



WRITTEN NOTICE
OPTION DELTA PERMISSION

To: **Sumitomo Mitsui Banking Corporation Europe Limited (FRN: 223304), (the “firm”)**

Of: SMBCE London, 99 Queen Victoria Street, London, EC4V 7EH

Reference Number: 4645708

Date: 8 June 2018

Decisions

- (1) In accordance with the discretions afforded to the PRA by Article 329(1) of Regulation 575/2013 of the European Parliament and of the Council of 26th June 2013 on prudential requirements for credit institutions and investment firms (the “CRR”), the PRA has decided to grant the firm the permission to use its own calculations of delta in its calculation of own funds requirements for market risk in respect of options and warrants on the terms and conditions set out in Annex 1 (the “Option Delta Permission”).
- (2) If the firm ceases to comply with the conditions for granting of this Option Delta Permission set out in Article 329(1) of the CRR and the terms and conditions of the Option Delta Permission set out in Annex 1 the PRA will re-consider the terms and conditions of the Option Delta Permission and the requirements relevant to it, including a revocation of the Option Delta Permission in whole or in part.
- (3) The Option Delta Permission takes effect on 8 June 2018.

Procedural Matters

- (4) The decision which gave rise to the obligation to give this Notice was made by Daryl Collins, Senior Manager.
- (5) Details of the Option Delta Permission will be published on the PRA Register. The full text of this Written Notice will not be published.

PRA Contacts

- (6) For more information concerning this matter generally, the firm should contact their usual supervisory contact.

Darryl Collins
Senior Manager
Prudential Regulation Authority



ANNEX 1

THE OPTION DELTA PERMISSION

Definition

1. The Option Delta Permission means that the firm may use its own calculation of delta to calculate its own funds requirements for market risk in relation to the exposures described in paragraph 2 of this Annex.
2. In accordance with Article 329(1) of the CRR, the firm may use the Option Delta Permission to calculate the exposure value for certain specified products that are either (i) OTC options or (ii) products traded on an exchange for which no delta is available from the exchange concerned.

ANNEX 2

VERSION CONTROL SCHEDULE

Version	Comment	Authorisation	Date
1.0	Option Delta permission granted	Daryl Collins, Senior Manager	5 June 2018

Note on disclosure

The PRA has decided not to publish the full text and annexes of the Option Delta Permission notices as it has been deemed inappropriate and unnecessary. In particular, to do so might prejudice, to an unreasonable degree, the commercial interests of the firms concerned.

However, in the interests of transparency, the PRA's policy is to publish an abridged version of the permission notice, as a record that the Option Delta Permission has been granted