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**WRITTEN NOTICE**

**OPTION DELTA PERMISSION**

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To: Nomura Europe Holdings Plc (FRN 446819) ("the company")

Of: 1 Angel Lane, London EC4R 3AB

Date: 15/11/2021

**DECISIONS**

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 26<sup>th</sup> June 2013 on prudential requirements for credit institutions and investment firms (the "CRR"), the PRA has decided to grant the company on a consolidated basis 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").

(1) If the company 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 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.

(2) The Option Delta Permission takes effect on 26/10/2021.

**PROCEDURAL MATTERS**

(3) The decision which gave rise to the obligation to give this Notice was made by Ben Martin, Head of Division.

(4) Details of the Option Delta Permission will be published.

## **PRA CONTACTS**

(5) For more information concerning this matter generally, the company should contact their usual supervisory contact.

**Ben Martin**  
**Head of Division**  
**For and on behalf of The Prudential Regulation Authority**

## **ANNEX 1**

### **THE OPTION DELTA PERMISSION**

#### **Definition**

The Option Delta Permission means that the company 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.

1. In accordance with Article 329(1) of the CRR, the company 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**

| <b>Products</b>            |
|----------------------------|
| OTC Vanilla Equity Options |