit Suisse Investments (UK)	178
Citigroup Global Markets Limited	160
Nationwide Building Society	155
Credit Suisse International	154
UBS Limited	104

- e. 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.
- f. The table below sets out why each institution designated through the supervisory overlay is has been deemed systemically important:

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

	<table border="1"> <tr> <td>UBS Limited</td> <td>Significant activities in investment banking</td> </tr> </table> <p>g. The PRA elected to exclude relevant entities with relative total assets not in excess of 0.02% from the identification process.</p> <p>h. The 'Firms in scope of assessment' tab in the attached document sets out the names and scores of all entities that were included in the identification process.</p> <p>i. The PRA has included significant investment firms in its calculations.</p>	UBS Limited	Significant activities in investment banking
UBS Limited	Significant activities in investment banking		
4.3 Supervisory judgement	The PRA has used supervisory judgement to designate as O-SIIs those firms listed in 4.2.f.		
4.4 Calibrating the O-SII buffer	Not applicable as no buffer has been set.		
4.5 Effectiveness and proportionality of measure	Not applicable as no buffer has 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 as a result of the PRA's 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 leakages with the UK financial sector as a result of the PRA's 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 has been set, only the G-SII buffer will apply to these firms.		
6.2 Combinations with SRB buffers (Article 131.14 + Article 133.5)	No institutions are currently subject to an SRB. The PRA intends to set the SRB from 2019.		

6.3 O-SII requirement for a subsidiary (Article 131.8)	Institution	Parent institution	G-SII buffer of the parent*	O-SII buffer of the parent*
	Santander UK Plc	Banco Santander, S.A.	1.0%	1.0%
Note: *G-SII and O-SII buffers after phase-in period.				
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	<p>Casey Murphy Tel: +44 20 7601 5828 Email: Casey.Murphy@bankofengland.co.uk</p> <p>Sam McPhilemy Tel: +44 20 7601 5732. Email: Samuel.McPhilemy@bankofengland.co.uk</p>
7.2 Any other relevant information	