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### WRITTEN NOTICE

### OPTION DELTA PERMISSION

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To: **HSBC Holdings Plc**  
**(“the company”)**

Date: 21 December 2021

#### 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 26<sup>th</sup> 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 company, on the basis of its consolidated situation, 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 company ceases to comply with the conditions for grant of this Option Delta Permission set out in Article 329(1) of the CRR, 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 20 December 2021.
4. Details of the Option Delta Permission will be published. The full text of this Written Notice will not be published.
5. Annex 2 summarises any permissions previously granted by the PRA under CRR in connection with the Options Delta Permission.

The decision was taken by SRPC.



## ANNEX 1

### THE OPTION DELTA PERMISSION

#### Definition

1. The Option Delta Permission means that the company may use its own calculation of delta to calculate, for the legal entities listed in Table 1, on a 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**

<b>Legal entity</b>	<b>Consolidated</b>
<b>Bank Brasil S.A. –Banco Multiplo</b>	<b>Consolidated</b>
<b>HSBC Bank Mexico</b>	<b>Consolidated</b>
<b>HSBC Bank plc</b>	<b>Consolidated</b>

2. In accordance with Article 329(1) of the CRR, the company may use the Option Delta Permission to calculate the exposure value for the certain specified products which are either (i) OTC options or (ii) products traded on an exchange for which no delta is available from the exchange concerned.

## ANNEX 2

### VERSION CONTROL

<b>Versi on</b>	<b>Comment</b>	<b>Authorisation</b>	<b>Date</b>
1.0	Option Delta Permission issued.	Melanie Beaman	01/12/2014
2.0	Permission granted to the Holding Company on a consolidated basis.	SRPC	20/12/2021

#### **Note on disclosure**

The PRA has decided not to publish the full text and annexes of this Option Delta permission notice 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 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.