



WRITTEN NOTICE
NET FX DELTA PERMISSION

To: **ICBC Standard Bank Plc**
(*"the firm"*)

Reference Number: **2166169**

Date: **21 December 2015**

DECISIONS

1. In accordance with the discretions afforded to the PRA by Article 352(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 currencies and gold on the terms and conditions set out in Annex 1 (the "Net FX Delta Permission").
2. This permission is granted on the basis that the conditions set out in Article 352(1) of the CRR have been met and continue to be met. If any of these conditions ceases to be met, the PRA may re-consider the terms of this permission or revoke this permission in whole or in part.
3. The Net FX Delta Permission takes effect on 21 December 2015 and replaces Written Notice reference 1896504.

Ted Morris
Manager, International Banks Supervision



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

PROCEDURAL MATTERS

4. Details of the Net FX Delta Permission will be published on the PRA Register.

PRA CONTACTS

5. For more information concerning this matter generally, the firm should contact its usual supervisory contact.



ANNEX 1

THE NET FX DELTA PERMISSION

Definition

1. The Net FX 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 352(1) of the CRR, the firm may use the Net FX Delta Permission to calculate the exposure value for the products set out in Table 1 below, which are either (i) OTC options or (ii) products traded on an exchange for which no delta is available from the exchange concerned.

Table 1

FX Asian Option	Murex analytics generic Monte-Carlo simulation model
Non-deliverable vanilla gold options	Black and Scholes pricing model