

WRITTEN NOTICE

OPTION DELTA PERMISSION

To: Citigroup Global Markets Limited (FRN 124384) ("the firm")

Of: Citigroup Centre, 33 Canada Square, London E14 5LB

Ref: 00005137

Date: 26 August 2022

DECISIONS

- (1) In accordance with the discretions afforded to the PRA by Article 329(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms as it forms part of retained EU law (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 reconsider 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 26 August 2022.



PROCEDURAL MATTERS

- (4) The decision which gave rise to the obligation to give this Notice was made by Vicky White, Head of Division, US Banks Division.
- (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 The full text of this Written Notice will not be published.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 usually supervisory contact.

Vicky White
Head of Division
US Banks Division
For and on behalf of The Prudential Regulation Authority

ANNEX 1

THE OPTION DELTA PERMISSION

Definition

1. The Option Delta Permission means that the firms may use their own calculation of delta to calculate, for the legal entities listed in Table 1, on a solo and/or consolidated basis, the 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.

Table 1

Legal entity	Solo / Consolidated
Citigroup Global Markets Limited	Solo and consolidated

2. In accordance with Article 329(1) of the CRR, the firm 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.

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.

ANNEX 2

VERSION CONTROL SCHEDULE

Version	Comment	Authorisation	Date
1.0	Option Delta Permission granted	Andy Murfin Head of Department International Banks Division Prudential Regulation Authority	18 August 2014
1.1	Option Delta Permission extended to further products	Alastair Hughes Head of Department International Banks Division Prudential Regulation Authority	31 May 2017
1.2	Option Delta Permission updated reflect new model names for 4 models	Peter Hamroque Senior Manager International Banks Division Prudential Regulation Authority	22 March 2018
1.3	Options Delta Permission extended to include further models	Jonathan Rand Head of Division US Banks Division Prudential Regulation Authority	2 December 2019
1.4	Options Delta Permission extended to include further models	Vicky White Head of Division US Banks Division Prudential Regulation Authority	26 August 2022