



NOMURA

Nomura Europe Holdings plc

Semi Annual Pillar 3 Disclosures

30 September 2018

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Foreword

Background

The Nomura Europe Holdings plc Group ("The Group") is authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and PRA. The regulatory consolidation is produced in accordance with the requirements established under the Capital Requirements Directive ("CRD") and the Capital Requirements Regulation ("CRR"), collectively referred to hereinafter as "CRD IV", which came into effect on 1st January 2014.

Scope of Application

This document presents the consolidated Pillar 3 disclosures as at 30th September 2018 for The Group and two subsidiaries, Nomura International Plc ("NIP") and Nomura Bank International Plc ("NBI") which are also regulated by the PRA and FCA.

NIP is the only material subsidiary of The Group, contributing over 95% of The Group's capital requirement; its risk management policies and procedures are consistent with The Group. Significant subsidiary disclosures have been made for NIP as applicable.

NBI has been included as it is a United Kingdom ("UK") regulated bank; however its Risk Weighted Assets ("RWA") are immaterial. Therefore NBI disclosures have been made for Article 437 (Own Funds) with no other disclosures relevant to significant subsidiary requirements.

Other regulated subsidiaries included in The Group consolidation figures are Nomura Bank Luxembourg S.A. ("NBL"), Banque Nomura France S.A. ("BNF"), Nomura Alternative Investments Management Ltd ("NAIM"), Nomura Saudi Arabia ("NSA"), Nomura Bank Switzerland Ltd ("NBS") and Nomura Financial Products Europe ("NFPE").

Certain subsidiaries are subject to local Pillar 3 Regulatory requirements. However, owing to their inclusion and small size within The Group, separate disclosures have not been made for NBL, BNF, NAIM, NSA or NBS.

Scope of Consolidation

The Group's regulatory consolidation includes UK and non-UK regulated entities; Article 6 of the CRR provides guidance on capital calculations and consolidation of subsidiary undertakings. The regulatory consolidation excludes certain special purpose entities which are included in the accounting consolidation. A small number of entities included in the accounting consolidation are also excluded from the regulatory consolidation on the basis of their immaterial balance sheet size. There is no material impact on the regulatory capital position of The Group due to the exclusion of these entities.

The regulatory scope of consolidation includes an additional entity, Nomura Capital Markets Ltd ("NCM"), which is not included in the accounting consolidation, in accordance with direction of the PRA.

All companies within The Group are limited by ordinary shares. Apart from the requirements to hold regulatory capital, subject to regulatory approval by the relevant local authority, there is no practical or legal impediment to the prompt transfer of capital between entities within The Group. The Group and NCM are 100% owned subsidiaries of Nomura Holdings Inc. ("NHI") (incorporated in Japan), the ultimate parent of The Group. NHI publishes separate Pillar III disclosures ([NHI Pillar 3](#)). NHI,

together with The Group and NHI's other subsidiary undertakings, form the "Nomura Group".

With effect from April 2015, The Group applied the UK Companies Act 2006 exemption from producing statutory group accounts. The exemption applies to a UK parent company where certain conditions are met. Specifically this includes where the UK parent and all of its subsidiaries are included in group accounts of a larger non-European Economic Area ("EEA") group prepared in accordance with accounting standards which are equivalent to EU-adopted IFRS. Statutory consolidated accounts for The Group are therefore not to be published.

Key Metrics

	The Group
Capital (\$m)	
Tier 1 Capital	5,224
Tier 2 Capital	2,160
Capital Requirements (\$m)	
Total RWA	35,241
Total Capital Requirement ⁽¹⁾	3,898
Capital Ratios (%)	
Tier 1 ⁽²⁾	14.8%
Leverage Ratio	
Total Leverage Ratio Exposure (\$m)	180,427
Leverage Ratio (%)	2.9%

1. Pillar 1 + Pillar 2A requirements
2. Tier 1 Capital / Total RWA

Own Funds Disclosures

Own Funds

CRR Articles 437 and 492

The Group, NIP and NBI Own Funds:

ITS ⁽¹⁾	(\$m)	Sep-18		
		The Group	NIP	NBI
6	Common Equity Tier 1 ("CET1") before regulatory adjustments	5,359	5,018	474
28	Total Regulatory Adjustments to Common Equity Tier 1 ⁽²⁾	(135)	(159)	113
45	Tier 1 Capital	5,224	4,859	587
46	Tier 2 Capital	2,160	1,260	-
59	Total Capital	7,384	6,119	587
62	Tier 1 Ratio⁽³⁾	14.82%	14.13%	938.62%
63	Total Capital as a percentage of total risk exposure amounts	20.95%	17.79%	938.62%
64	Institution specific buffer requirement ⁽⁴⁾	2.00%	2.00%	2.41%
65	of which: Capital conservation buffer requirement	1.88%	1.88%	1.88%
66	of which: Countercyclical capital buffer requirement	0.12%	0.12%	0.53%
68	Common Equity Tier 1 available to meet buffers ⁽⁵⁾	6.53%	5.76%	931.45%

1. Implementing Technical Standards Regulations (EU) no. 1423/2013

2. Regulatory adjustments per CRR article 33 (1) (b), (c), article 105 and intangible asset deductions per article 37

3. Tier 1 capital ratio is equal to the CET1 ratio

4. Institution specific buffer requirement: capital conservation buffer plus countercyclical capital buffer requirements expressed as a percentage

5. Common Equity Tier 1 available to meet minimum Tier 1 total capital requirements (Pillar 1 + Pillar 2A) as there are no innovative Tier 1 instruments

There are no expected loss amounts. No restrictions have been applied to the calculation of Common Equity Tier 1 or the prudential filters to Common Equity Tier 1.

Tier 1 Capital consists of share capital and reserves.

Tier 2 Capital consists of subordinated debt.

Transitional Provisions

CRR Article 437 (a)

On adopting IFRS 9 on 1st April 2018 The Group now applies the Expected Credit Loss (“ECL”) model which replaces the incurred loss model under IAS 39

\$(m)	The Group				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Available Capital					
Common Equity Tier 1 (CET1) capital	5,224	5,263	5,294	5,342	5,450
Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,221	5,261			
Tier 1 capital	5,224	5,263	5,294	5,342	5,450
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,221	5,261			
Total capital	7,384	7,423	7,454	7,502	7,610
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7,381	7,421			
Risk Weighted Assets					
Total risk-weighted assets	35,241	34,328	36,378	39,250	38,644
Capital Ratios					
Common Equity Tier 1 (as a percentage of risk exposure amount)	14.8%	15.3%	14.6%	13.6%	14.1%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.8%	15.3%			
Tier 1 (as a percentage of risk exposure amount)	14.8%	15.3%	14.6%	13.6%	14.1%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.8%	15.3%			
Total capital (as a percentage of risk exposure amount)	21.0%	21.6%	20.5%	19.1%	19.7%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20.9%	21.6%			
Leverage Ratio					
Leverage ratio total exposure measure	180,427	177,032	180,157	183,801	187,893
Leverage ratio	2.9%	3.0%	2.9%	2.9%	2.9%
Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2.9%	3.0%			

(\$m)	NIP				
	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Available Capital					
Common Equity Tier 1 (CET1) capital	4,859	4,890	4,930	4,955	4,803
Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,856	4,888			
Tier 1 capital	4,859	4,890	4,930	4,955	4,803
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,856	4,888			
Total capital	6,119	6,150	6,190	6,215	6,063
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6,116	6,148			
Risk Weighted Assets					
Total risk-weighted assets	34,393	33,580	35,196	37,332	36,075
Capital Ratios					
Common Equity Tier 1 (as a percentage of risk exposure amount)	14.1%	14.6%	14.0%	13.3%	13.3%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.1%	14.6%			
Tier 1 (as a percentage of risk exposure amount)	14.1%	14.6%	14.0%	13.3%	13.3%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.1%	14.6%			
Total capital (as a percentage of risk exposure amount)	17.8%	18.3%	17.6%	16.6%	16.8%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.8%	18.3%			
Leverage Ratio					
Leverage ratio total exposure measure	175,192	171,547	174,650	178,285	183,479
Leverage ratio	2.8%	2.9%	2.8%	2.8%	2.6%
Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2.8%	2.9%			

Capital Requirements

Capital Requirements and Risk Weighted Exposure

CRR Article 438 (c), (e) and (f).

The Group and NIP RWA and capital requirements

30 th Sep 2018 \$m	The Group		NIP	
	RWA	Minimum Requirement ⁽¹⁾	RWA	Minimum Requirement ⁽¹⁾
Total market risk capital requirement	6,450	516	6,440	515
Total counterparty risk and credit risk capital requirement	19,899	1,592	19,475	1,558
Total settlement risk capital requirement	229	18	230	18
Total operational risk capital requirement	3,402	272	2,751	220
Total credit valuation adjustment capital requirement	4,000	320	3,979	318
Total large exposure risk capital requirement	1,261	101	1,518	121
Total	35,241	2,819	34,393	2,750

1. The minimum capital requirement refers to the Pillar 1 capital requirement.

Movements in RWA over the period (Jun-18 to Sep-18)

NEHS

Market risk RWA and capital requirements have increased following higher SVaR spot values over the period. Large exposure requirements have increased, driven by increased intra-group activity.

NIP

Movements in RWA and capital requirements are materially in line with The Group.

Capital Buffer Requirements

Countercyclical Capital Buffer

The Countercyclical Capital Buffer (“CCyB”) has been established to create capital buffers that adjust according to market conditions. This buffer must be met with CET1 capital.

\$m	The Group
Total RWA	35,241
Institution Specific CCyB rate	0.1204%
Institution specific CCyB requirement	42.4

The increase in CCyB is driven by the introduction of CCyB rate for the United Kingdom on 27th June 18.

The CCyB for NIP is materially in line with The Group. A geographic distribution of own funds requirements has been included in the appendix.

Counterparty Credit Risk

CCR1: Analysis of Counterparty Credit Risk RWA by Approach

The table provides The Group's Exposure at Default ("EAD") and Counterparty Credit Risk ("CCR") RWA by calculation methodology, with the exception of Credit Valuation Adjustment ("CVA"). CCR RWA for NIP is materially in line with The Group

\$m	Current Market Value	PFE	EEPE	Multiplier	EAD	RWA
Mark to Market	9,866	16,121			10,453	3,823
IMM (for Derivatives and SFTs)			13,329		19,910	8,548
<i>Of which derivatives transactions</i>			6,068	1.6	9,479	6,073
<i>Of which securities financing transactions</i>			7,261	1.6	10,431	2,475
Master Netting Agreement					11,796	4,115
Total					42,159	16,486

CCR2: Credit Valuation Adjustment

The table shows the EAD and RWA by standardised and advanced approaches.

\$m	EAD	RWA
Total Portfolios Subject to the Advanced Method	7,050	2,285
(i) VaR component (including the 3xmultiplier)		331
(ii) Stressed VaR component (including the 3xmultiplier)		1,954
All Portfolios Subject to the Standardised Method	4,834	1,715
Total subject to the CVA capital charge	11,884	4,000

CCR7: RWA Flow Statements of CCR Exposures under IMM

The table shows how The Group's RWA under Internal Model Method ("IMM") have changed over the quarter. NIP movements are materially in line with The Group.

\$m	The Group	
	RWA amounts	Minimum Requirement ⁽¹⁾
RWA as at Jun-18	8,653	692
Asset size	(189)	(15)
Credit quality of counterparties ("CQS")	(16)	(1)
Model updates	100	8
RWA as at Sep-18	8,548	684

1. The minimum capital requirement refers to the Pillar 1 capital requirement.

The driver in RWA is predominantly due to in the composition of the portfolio. Over the period, the reduction in asset size is due to maturing FX trades across the portfolio.

CCR8: Exposures to Central Counterparties

The table shows The Group's EAD to qualifying central counterparties ("QCCP")

\$m	EAD	RWA
Exposures to QCCP (total)		223
Exposures for trades at QCCP (excluding initial margin and default fund contributions); of which	2,227	44
(i) OTC derivatives	1,473	29
(ii) Exchange-traded derivatives	403	8
(iii) SFTs	351	7
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	-	-
Non-segregated initial margin	1,889	38
Prefunded default fund contributions	281	141
Alternative calculation of own funds requirements for exposures	-	-

Credit Risk

CR1-A: Credit Quality of Exposures by Exposure Class and Instruments

The tables shows The Group's gross carrying value and net credit risk exposures, by counterparty type and instrument. Net values represent exposures before Credit Risk Mitigation ("CRM") and Credit Conversion Factors ("CCF").

\$m	The Group						
	Gross Carrying values of:		Specific Credit Risk Adjustment	General Credit Risk Adjustment	Accumulated Write-offs	Credit Risk Adjustment Charges of the Period	Net Values
	Defaulted	Non-Defaulted					
Central Governments or Central Banks	-	3,857	-	-	-	-	3,857
Corporates	-	5,228	(1)	-	-	-	5,227
Institutions	-	1,615	-	-	-	-	1,615
Multilateral Development Banks	-	1	-	-	-	-	1
Public Sector Entities	-	2	-	-	-	-	2
Regional Governments or Local Authorities	-	410	-	-	-	-	410
Equity Exposures	-	38	-	-	-	-	38
Other items	-	252	-	-	-	-	252
Total SA approach	-	11,402	-	-	-	-	11,402
Total	-	11,403	(1)	-	-	-	11,402
of which: Loans	-	3,609	(1)	-	-	-	3,608
of which: Debt Securities	-	771	-	-	-	-	771
of which: Off-balance sheet exposures	-	3,120	-	-	-	-	3,120

\$m	NIP						
	Gross Carrying values of:		Specific Credit Risk Adjustment	General Credit Risk Adjustment	Accumulated Write-offs	Credit Risk Adjustment Charges of the Period	Net Values
	Defaulted	Non-Defaulted					
Central Governments or Central Banks	-	2,957	-	-	-	-	2,957
Corporates	-	3,665	(1)	-	-	-	3,664
Institutions	-	745	-	-	-	-	745
Multilateral Development Banks	-	1	-	-	-	-	1
Public Sector Entities	-	2	-	-	-	-	2
Regional Governments or Local Authorities	-	44	-	-	-	-	44
Equity Exposures	-	38	-	-	-	-	38
Other items	-	242	-	-	-	-	242
Total SA approach	-	7,693	-	-	-	-	7,693
Total	-	7,694	(1)	-	-	-	7,693
of which: Loans	-	2,056	(1)	-	-	-	2,055
of which: Debt Securities	-	8	-	-	-	-	8
of which: Off-balance sheet exposures	-	1,713	-	-	-	-	1,713

CR1-B: Credit Quality of Exposures by Industry and Counterparty Type

The tables show the gross carrying value and net credit risk exposure by industry of The Group and NIP. Net values represent exposures before CRM and CCF.

	The Group						
	Gross Carrying values of:		Specific Credit Risk Adjustment	General Credit Risk Adjustment	Accumulated Write-offs	Credit Risk Adjustment Charges of the Period	Net Values
	Defaulted	Non-Defaulted					
\$m							
Financial and Insurance Activities	-	8,058	-	-	-	-	8,058
Public Administration and Defense	-	919	-	-	-	-	919
Manufacturing	-	828	(1)	-	-	-	827
Information and Communication	-	275	-	-	-	-	275
Electricity, Gas, Steam and Air Conditioning Supply	-	211	-	-	-	-	211
Others	-	1,112	-	-	-	-	1,112
Total	-	11,403	(1)	-	-	-	11,402

	NIP						
	Gross Carrying values of:		Specific Credit Risk Adjustment	General Credit Risk Adjustment	Accumulated Write-offs	Credit Risk Adjustment Charges of the Period	Net Values
	Defaulted	Non-Defaulted					
\$m							
Financial and Insurance Activities	-	5,862	-	-	-	-	5,862
Manufacturing	-	449	(1)	-	-	-	448
Information and Communication	-	253	-	-	-	-	253
Arts, entertainment and recreation	-	168	-	-	-	-	168
Public Administration and Defense, Compulsory Social Security	-	156	-	-	-	-	156
Others	-	806	-	-	-	-	806
Total	-	7,694	(1)	-	-	-	7,693

CR1-C: Credit Quality of Exposures by Region and Country

The tables show The Group's and NIP's gross carrying value and net credit risk exposure by region and country. Net values represent exposures before CRM and CCF.

\$m	The Group						Net Values
	Gross Carrying values of:		Specific Credit Risk Adjustment	General Credit Risk Adjustment	Accumulated Write-offs	Credit Risk Adjustment Charges of the Period	
	Defaulted	Non-Defaulted					
EMEA	-	8,492	(1)	-	-	-	8,491
United Kingdom	-	4,889	-	-	-	-	4,889
France	-	990	-	-	-	-	990
Luxembourg	-	719	-	-	-	-	719
Switzerland	-	296	-	-	-	-	296
Spain	-	287	-	-	-	-	287
United Arab Emirates	-	261	-	-	-	-	261
Netherlands	-	236	-	-	-	-	236
Belgium	-	171	-	-	-	-	171
Italy	-	129	-	-	-	-	129
Other Countries	-	514	(1)	-	-	-	513
Americas	-	1,336	-	-	-	-	1,336
United States	-	973	-	-	-	-	973
British Virgin Islands	-	171	-	-	-	-	171
Canada	-	112	-	-	-	-	112
Cayman Islands	-	56	-	-	-	-	56
Other Countries	-	24	-	-	-	-	24
Asia	-	1,575	-	-	-	-	1,575
Japan	-	1,376	-	-	-	-	1,376
India	-	41	-	-	-	-	41
Australia	-	38	-	-	-	-	38
Singapore	-	34	-	-	-	-	34
Other Countries	-	86	-	-	-	-	86
Total	-	11,403	(1)	-	-	-	11,402

\$m	NIP						Net Values
	Gross Carrying values of:		Specific Credit Risk Adjustment	General Credit Risk Adjustment	Accumulated Write-offs	Credit Risk Adjustment Charges of the Period	
	Defaulted	Non- Defaulted					
EMEA	-	6,230	(1)	-	-	-	6,229
United Kingdom	-	4,719	-	-	-	-	4,719
Spain	-	287	-	-	-	-	287
United Arab Emirates	-	225	-	-	-	-	225
Luxembourg	-	169	-	-	-	-	169
Netherlands	-	166	-	-	-	-	166
Italy	-	118	-	-	-	-	118
Other Countries	-	546	(1)	-	-	-	545
Americas	-	813	-	-	-	-	813
United States	-	470	-	-	-	-	470
British Virgin Islands	-	171	-	-	-	-	171
Canada	-	106	-	-	-	-	106
Cayman Islands	-	42	-	-	-	-	42
Other Countries	-	24	-	-	-	-	24
Asia	-	651	-	-	-	-	651
Japan	-	457	-	-	-	-	457
India	-	41	-	-	-	-	41
Australia	-	38	-	-	-	-	38
Singapore	-	34	-	-	-	-	34
Other Countries	-	81	-	-	-	-	81
Total	-	7,694	(1)	-	-	-	7,693

Market Risk

MR1: Market Risk under the Standardised Approach

The table shows a breakdown of RWA and capital requirements for market risk calculated under the standardised approach.

\$m	The Group		NIP	
	RWA	Capital Requirements ⁽¹⁾	RWA	Capital Requirements
Outright products				
Interest rate risk (general and specific)	1,099	89	1,099	89
Equity risk (general and specific)	131	10	131	10
Foreign exchange risk	568	45	563	45
Commodity risk	-	-	-	-
Options				
Simplified approach	-	-	-	-
Delta-plus method	1	0	1	0
Scenario approach	-	-	-	-
Securitisation (specific risk)	-	-	-	-
Total	1,799	144	1,794	144

1. Pillar 1 capital requirement

MR2-A: Market Risk under the Internal Model Approach

The table shows a breakdown of RWA and capital requirements for under the Internal Model Approach ("IMA").

\$m	The Group		NIP	
	RWA	Capital Requirements ⁽²⁾	RWA	Capital Requirements ⁽²⁾
VaR (10 day 99%)				
Period end	326	26	325	26
60 Day Average Multiplied by 3	1,010	81	1,009	81
Higher value¹	1,010	81	1,009	81
Stressed VaR (10 day 99%)				
Period end	759	61	757	61
60 Day Average Multiplied by 3	2,229	178	2,225	178
Higher value¹	2,229	178	2,225	178
Incremental Risk Charge (99.9%)				
Period end	509	41	509	41
60 Day Average	498	40	498	40
Higher value¹	509	41	509	41
Comprehensive Risk capital charge (99.9%)				
Period end	-	-	-	-
60 Day Average	-	-	-	-
Higher value¹	-	-	-	-
Risk Not In VaR	89	7	89	7
Stressed Risk Not In VaR	814	65	814	65
Total	4,651	372	4,646	372

1. The Group Capital Requirement is calculated by aggregating the requirements for the individual entities

2. Pillar 1 capital requirement

MR2-B: Model RWA Flow Statements

The table shows a breakdown of the changes in IMA market risk RWA between July 2018 and September 2018. NIP movements are materially in line with The Group.

\$m	The Group					Total RWA	Minimum Requirement ⁽¹⁾
	VaR	SVaR	IRC	Other			
RWA as at Jun-18	1,031	1,849	515	993		4,388	351
Movement in Risk Levels	78	380	(6)	(90)		362	29
Model Updates/Changes	(99)	-	-	-		(99)	(8)
RWA as at Sep-18	1,010	2,229	509	903		4,651	372

1. The minimum capital requirement refers to the Pillar 1 capital requirement.

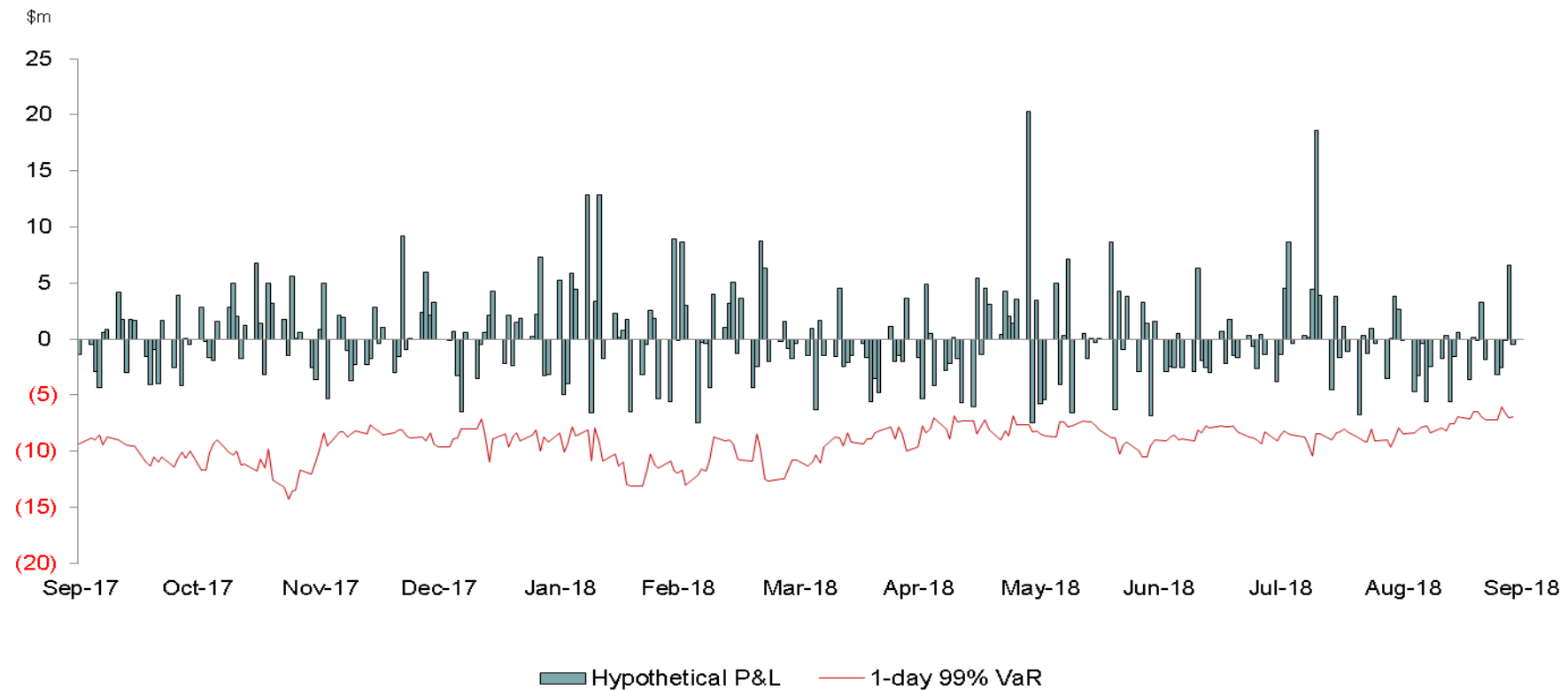
MR3: Review of Market Risk Regulatory Measures

The table shows the internal model regulatory measures used for capital calculations.

\$m	The Group	NIP
VaR (10 day 99%) –		
Maximum value	34	34
Average value	27	27
Minimum value	21	21
Period end	26	26
SVaR (10 day 99%)		
Maximum value	73	73
Average value	54	54
Minimum value	37	37
Period end	61	61
IRC (99.9%)		
Maximum value	44	44
Average value	40	40
Minimum value	35	35
Period end	41	41
Comprehensive Risk capital charge (99.9%)		
Maximum value	-	-
Average value	-	-
Minimum value	-	-
Period end	-	-

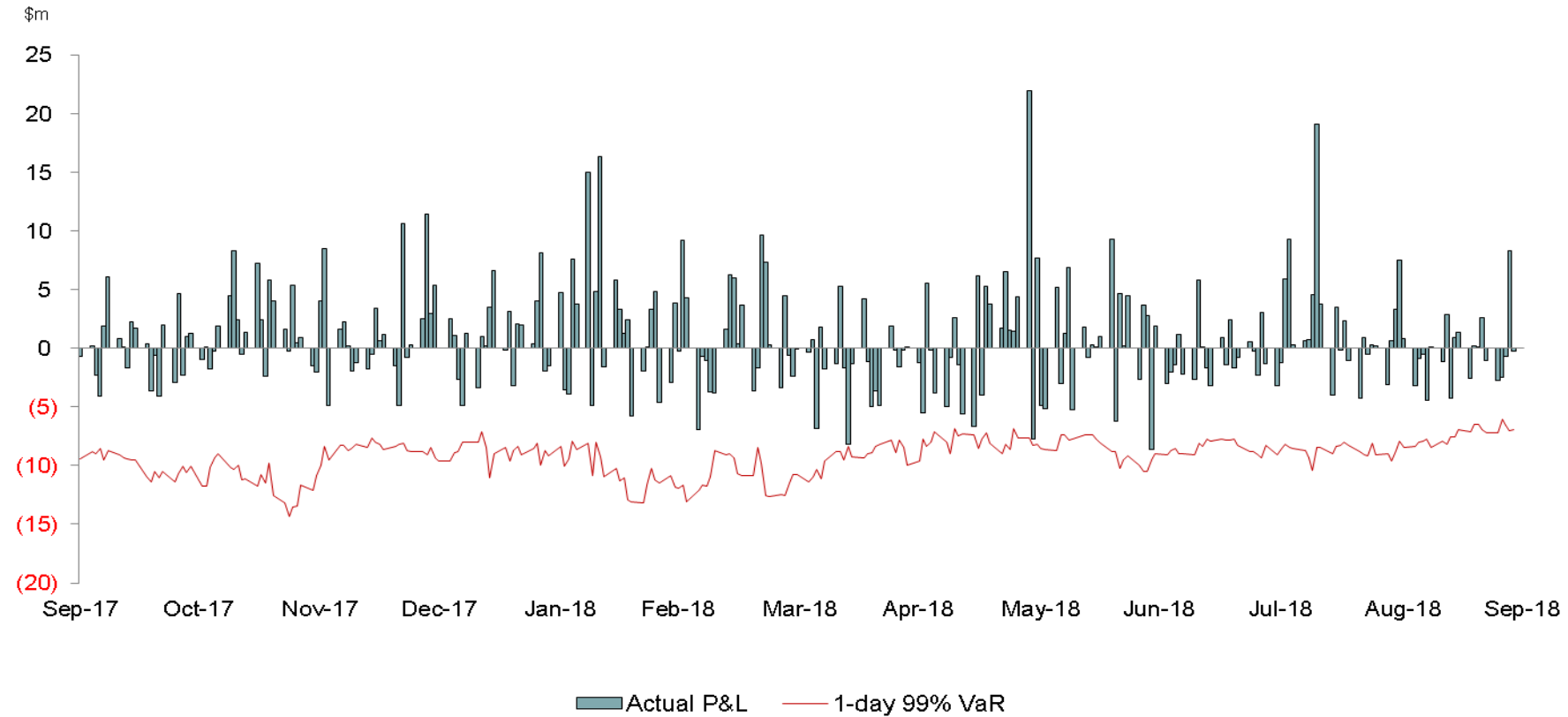
MR4: Comparison of VaR Estimates with Hypothetical Gains / Losses for NIP

The chart below provides a comparison of VaR to the hypothetical profit and loss on a daily basis over the twelve months ended September 30, 2018 for NIP's PRA approved internal model approach.



Comparison of VaR Estimates with Actual Gains / Losses for NIP

The chart below provides a comparison of VaR to the actual profit and loss on a daily basis over the fiscal year ended March 30, 2018 for NIP's PRA approved internal model approach.



1-day trading losses did not exceed the 99% VaR estimate on any occasion for NIP's clean and hypothetical P&L for the twelve months ended 30 September 2018.

Leverage Ratio & Balance Sheet

Leverage Ratio

CRR Article 451

30th September 2018

\$m	The Group	NIP
Total Leverage Ratio Exposure	180,427	175,192
Tier 1 Capital	5,224	4,859
Leverage Ratio	2.9%	2.8%

Management of exposure to leverage forms a key part of the Group's overall strategy, business planning and risk appetite framework.

CR1-D: Ageing of Past Due Exposures by Maturity

The table below provides a breakdown of accounting on balance sheet exposures past due.

\$m	The Group					
	≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year
Loans	12	3	25	7	1	-
Total Exposures	12	3	25	7	1	-

\$m	NIP					
	≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year
Loans	12	3	28	7	1	-
Total Exposures	12	3	28	7	1	-

CR1-E: Non-Performing and Forborne Exposures

The table below provides an overview of non-performing and forborne exposures.

\$m	The Group						
	Gross carrying values of performing and non-performing exposures				Accumulated impairment and provisions and negative fair value adjustments due to credit risk		Collaterals and financial guarantees received
	Of which: performing but past due > 30 days and ≤ 90 days	Of which non-performing		On performing exposures	On non-performing exposures	On non-performing exposures	
			Of which defaulted				
Debt securities	771	-	-	-	-	-	
Loans and advances	3,609	28	-	-	(3)	-	
Off-balance-sheet exposures	3,120	-	-	-	-	-	

		NIP					
		Gross carrying values of performing and non-performing exposures			Accumulated impairment and provisions and negative fair value adjustments due to credit risk		Collaterals and financial guarantees received
\$m		Of which:		Of which non-performing Of which defaulted	On performing exposures	On non-performing exposures	On non-performing exposures
		performing but past due > 30 days and <= 90 days					
	Debt securities	8	-	-	-	-	-
	Loans and advances	2,056	31	-	(3)	-	-
	Off-balance-sheet exposures	1,713	-	-	-	-	-

Appendix 1 – Other Disclosures

Geographical Distribution of Countercyclical Capital Buffer

The table shows the geographical breakdown of CCyB exposures for The Group

\$m	The Group							
	General Credit Exposures	Trading Book Exposures		Own Funds Requirements			Own funds requirements weights	Countercyclical capital buffer rate
	Exposure Value for Standardised Approach	Sum of long and short positions of trading book exposures for Standardised Approach	Value of trading book exposures for internal models	of which: General credit exposures	of which: Trading book exposures	Total		
SWEDEN	100	0	0	7	0	7	0.62%	2.00%
NORWAY	62	1	0	1	0	1	0.08%	2.00%
HONG KONG	198	8	0	16	1	16	1.39%	1.88%
ICELAND	10	-	-	1	-	1	0.06%	1.25%
SLOVAKIA	14	-	-	1	-	1	0.10%	1.25%
CZECH REPUBLIC	14	-	3	1	0	1	0.10%	1.00%
UNITED KINGDOM	3,906	22	305	172	9	181	15.47%	0.50%
CAYMAN ISLANDS	4,241	6	0	287	1	288	24.68%	-
NETHERLANDS	1,224	6	30	71	8	79	6.80%	-
LUXEMBOURG	1,310	8	24	75	1	76	6.54%	-
UNITED STATES	1,557	15	53	73	2	75	6.39%	-
FRANCE	1,331	1	80	49	5	54	4.64%	-
JAPAN	969	9	0	42	1	42	3.62%	-
IRELAND	319	0	14	20	0	20	1.72%	-
BRITISH VIRGIN ISLANDS	556	0	-	26	0	26	2.23%	-
UNITED ARAB EMIRATES	496	0	0	18	0	18	1.57%	-
SINGAPORE	432	4	0	31	0	31	2.70%	-
SPAIN	418	0	30	33	6	38	3.28%	-
GERMANY	304	2	0	23	4	26	2.25%	-
DENMARK	345	0	0	21	0	21	1.83%	-
ITALY	285	0	0	20	0	20	1.68%	-
BERMUDA	369	3	-	19	0	19	1.62%	-
SWITZERLAND	181	2	19	13	0	13	1.15%	-
Others	1,626	57	18	99	9	113	9.48%	-
Total	20,267	144	576	1,119	49	1,167	100%	

1. All countries with Own Funds requirement over 1% or which have a non-zero CCyB rate have been included.

CCR5-A: Impact of Netting and Collateral Held on Exposures

The table shows The Group's trading book derivative exposures under the mark to market approach broken down by gross positive fair value before netting. Net credit exposure (EAD) is after the application of netting, PFE and collateral. Derivative exposures under the mark to market method for NIP are materially in line with The Group.

\$m	Gross Positive Fair Value or Net Carrying Amount		Netted Current Credit Exposure	Collateral Held	Net Credit Exposure
		Netting benefits			
Mark-to-Market Method	49,964	(40,098)	25,987	(15,534)	10,453
Total	49,964	(40,098)	25,987	(15,534)	10,453

CCR5-B: Composition of Collateral for Exposures to Counterparty Credit Risk

The table shows the collateral type and amount used and posted in relation to The Group's trading activity. Collateral segregated relates to collateral being held by a third party.

\$m	Collateral used for derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Security	586	1,708	1,642	116	206,080	182,341
Cash	-	22,558	-	16,766	144,439	159,605
Total	586	24,266	1,642	16,882	350,519	341,946

Table includes collateral used in internal model method

CCR3: Counterparty Risk Exposures by Risk Weight

The table provides The Group CCR EAD reported in CCR1, by risk weight. The CCR EAD for NIP is materially in line with The Group.

\$m	Risk Weight (%)							Total	of which unrated
	0	2	20	50	100	150			
Central Governments or Central Banks	3,473	-	1,057	-	252	-	4,782	148	
Corporates	-	-	225	1,910	9,892	220	12,247	9,483	
Institutions	-	4,115	12,683	3,253	234	33	20,318	9,517	
Multilateral Development Banks	163	-	5	2	-	-	170	2	
Public Sector Entities	3,162	-	1,151	17	10	-	4,340	1,722	
Regional governments or local authorities	204	-	97	-	-	-	301	140	
International Organisations	1	-	-	-	-	-	1	0	
Total	7,003	4,115	15,218	5,182	10,388	253	42,159	21,013	

CR4: Credit Risk Exposure and Credit Risk Mitigation

Tables show the effect of CRM and CCF on Credit risk exposures by exposure class split by on balance sheet ("On B/S") and off balance sheet ("Off B/S")

\$m	The Group					
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On B/S	Off B/S	On B/S	Off B/S	Total On & Off B/S RWA	RWA density ¹
Central Governments or Central Banks	3,857	-	3,857	-	32	0.8%
Corporates	2,107	3,120	1,789	1,133	2,508	85.8%
Institutions	1,615	-	1,615	-	381	23.6%
Multilateral Development Banks	1	-	1	-	0	2.2%
Public Sector Entities	2	-	2	-	1	44.4%
Regional Governments or Local Authorities	410	-	410	-	63	15.5%
Equity Exposures	38	-	38	-	38	100.0%
Other items	252	-	252	-	252	100.0%
Total	8,282	3,120	7,964	1,133	3,275	36.0%

\$m	NIP					
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On B/S	Off B/S	On B/S	Off B/S	Total On & Off B/S RWA	RWA density ¹
Central Governments or Central Banks	2,957	-	2,957	-	31	1.1%
Corporates	1,951	1,713	1,710	1,133	2,443	85.9%
Institutions	745	-	745	-	138	18.5%
Multilateral Development Banks	1	-	1	-	0	2.2%
Public Sector Entities	2	-	2	-	1	44.4%
Regional Governments or Local Authorities	44	-	44	-	9	20.0%
Equity Exposures	38	-	38	-	38	100.0%
Other items	242	-	242	-	242	100.0%
Total	5,980	1,713	5,739	1,133	2,902	42.5%

1. Total RWA / Total on and off balance sheet exposure post CRM and CCF

CR5: Credit Risk Exposure by Risk Weight

Table shows the breakdown of credit risk exposure for The Group by risk weight. Exposures are after provisions but before CRM and CCF.

\$m	Risk Weight (%)							Total	of which unrated
	0	20	50	100	150	250	1250		
Central Governments or Central Banks	3,835	0	1	1	20	0	-	3,857	448
Corporates	-	93	1,166	3,823	143	2	0	5,227	3,023
Institutions	-	1,424	189	2	0	-	-	1,615	224
Multilateral Development Banks	1	0	-	-	-	-	-	1	-
Public Sector Entities	0	0	2	-	-	-	-	2	1
Regional Governments or Local Authorities	93	317	-	-	-	-	-	410	410
Equity Exposures	-	-	-	38	-	0	-	38	38
Other Items	-	-	-	252	-	-	-	252	252
Total	3,929	1,834	1,358	4,115	163	2	0	11,402	4,396

CR2-A: Changes in Stock of General and Specific Credit Risk

The table shows specific and general credit risk adjustment for the period.

\$m	The Group	
	Accumulated Specific Credit Risk Adjustment	Accumulated General Credit Risk Adjustment
Opening balance	1	-
Increases due to amounts set aside for estimated loan losses during the period	0	-
Decreases due to amounts reversed for estimated loan losses during the period	(0)	-
Transfers between credit risk adjustments	0	-
Other adjustments	0	-
Closing balance	1	-

\$m	NIP	
	Accumulated Specific Credit Risk Adjustment	Accumulated General Credit Risk Adjustment
Opening balance	1	-
Increases due to amounts set aside for estimated loan losses during the period	0	-
Decreases due to amounts reversed for estimated loan losses during the period	(0)	-
Transfers between credit risk adjustments	0	-
Other adjustments	0	-
Closing balance	1	-

CR3: Credit Risk Mitigation Techniques

Tables show the carrying values of exposures for loans and debt securities for The Group and NIP.

\$m	The Group				
	Exposures unsecured – Carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
Total Loans	2,107	-	1,499	-	-
Total Debt Securities	771	-	-	-	-
Total Exposures	2,878	-	1,499	-	-

\$m	NIP				
	Exposures unsecured – Carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
Total Loans	717	-	1,336	-	-
Total Debt Securities	8	-	-	-	-
Total Exposures	725	-	1,336	-	-

CCR6: Credit Derivative Exposures

The table shows the credit derivative hedges bought and sold by The Group

\$m	Credit derivative hedges	
	Protection bought	Protection sold
Notional		
Single-name credit default swaps	95,973	95,863
Index credit default swaps	73,087	72,821
Total return swaps	472	472
Credit options		
Other credit derivatives	7,688	7,842
Total notional	177,220	176,998
Fair values		
<i>Positive fair value (asset)</i>	1,772	3,957
<i>Negative fair value (liability)</i>	(3,508)	(2,051)