

Bank of England PRA

WRITTEN NOTICE

IMA PERMISSION

To: Nomura International Plc (FRN:124422) ("the firm")
Nomura Europe Holdings Plc (FRN: 446819) ("the
"holding company")
(together "the addressees")

Of: 1 Angel Lane, London EC4R 3AB

Reference Number: 00005386

Date: 22 January 2024

DECISIONS

1. In accordance with the discretions afforded the PRA by sections 1-5, Chapter 5, Title IV of Part 3 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 addressees permission to use the internal model approach in calculation of own funds requirements for market risk on the terms and conditions set out in Annex 1 (the "IMA Permission").
2. Further to regulations 34B and 35B of the Capital Requirements Regulations 2013 and an application made by the firm in accordance with section 55M(5) of the Financial Services and Markets Act 2000 (the "Act") for certain requirements, the PRA has decided to grant to the firm the requirements specified in Annex 2. The PRA expects the holding company to submit the information requested in Annex 3.
3. If an addressee ceases to comply with the conditions in Chapter 5, Title IV, Part 3 of the CRR, the terms of the IMA permission set out in Annex 1, or the requirements set out in Annex 2, the PRA will re-consider the terms and



conditions of the IMA Permission and the requirements relevant to it, which may include a revocation of the IMA Permission in whole or in part.

4. The IMA Permission takes effect on 18 December 2023. This written notice replaces all previous written notices of this IMA Permission.

Ankita Mehta

Head of Cross Firm Analysis and Supervision, Authorisations, RegTech and International Supervision Directorate

ANNEX 1

THE INTERNAL MODEL APPROACH PERMISSION

Legal Entities

1. The IMA Permission means that:
 - a. The firm may use on an individual basis the internal model approach in their calculation of own funds requirements for market risk in relation to the risk categories and categories of position described in paragraphs 3 and 4 of this Annex, in accordance with Section 1 and 2, Chapter 5, Title IV, Part 3 of the CRR.
 - b. The holding company may use the internal model approach in its calculation of own funds requirements for market risk in relation to the risk categories and categories of position described in paragraphs 3 and 4 of this Annex, in accordance with Section 1 and 2, Chapter 5, Title IV, Part 3 of the CRR, on a consolidated basis in respect of the following entities:

Nomura International Plc
Nomura Financial Products Europe

ANNEX 2

Material, significant and other changes

1. In accordance with Article 363(3), first paragraph, of the CRR material changes to the models subject to the IMA Permission, and the extension of use of those models (in particular to new legal entities, trading locations, risk categories, and categories of position) will require a separate permission from the PRA. Changes to the permission with respect to the inclusion or exclusion of those types of position or sets of positions in Table 4 above will also require permission from the PRA.
2. In accordance with Article 363(3), second paragraph, of the CRR a firm must notify the PRA of all other extensions and changes to the use of internal models covered by this permission. As per clause 9.16 of Supervisory Statement 13/13, and in accordance with Article 363(3) of the CRR, the PRA expects a firm to notify and discuss with the PRA in advance details of any of the more significant planned changes or extensions relevant to the internal models covered by this permission, and that do not trigger a requirement to apply for a permission under Article 363(1) of the CRR before those changes are implemented.
3. In accordance with Art 363(3), second paragraph of CRR, the addressees shall no later than 20 business days after the end of each quarter, notify the PRA of all other changes and extensions made in respect of that quarter.

ANNEX 3

EXPECTATIONS RELEVANT TO THE IMA PERMISSION

Reporting expectations

1. The holding company must, no later than 20 business days after the end of each quarter, submit, in respect of that quarter, a report to the PRA with material information about developments and changes with respect to the internal models, as well as the systems and controls relating to them.

“Note on disclosure: The PRA has decided not to publish the full text and annexes of IMA 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 company. 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 IMA permission has been granted.”