



WRITTEN NOTICE
FX HEDGING PERMISSION

To: **FCE Bank Plc (FRN 204469)**
("the firm")

Reference Number: 4747581

Date: 18 December 2017

Decisions

1. In accordance with the discretions afforded to the PRA by Article 352(2) of Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "CRR"), the PRA has decided to grant the firm the permission to exclude positions which it has deliberately taken in order to hedge against the adverse effect of the exchange rate on its ratios in accordance with Article 92(1) from the calculation of net open currency positions on the terms and conditions set out in Annex 1 (the "FX Hedging Permission").
2. If the firm ceases to comply with the conditions for grant of this FX Hedging Permission set out in Article 352(2) of the CRR and the terms and conditions of the FX Hedging Permission set out in Annex 1, the PRA will re-consider the terms and conditions of the FX Hedging Permission, or revoke this FX Hedging Permission in whole or in part.

Effect

3. The FX Hedging Permission takes effect on 18 December 2017.

Publication

4. Details of this permission will be published on the Financial Services Register.

Decision-Maker

5. The decision which gave rise to the obligation to give this Notice was made by Charles Woods, Head of Department.

Charles Woods
Head of Department
For and on behalf of The Prudential Regulation Authority



Procedural Matters

6. If you wish to challenge the decisions taken by the PRA in relation to the FX Hedging Permission, you may refer the matter to the Upper Tribunal.
7. This FX Hedging Permission will be published on the Financial Services Register.

PRA contacts

8. For more information concerning this matter generally, the firm should contact Julia Beattie on 020 3561 7097.

ANNEX 1

THE FX HEDGING PERMISSION

Definition

1. The FX Hedging Permission means that the firm may exclude positions which it has deliberately taken in order to hedge against the adverse effect of the exchange rate on its ratios in accordance with Article 92(1) from the calculation of net open currency positions on the terms and conditions set out in paragraphs 2 and 3 below.
2. The FX Hedging Permission applies to positions which meet the following criteria:
 - On a group consolidated basis: foreign exchange transactions where Sterling and Euro are sold for other currencies, not exceeding, in aggregate, a notional amount of £1.5bn.
 - On a solo-consolidated basis: foreign exchange transactions where Sterling and Euro are sold for other currencies, not exceeding, in aggregate, a notional amount of £1.3bn.
3. Any changes in the firm's practices and procedures in respect of the implementation of the FX Hedging Permission set out in the information provided to the PRA during the course of its application for this FX Hedging Permission should be notified to the PRA as soon as possible.