
WRITTEN NOTICE
OPTION DELTA PERMISSION

To: **Nomura International Plc (FRN:124422) (“NIP”)**
Nomura Bank International Plc (FRN: 204419) (“NBI”)
(each “a firm” and together “the firms”)

Reference Number: 5190707, 5380191
Date: 30 October 2019

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 NIP on an individual basis and NBI on the consolidated situation of Nomura Europe Holdings Plc (NEHS) in relation to the exposures incurred by NIP and Nomura Financial Products Europe (NFPE) permission to use their own calculations of delta in their calculations 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 firms cease to comply with the conditions for grant of this Option Delta Permission set out in Article 329(1) of the CRR or 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 24/10/2019.
4. Details of the Option Delta Permission will be published on the PRA Register.

Laura Winchester
Head of Investment Banks, International Banking Supervision Directorate

ANNEX 1

THE OPTION DELTA PERMISSION

Definition

1. The Option Delta Permission means that:
 - 1.1 NIP on an individual basis; and
 - 1.2 NBI on the consolidated situation of NEHS, in relation to the exposures incurred by NIP and NFPE;may use their own calculation of delta to calculate own funds requirements for market risk in relation to the exposures described in paragraph 2 of this Annex in accordance with article 329(1) of the CRR.
2. In accordance with Article 329(1) of the CRR, the firms may use the Option Delta Permission to calculate the exposure value for the products set out in Table 2, which are either (i) OTC options or (ii) products traded on an exchange for which no delta is available from the exchange concerned.

Table 2

Products
OTC Vanilla Equity Options

ANNEX 2

VERSION CONTROL

Version	Comment	Authorisation	Date
1.0	Option Delta Permission issued	Melanie Beaman	16/06/2014
2.0	Model Change (ACTS 35073)	Laura Winchester	24/10/2019