NOMURA BANK INTERNATIONAL PLC

INTERIM REPORT
30 September 2022

COMPANY REGISTRATION NUMBER: 1981122

NOMURA BANK INTERNATIONAL PLC

SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

The Directors of Nomura Bank International plc (the "Bank") present their Management Report, Directors' Report and the Financial Statements of the Bank for the six months ended 30 September 2022. The Bank is incorporated in England and Wales and its registered office is at 1 Angel Lane, London, EC4R 3AB.

REVIEW OF THE BANK'S BUSINESS, FINANCIAL PERFORMANCE AND FINANCIAL POSITION, DESCRIPTION OF PRINCIPAL RISKS AND INFORMATION REGARDING BRANCHES

Principal Activities

The Bank's primary role is to support the Global Wholesale Business, predominantly the Global Markets Division, of the Nomura Group (Nomura Holdings, Inc. ("NHI") and its consolidated subsidiaries).

The Bank is a wholly owned subsidiary of Nomura Europe Holdings plc ("NEHS"). The Bank's ultimate parent undertaking and controlling entity is NHI. The Bank has a liaison office in Istanbul, Turkey. The Bank's core activities include:

- issuance of rates, credit and equity linked notes and certificates;
- issuance of commercial papers;
- provision of sub-participations and structured loans;
- purchase of structured credit assets and structured loans;
- provision of traditional banking products such as loans and credit facilities, repurchase and reverse repurchase transactions, letters of credit and guarantees; and
- taking deposits (including foreign exchange and other reference linked deposits).

From an operational standpoint, the Bank outsources a significant proportion of its support services under service level agreements to the related departments of Nomura International plc ("NIP"). The Treasury department continues to manage the liquidity of the Bank and provides asset and liability management for the balance sheet.

The Bank's key financial indicators during the period were as follows:

	Six months ended 30 September 2022 $'000	Six months ended 30 September 2021 $'000
Net fee income	24,602	22,498
Total comprehensive gain / (loss)	102,613	13,479
Profit after tax	3,516	7,759

	As at 30 September 2022 $'000	As at 31 March 2022 $'000
Total assets	5,427,698	5,873,933
Total liabilties	5,071,668	5,610,516
Shareholders' funds	356,030	263,417

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Financial Performance:

The Bank reported a profit after tax for the period of $3,515,866 (September 2021: $7,759,370), driven mainly by facilitation fee income for issuance facilities provided to NIP. From 1 April 2022 the facilitation fee charged on notes issuance was reduced from 30 bps - 15 bps. This brought the charge in line with latest industry benchmarking.

The Bank calculates and applies an own credit adjustment based on movements in the credit spreads of the Nomura Group. The first half of Financial Year 2023 has seen a general widening of spreads as a result of a range of economic factors amid the continued economic uncertainty. This has resulted in a gain in other comprehensive income of $99,097,562 for the period (September 2021: $5,719,612).This gain is net of deferred tax charge of $22,523,238 (30 September 2021: credit of $8,176,660).

Financial Position:

The Bank's total assets decreased by 5% to $5,427,698,284 (2022: $5,873,932,569) during the period following the maturities of certain secured financing transactions during the period. During the period, the Bank paid a dividend of $10,000,000 to the Bank's immediate parent, NEHS.

DIRECTORS

The current Directors and those who served during the period are as shown below:

David Godfrey	Non-Executive Chairman
	Non-Executive Director
John Tierney	Director and Chief Executive Officer ("CEO")
Jonathan Britton	Non-Executive Director
Neeta Atkar	Non-Executive Director
Takeo Aoki	Director (Resignation on 20 April 2022)
Rosemary Murray	Non-Executive Director
Daisuke Mototani	Director (Appointed on 22 August 2022)

RISK MANAGEMENT

The Bank's risk management framework is closely aligned to the Nomura Group's risk management framework. However, through its local governance framework, the Bank does apply specific risk management controls and defines its risk appetite, which is the maximum level and types of risk that the Bank is willing to assume in pursuit of its strategic objectives and business plan.

RISK MANAGEMENT (CONTINUED)

The Bank's activities involve the assumption and transfer of certain risks, including market risk, credit risk, operational risk, cross-border risk, model risk, liquidity and funding risks, and business risk. These risks are managed through the Bank's Executive Governance and through various sub-committees. The Board Risk Committee ("BRC") has oversight over the NEHS Group's risk profile, financial and non-financial risk appetite, future risk strategy and maintenance of an appropriate risk control framework. The BRC is a subcommittee of the Board of NEHS and ensures the Board are kept informed of key evolving risks across the NEHS Group including those affecting the bank. At the Executive level, NEHS has established the Enterprise Risk Committee ("ERC"), which is chaired by the NEHS Chief Risk Officer and escalates to the BRC as appropriate. The ERC has responsibility for monitoring financial and non-financial risks, NEHS' risk appetite, emerging risks and matters pertaining to the Risk Management Framework, amongst other areas. NEHS also maintains risk specific governance bodies which escalate to the NEHS ERC as required.

Further information on the management of these risks is provided in Note 3 of the Financial Statements.

BUSINESS ENVIRONMENT

In the period to September 2022, macroeconomic headwinds, including higher inflation expectations and a weaker economic outlook, continued to weigh on the global economy. In addition, supply chain constraints and consumer demand headwinds challenged economic uncertainty. The Bank continues to monitor economic developments closely to understand the impact on its business.

In addition to the macro-economic uncertainties referenced above, the Bank continues to proactively manage the continued challenges of industry digitalisation by prioritising collaboration across its divisions and regions.

GOING CONCERN

The Bank's business activities, together with the factors likely to affect its future development, performance and position are set out in the Management Report.

The financial statements are prepared on a going concern basis as the Directors are satisfied that the Company has sufficient capital and liquidity to continue in business for at least the 12 months to December 2023. In making this assessment, the Directors take into account a range of information on present and future conditions and are not aware of any material uncertainties related to events or conditions that cause doubt over the ability of the Bank to continue as a going concern.

The maturity profile of the Bank's liabilities is typically much longer dated than that of its assets, minimising the risk of the Bank not being able to meet its obligations as they fall due.

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REGULATION AND REGULATORY CHANGES

The Bank is authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA. The Bank is regulated and has minimum capital adequacy requirements imposed on it on a standalone basis by the PRA. The Bank is in compliance with these requirements.

During the period, the Directors have noted, amongst other items, the following key Regulatory updates and confirm the establishment of regulatory programs as appropriate to ensure compliance:

- On 14 October 2021 the PRA published final rules on implementation of Basel standards in PS22/21 with respect to key developments including the introduction of a binding minimum net stable funding ratio, changes to the capital requirements for counterparty credit risk of derivatives and a tightening of large exposures limits. These were implemented with effect from 1 January 2022 with related reporting and disclosure changes becoming effective from the first quarterly reporting reference date of 31 March 2022. Additionally the PRA also published PS21/21 on the U.K. leverage framework to introduce an updated exposure calculation effective from 1 January 2022 and for firms with at least £10bn of non-U.K. assets a binding minimum leverage ratio effective from 1 January 2023. Although the binding minimum leverage ratio will not be effective until 1 January 2023 it is not expected to be applicable to the Bank at this time based upon the £10bn non-UK asset threshold. Instead the Bank will be subject to an expectation that it will meet this ratio in most cases (outside of stress events) and as such the Board of the Bank have early adopted the Leverage Risk Appetite which was live from 1 January 2022. The firm has a regulatory change program which has been managing the implementation of these changes. Following the adoption of most of these changes at the start of 2022, the program will now move to look forward towards the introduction of the final Basel 3.1 reforms in the U.K. These proposals include amendments to the capital requirements for credit risk, market risk, CVA risk, operational risk and the introduction of output floors for modelled exposures. On 21 March 2022, the PRA has confirmed its intention to publish a consultation on the implementation of these reforms in the fourth quarter of 2022, with the changes expected to become effective on 1 January 2025.

- The internal minimum requirement for eligible liabilities ("MREL") became applicable in the U.K. for all U.K. incorporated institutions from 1 January 2019 for firms whose failure would have a significant impact on the U.K. financial system and for certain overseas firms where the Bank of England ("BOE") would support a home resolution authority in carrying out a cross-border resolution. The Bank was in full compliance with the final end-state MREL rules from 1 January 2022.

- In July 2019, the BOE and U.K. PRA published a policy statement on the Resolvability Assessment Framework ("RAF"). The RAF sets out eight barriers to resolvability bringing together existing policies such as MREL and Operational Continuity in Resolution ("OCIR") as well as other new resolution policies in order to follow the resolution principles set out by the FSB. As a result of this policy, the Bank has taken active steps since 2019 to ensure it has limited any barriers to resolution across the overarching pillars for resolvability through ensuring (1) the Bank has adequate resources and appropriate liquidity to meet its obligations during resolution, (2) the Bank is able to facilitate a smooth resolution by guaranteeing business services and operational process can continue to run and (3) the Bank has clear oversight and governance available during resolution.

REGULATION AND REGULATORY CHANGES (CONTINUED)

- The European Market Infrastructure Regulation ("EMIR") entered into force on 16 August 2012. Its purpose is to reduce systemic, counterparty and operational risk, and increase transparency in the OTC derivatives market. EMIR was transposed into UK domestic law by means of the European Union (Withdrawal) Act 2018 and a number of statutory instruments (SIs) and Binding Technical Standards (BTS). The EMIR Margin Rules for Uncleared OTC Derivatives (the "Margin Rules") entered into force on 4 January 2017 and require parties to uncleared OTC derivatives to exchange variation margin (VM). The largest market participants also need to exchange initial margin (IM). Exchange of VM has been mandatory since 2017 for most counterparties to OTC derivatives. Mandatory exchange of IM for uncleared OTC derivatives has however been phased in over several years, based on a counterparty's trading volume, calculated by notional amount. Phase 6 represents the final stage of the phase-in of the rules and applies from 1 September 2022. The Bank has completed a project to document all in scope counterparties before 1 September 2022, or implement internal risk management procedures accordingly.

- Interest rate benchmarks including, among others, the London Interbank Offered Rate ("LIBOR"), the Euro Interbank Offered Rate (EURIBOR), the Euro Overnight Index Average (EONIA) and certain other Interbank Offered Rates ("IBORs") are being reformed. The U.K. made the transition from GBP LIBOR, Yen LIBOR and CHF LIBOR to alternative risk free rates by the end of December 2021. The UK remains on track to transition from USD LIBOR to alternative risk free rates the the end of June 2023 More details on the Banks IBOR exposure, and the approach to risk management of the IBOR transition can be found in Note 7.

- Delegated Regulation (EU) 2022/1930 amending the RTS as regards the date of application of the provisions related to the buy-in regime under the Central Securities Depositories Regulation (CSDR) has been published in the Official Journal. It entered into force on November 2, 2022 and amends Delegated Regulation (EU) 2018/1229 to insert transitional provisions and suspend the application of the mandatory buy-in regime for three years until 2 November 2025. Systems for reporting settlement fails and administering cash penalties went live February 2022. NIP and NFPE Terms of Business have been amended to indemnify NIP and NFPE regarding cash penalties in December 2021.

- The European Commission has formally adopted two RTS extending the exemption from the EMIR margin requirements (transactions set in Delegated Regulation (EU) 2016/2251) and clearing requirements (Delegated Regulations (EU) 2015/2205, 2016/592 and 2016/1178) for uncleared trades for cross-border contracts between entities in the same group for three years, to June 30, 2025. No changes are required.

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REGULATION AND REGULATORY CHANGES (CONTINUED)

- The EU Commission is required to evaluate the overall functioning of the MiFID II/ MiFIR regime, in particular, addressing those areas where challenges still exist. As part of this process, ESMA has launched a number of consultations on specific areas, which will feed into the Commission's reports. Certain amendments to support economic recovery from the COVID-19 pandemic, including via relief from administrative requirements on firms, were published in the EU Official Journal on 26 February 2021 (MiFID 'Quick-Fix'). EU Member States were required to transpose the quick fix amendments into their national frameworks by 28 November 2021 and apply them by 28 February 2022. Alongside this, the scheduled MiFID II review continues, with the Commission expected to publish a further legislative proposal throughout 2022. Since Brexit, these amendments are not applicable in the U.K. and the FCA has since set out changes to the conduct and organizational rules under the U.K. MiFID, including research unbundling and best execution reporting. U.K. HMT intends to consult in due course on proposed legislative changes on other areas of MiFID II. On 1 July 2021 the U.K. HMT launched a Wholesale Market Review Consultation. The consultation is part of the Government's commitment to improving the competitiveness of the U.K. as a hub for capital markets, and is a central part of the Government's post-Brexit strategy for financial services. It has a wide ranging focus, including the regulatory framework for trading venues, systematic internalisers, market data, and fixed income, equity, derivative and commodity markets. It proposes a number of amendments to the U.K.'s onshored MiFID regime and asks for industry input on a range of other topics. The Wholesale Market Review (WMR) has identified a number of areas for reform, some of which will be implemented through legislative amendment, including the Financial Services and Markets Bill and some through changes to regulatory rules.

- In response to heightened global focus on the issues of climate change, and a growing demand for standards associated with Environmental, Social and Governance ("ESG") factors and reporting, a number of global regulatory initiatives are being developed. These regulations cover both prudential frameworks including assessment and management of climate risks associated with Nomura businesses, such as the PRA SS3/19 regulations; and also labelling, disclosure and reporting regulations which includes, but is not limited to, the EU Taxonomy Regulation, the EU Sustainable Finance Disclosure Regulation, the EU Corporate Sustainability Reporting Directive and the proposed Sustainable Corporate Due Diligence Directive.

- The U.K. have introduced new mandatory Climate-related Financial Disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. These rules are effective for financial years starting on or after 6th April 2022 and introduce mandatory disclosures consistent with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

REGULATION AND REGULATORY CHANGES (CONTINUED)

- The PRA released SS2/21 on Outsourcing and Third Party Risk management in March 2021 with a compliance deadline of 31 March 2022. The SS did not significantly diverge from the consultation paper published in 2019 but extended the scope as set out by the EBA in 2019. The EBA focus was on Outsourcing arrangements and the PRA requirements extended this to all critical third party arrangements. The SS set out explicit requirements with respect to risk assessments; contractual clauses and the management of critical third party arrangements (inclusive of group arrangements) throughout their lifecycle. The UK Regulators also issued Supervisory and Policy Statements on Operational Resilience in March 2021 (SS1/21 and PS21/3). These Operational Resilience SSs and PSs focused on the identification of Important Business Services with detailed mapping of dependencies and the setting of Impact Tolerances which are required to be validated across severe but plausible scenarios. The Regulators intended that both Operational Resilience and Third Party Risk Management requirements should be considered in conjunction with each other recognising that the firm's Important Business Services may have significant dependencies on third party arrangements. The overarching aim of these policies is to ensure appropriate governance and control over business services which if disrupted could cause harm to clients, the firm or to market stability. The Bank has complied with the requirements of both policies.

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors confirm that, to the best of their knowledge, the condensed set of interim financial statements on pages 11 to 32 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority ("FCA") and with UK adopted International Accounting Standard 34 ("IAS 34"), Interim Financial Reporting and that the interim management report on pages 1 to 7 includes a fair review of the information required by the Disclosure Guidance and Transparency Rules of the FCA.

BY ORDER OF THE BOARD AT A MEETING HELD ON 15 December 2022

Christopher Barlow
Company secretary

15 December 2022

Company Registration number 1981122

INDEPENDENT REVIEW REPORT TO NOMURA BANK INTERNATIONAL PLC FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Conclusions

We have been engaged by the Company to review the condensed set of interim financial statements in the half-yearly financial report for the six months ended 30 September 2022 which comprises an income statement, statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows and related notes 1 to 7. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of interim financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of interim financial statements in the half-yearly financial report for the six months ended 30 September 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Company will be prepared in accordance with UK adopted international accounting standards. The condensed set of interim financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

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INDEPENDENT REVIEW REPORT TO NOMURA BANK INTERNATIONAL PLC FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022 (CONTINUED)

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of interim financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

Nicholas Dawes (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
15 *December 2022*

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CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	Six months ended 30 September 2022 $'000	Six months ended 30 September 2021 $'000
INCOME		
Interest income calculated using effective interest method	14,167	5,367
Other interest and similar income	10,722	7,539
Interest expense calculated using effective interest method	(1,744)	(701)
Other interest and similar expenses	(1,441)	(2,713)
NET INTEREST INCOME	**21,704**	**9,492**
Fee and commission income	25,238	23,155
Fee and commission expense	(636)	(657)
Dealing Loss	(25,387)	(16,805)
TOTAL OPERATING INCOME	**20,919**	**15,185**
General and administrative expenses	(16,693)	(5,380)
Credit impairment charge	115	(226)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	**4,341**	**9,579**
Tax charge on profit on ordinary activities	(825)	(1,820)
PROFIT FOR THE PERIOD	**3,516**	**7,759**
ATTRIBUTABLE TO:		
Equity holders of the parent		
Profit for the period from continuing operations	**3,516**	**7,759**

All gains and losses in the current period noted above are derived from continuing activities.

The notes on pages 17 to 32 form part of these financial statements.

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CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	Six months ended 30 September 2022 $'000	Six months ended 30 September 2021 $'000
PROFIT FOR THE PERIOD	**3,516**	**7,759**
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to the income statement		
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk (net of related tax effects)	99,097	5,720
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**99,097**	**5,720**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**102,613**	**13,479**

The notes on pages 17 to 32 form part of these financial statements.

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CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	Called-up Share Capital	Retained Earnings	Own Credit Reserve	Total
	$'000	$'000	$'000	$ 000
As at 1 April 2022	255,000	33,222	(24,805)	263,417
Dividends paid during the period	-	(10,000)	-	(10,000)
Transferred from own credit reserve to retained earnings during the period	-	1,033	(1,033)	-
Profit for the period	-	3,516	-	3,516
Other Comprehensive Income	-	-	99,097	99,097
At 30 September 2022	**255,000**	**27,771**	**73,259**	**356,030**

	Called-up Share Capital	Retained Earnings	Own Credit Reserve	Total
	$'000	$'000	$'000	$ 000
As at 1 April 2021	255,000	21,879	(108,660)	168,219
Dividends paid during the period	-	(10,000)	-	(10,000)
Transferred from own credit reserve to retained earnings during the period	-	5,128	(5,128)	-
Profit for the period	-	7,759	-	7,759
Other Comprehensive Income	-	-	5,720	5,720
At 30 September 2021	**255,000**	**24,766**	**(108,068)**	**171,698**

During the period, a gain of $1,033,039 (September 2021: gain of $5,126,793) was transferred from Own Credit Reserve to Retained Earnings due to derecognition of financial liabilities designated at fair value through profit and loss (net of tax effects).

The notes on pages 17 to 32 form part of these condensed interim financial statements.

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CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2022

	Note	Unaudited September 2022 $'000	Audited March 2022 $'000
Assets			
Loans and advances to banks	2	2,971	1,462
Derivative financial instruments	2	240,819	440,933
Loans and advances to affiliates	2	2,671,505	2,620,602
Securities purchased under agreements to resell	2	2,496,036	2,799,330
Loans and advances to others	2	-	417
Prepayments and accrued income	2	4,912	4,371
Other assets	2	11,081	5,146
Right-of-use assets		356	396
Financial investments	2	18	20
Deferred tax asset		-	1,256
Total Assets		**5,427,698**	**5,873,933**
Liabilities			
Derivative financial instruments	2	992,671	723,515
Accruals and deferred income	2	36,490	16,550
Borrowings from affiliates	2	108,380	274,421
Borrowings from others	2	180	610
Commercial papers issued	2	727,498	794,070
Bonds and medium-term notes	2, 5	3,177,255	3,793,645
Group relief payable		6,617	5,820
Corporate tax liabilty		705	810
Other liabilities	2	605	1,075
Deferred tax liability		21,267	-
Total Liabilities		**5,071,668**	**5,610,516**
Shareholders' funds			
Called up share Capital		255,000	255,000
Retained earnings		27,771	33,222
Own credit reserve		73,259	(24,805)
Total Equity		**356,030**	**263,417**
Total Liabilities and Equity		**5,427,698**	**5,873,933**

Approved by the board of Directors on 15 December 2022 and subsequently signed on its behalf on 15 December 2022.

John Tierney
Director

The notes on pages 17 to 32 form part of these financial statements.

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CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	Six months ended 30 September 2022 $'000	Six months ended 30 September 2021 $'000
Operating activities		
Profit before tax	4,341	9,579
Non-cash adjustments to reconcile profit for the period to net cash flows		
Depreciation	41	55
Change in working capital adjustments		
Net change in derivative assets	200,114	86,146
Net change in loans and advances to affiliates	(50,903)	(929,885)
Net change in securities purchased under agreements to resell	303,294	1,104,871
Net change in loans and advances to others	417	422
Net changes in prepayments and accrued income	(541)	2,817
Net change in other assets	(5,935)	2,902
Net change in financial investments	2	(1)
Net change in customer accounts	-	(2)
Net change in derivative liabilities	269,156	(91,685)
Net change in accruals and deferred income	19,940	(6,907)
Net change in borrowings from affiliates	(166,041)	(31,410)
Net change in borrowings from others	(430)	(8,334)
Net change in commercial papers issued	(92,292)	(12,400)
Net change in bonds and medium-term notes	(760,869)	(99,895)
Net change in other liabilities	(534)	107
Income tax and group relief paid	(133)	(30)
Net cash flow from /(used in) operating activities	**(280,373)**	**26,350**
Cash flows from financing activities		
Proceeds from issuance of bonds and commercial papers	1,924,064	1,598,034
Repayments of bonds and commercial papers	(1,632,246)	(1,614,883)
Dividends paid	(10,000)	(10,000)
Payment of principal portion of lease liabilities	64	(56)
Net cash flows from /(used in) financing activities	**281,882**	**(26,905)**
Net increase/(decrease) in cash and cash equivalents	**1,509**	**(555)**
Cash and cash equivalents at the beginning of the period	**1,462**	**2,998**
Cash and cash equivalents at the end of the period	**2,971**	**2,443**
Included within operational cash flows		
Interest paid	(3,434)	(2,997)
Interest received	22,960	15,725

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CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022 (CONTINUED) (UNAUDITED)

The cash and cash equivalents mainly consist of nostro balance.

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

			Non-cash changes		
	1 April 2022 $'000	Cash flows $'000	Fair value changes $'000	Foreign exchange & other $'000	30 September 2022 $'000
Bonds and medium term notes	3,793,645	266,099	(121,619)	(760,869)	3,177,256
Commercial papers issued	794,070	25,719	-	(92,292)	727,497
Lease liabilities	390	60	-	(32)	418
Total liabilities from financing activities	**4,588,105**	**291,878**	**(121,619)**	**(853,193)**	**3,905,171**

			Non-cash changes		
	1 April 2021 $'000	Cash flows $'000	Fair value changes $'000	Foreign exchange & other $'000	30 September 2021 $'000
Bonds and medium term notes	3,834,998	(255,345)	2,457	(99,895)	3,482,215
Commercial papers issued	798,479	238,496	-	(12,400)	1,024,575
Lease liabilities	94	(56)	-	2	40
Total liabilities from financing activities	**4,633,571**	**(16,905)**	**2,457**	**(112,293)**	**4,506,830**

The notes on pages 17 to 32 form part of these financial statements.

NOMURA BANK INTERNATIONAL PLC

SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

NOTES TO THE INTERIM REPORT

1 ACCOUNTING POLICIES

(a) Basis of Accounting

The condensed interim financial statements as at and for the half-year to 30 September 2022 of the Bank have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority ("FCA") and with International Accounting Standard 34 ("IAS 34"), Interim Financial Reporting as adopted by the UK. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements as at and for the year ended 31 March 2022 which were prepared in accordance with UK adopted International Accounting Standards.

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of particular financial instruments to the extent required or permitted under IFRS as set out in the relevant accounting policies.

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future for a period of at least 12 months from the date of the approval of the condensed interim financial statements. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

The condensed interim financial statements are presented in United States dollar ("USD"), and all values are rounded to the nearest thousand USD except where otherwise stated. The information presented in this interim report does not constitute statutory accounts for the purposes of s435 of the Companies Act 2006. A copy of the statutory accounts for the year ending 31 March 2022 has been delivered to the Registrar of Companies and contained an unqualified auditor's report in accordance with s495 of the Companies Act 2006. The audit report did not contain a statement under s498 of the Companies Act 2006, nor did it include references to any matters to which the auditor drew attention by way of emphasis.

The Bank does not have any material subsidiaries and as such no consolidated financial statements are required to be prepared.

b) New standards, interpretations and amendments thereof, adopted by the Bank

The accounting policies adopted are consistent with those of the previous financial year. No new material accounting standards or interpretations have been adopted by the Bank for the period ended 30 September 2022.

NOMURA BANK INTERNATIONAL PLC

SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

NOTES TO THE INTERIM REPORT (CONTINUED)

1 ACCOUNTING POLICIES (continued)

(c) Significant accounting judgements, estimates and assumptions

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant accounting judgments and estimates applied in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended 31 March 2022.

(d) Segment reporting

For management purposes, the Bank has only one operating and reportable segment involving financing activities. Substantially all of the Bank's gross and net assets and profit before taxation reported in these financial statements has arisen from this segment.

(e) Standards issued but not yet effective

At the date of authorisation of these financial statements, the following standards, amendments to standards and interpretations relevant to the Bank's operations were issued by the IASB but not mandatory for accounting periods beginning 1 April 2022.

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.The amendments are effective from 1 April 2023 and must be applied retrospectively. The Bank is currently assessing the impact the amendments.

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments to IAS 1 are effective from 1 April 2023; the amendments to Practice Statement 2 are non-mandatory guidance. The Bank is currently revisiting its accounting policy information disclosures to ensure consistency with the amended requirements.

2 FINANCIAL INSTRUMENTS

Analysis of the Company's financial assets and financial liabilities by IFRS 9 classification

	30 September 2022			
	Held for trading	Mandatorily at fair value through profit or loss	Amortised cost	Total
	$'000	$'000	$'000	$'000
Financial Assets				
Loans and advances to banks	-	-	2,971	2,971
Derivative financial instruments	240,819	-	-	240,819
Loans and advances to affiliates	-	136,098	2,535,407	2,671,505
Securities purchased under agreements to resell	-	2,496,036	-	2,496,036
Prepayments and accrued income[1]	-	1,502	3,281	4,783
Other assets[1]	-	-	10,692	10,692
Financial investments	-	18	-	18
	240,819	**2,633,654**	**2,552,351**	**5,426,824**
Financial Liabilities				
Derivative financial instruments	(992,671)	-	-	(992,671)
Accruals and deferred income [2]	-	(12,228)	(24,098)	(36,326)
Borrowings from affiliates	-	(97,210)	(11,170)	(108,380)
Borrowings from others	-	-	(180)	(180)
Commercial papers issued	-	-	(727,498)	(727,498)
Bonds and medium-term notes	-	(3,177,255)	-	(3,177,255)
Other liabilities [2]	-	-	(518)	(518)
	(992,671)	**(3,286,693)**	**(763,464)**	**(5,042,828)**

[1] Excludes non-financial assets of $128,971 (2022: $171,512) from 'Prepayments and accrued income', and $389,106 (2022: $389,106) from 'Other assets'.

[2] Excludes non-financial liabilties of $164,502 (2022: $256,638) from 'Accruals and deferred income', and $87,295 (2022: $61,722) from 'Other liabilities'.

NOMURA BANK INTERNATIONAL PLC

SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

NOTES TO THE INTERIM REPORT (CONTINUED)

2 FINANCIAL INSTRUMENTS (continued)

	31 March 2022			
	Held for trading	Mandatorily at fair value through profit or loss	Amortised cost	Total
	$'000	$'000	$'000	$'000
Financial Assets				
Loans and advances to banks	-	-	1,462	1,462
Derivative financial instruments	440,933	-	-	440,933
Loans and advances to affiliates	-	376,540	2,244,062	2,620,602
Securities purchased under agreements to resell	-	2,799,330	-	2,799,330
Loans and advances to others	-	417	-	417
Prepayments and accrued income	-	1,658	2,541	4,199
Other assets	-	-	4,757	4,757
Financial investments	-	20	-	20
	440,933	**3,177,965**	**2,252,822**	**5,871,720**
Financial Liabilities				
Derivative financial instruments	(723,515)	-	-	(723,515)
Accruals and deferred income	-	(7,238)	(9,054)	(16,292)
Borrowings from affiliates	-	(106,467)	(167,954)	(274,421)
Borrowings from others	-	-	(610)	(610)
Bonds and medium-term notes	-	(3,793,645)	-	(3,793,645)
Commercial papers issued	-	-	(794,070)	(794,070)
Other liabilities	-	-	(1,013)	(1,013)
	(723,515)	**(3,907,350)**	**(972,701)**	**(5,603,566)**

3 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions have been applied in determining the fair values of financial instruments:

(a) The fair value of financial assets and liabilities at amortised cost due within 12 months are assumed to approximate to their carrying values.

(b) Financial assets classified as fair value through other comprehensive income are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated using a valuation model.

(c) Financial assets mandatorily at fair value through profit and loss, financial liabilities designated at fair value through profit and loss and derivatives are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated using a valuation model. Such models are based, wherever possible, on assumptions supported by observable market prices or rates. These valuation techniques are based on assumptions. As a result, the fair value calculated using these valuation techniques will change if the underlying assumptions change. The potential impact of using reasonably possible alternative assumptions to value these financial instruments has not been disclosed as, due to the Bank's transfer of risks to other Nomura Group companies, it is not deemed significant.

Fair value hierarchy

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities accessible by the Bank at the measurement date.

Level 2 Quoted prices in inactive markets or prices containing other inputs which are observable, either directly or indirectly. Valuation techniques using observable inputs reflect assumptions used by market participants in pricing financial instruments and are based on data obtained from independent market sources at the measurement date.

Level 3 Unobservable inputs that are significant to the fair value measurement of the financial instrument. Valuation techniques using unobservable inputs reflect management's assumptions about the estimates used by other market participants in valuing similar financial instruments. These valuation techniques are developed based on the best available information at the measurement date.

The following tables presents information about the Bank's financial assets and financial liabilities measured at fair value within the fair value hierarchy, based on the transparency of inputs into the valuation techniques used by the Bank to determine such fair values. Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement of the financial instrument.

NOMURA BANK INTERNATIONAL PLC

SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

NOTES TO THE INTERIM REPORT (CONTINUED)

3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy - Financial Assets

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 September 2022				
Derivative financial instruments	-	221,986	18,833	240,819
Securities purchased under agreements to resell	-	2,496,036	-	2,496,036
Loans and advances to affiliates	-	136,098	-	136,098
Prepayments and accrued income	-	1,502	-	1,502
Financial investments	-	-	18	18
	-	**2,855,622**	**18,851**	**2,874,473**
31 March 2022				
Derivative financial instruments	-	403,155	37,778	440,933
Securities purchased under agreements to resell	-	2,799,330	-	2,799,330
Loans and advances to affiliates	-	376,540	-	376,540
Loans and advances to others	-	-	417	417
Prepayments and accrued income	-	1,658	-	1,658
Financial investments	-	-	20	20
	-	**3,580,683**	**38,215**	**3,618,898**

Fair Value Hierarchy - Financial Liabilities

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 September 2022				
Derivative financial instruments	-	631,862	360,809	992,671
Accruals and deferred income	-	12,228	-	12,228
Bonds and medium-term notes	-	3,177,255	-	3,177,255
Borrowings from affiliates	-	97,210	-	97,210
	-	**3,918,555**	**360,809**	**4,279,364**
31 March 2022				
Derivative financial instruments	-	576,968	146,547	723,515
Accruals and deferred income	-	7,238	-	7,238
Bonds and medium-term notes	-	3,793,645	-	3,793,645
Borrowings from affiliates	-	106,467	-	106,467
	-	**4,484,318**	**146,547**	**4,630,865**

3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Valuation processes

In order to ensure the appropriateness of any fair value measurement of a financial instrument used within these financial statements including those classified as Level 3 within the fair value hierarchy, the Bank operates a governance framework which mandates determination or validation of a fair value measurement by control and support functions independent of the businesses assuming the risk of the financial instrument. Such functions within Nomura Group with direct responsibility for either defining, implementing or maintaining valuation policies and procedures are as follows:

- The Product Control Valuations Group ("PCVG") within Nomura's Finance Department has primary responsibility for determining and implementing valuation policies and procedures in connection with determination of fair value measurements. In particular, this group will ensure that valuation policies are documented for each type of financial instrument. While it is the responsibility of our businesses to price our financial instruments, the PCVG are responsible for independently verifying or validating these prices. In the event of a difference in opinion or where the estimate of fair value requires judgement, the valuation used within these financial statements is made by senior managers independent of the businesses. This group reports to the Global Head of Middle Office and ultimately to the Chief Financial Officer ("CFO") of Nomura Group;

- The Accounting Policy Group ("APG") within Nomura's Finance Department defines the Group's accounting policies and procedures, including those associated with determination of fair value. This group reports to the Global Head of Accounting Policy and ultimately to the CFO of the Nomura Group; and

- The Global Valuation Model Validation Group ("VMVG") within Nomura's Risk Management Department validates the appropriateness and consistency of pricing models used to determine fair value measurements independently of those who design and build the models. The group reports to the Global Head of Market and Quantitative Risk of the Nomura Group.

3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Sensitivity of fair value to changes in unobservable inputs

Level 3 financial instruments are often hedged with instruments within Level 1 or Level 2 of the fair value hierarchy and the gains or losses do not reflect the offsetting gains or losses for these hedging instruments. Additionally, due to these hedging arrangements no effect of reasonably possible alternative assumptions has been disclosed as a change in any assumption would cause a similar offsetting effect to the hedging instruments' fair value. Level 3 instruments are also measured using both observable and unobservable inputs. Fair value changes presented below, therefore, reflect realised and unrealised gains and losses resulting from movements in both observable and unobservable parameters.

Movements in Level 3 financial instruments

Level 3 financial assets and financial liabilities include instruments whose valuations are significantly dependent on parameters which are unobservable in the market. Financial instruments are categorised in accordance with their lowest level significant input. As a result, a derivative valued using a combination of Level 1, Level 2 and Level 3 parameters would be classified in Level 3 in its entirety, if its value is significantly affected by at least one significant unobservable parameter.

The following table presents information about financial assets and liabilities measured at fair value on a recurring basis for which the Bank has utilised Level 3 inputs to determine fair value.

	At 1 April 2022 $'000	Total gains / (losses) in P&L $'000	Settlements $'000	Net transfers into / (out of) level 3 $'000	At 30 September 2022 $'000	Unrealised total gains / (losses) in P&L $'000
Financial assets						
Derivative financial instruments	37,779	(4,134)	(3,389)	(11,423)	18,833	-
Loans and advances to others	417	(417)	-	-	-	-
Financial investments	20	(2)	-	-	18	(2)
	38,216	(4,553)	(3,389)	(11,423)	18,851	(2)
Financial liabilities						
Derivative financial instruments	146,547	206,580	7,682	-	360,809	-
	146,547	206,580	7,682	-	360,809	-

Total gains and losses on financial instruments included in the above table are included in 'Dealing loss' in the profit and loss account.

The Bank assumes that all transfers of financial instruments from one level to another level within the fair value hierarchy occur at the beginning of the relevant quarter in which the transfer takes place.

3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

A Level 3 quantitative disclosures on significant unobservable inputs

The following table presents quantitative information about the significant unobservable inputs and assumptions used by the Bank for Level 3 financial instruments as of 30 September 2022 and 31 March 2022.

Class of financial instrument	Fair value $'000	Valuation techniques	Significant unobservable inputs	Range
30 September 2022				
Derivative financial instruments				
-Assets	18,833	DCF / Option	Recovery Rates	40%
-Liabilities	(360,809)	Models	Credit Spread	8.2%-10.5%
	-		Volatilities	62.7%-118.2%
	-		Correlations	0.24-0.97
Financial investments	18		No significant unobservable inputs	
31 March 2022				
Derivative financial instruments				
-Assets	37,778	DCF / Option		
-Liabilities	(146,547)	Models	Volatilities	48.5%-98.6%
			Correlations	0.29-0.97
Loans and advances to others[1]	417		No significant unobservable inputs	
Financial investments	20		No significant unobservable inputs	

[1]The position is valued with a significant adjustment to theoretical value to reflect likely exit level. Whilst this is significant to the valuation no individual input is seen as significant and unobservable.

3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

B Estimated fair value of financial instruments not carried at fair value

Certain financial instruments are not carried at fair value on a recurring basis in the Statement of Financial Position since they are neither held for trading purposes nor are elected for the fair value option. These are typically carried at contractual amounts due or amortised cost.

The carrying value of the majority of the financial instruments detailed below will approximate to fair value since they are short-term in nature and contain minimal credit risk. These financial instruments include financial assets reported within loans, debtors, cash and cash equivalent, borrowings from fellow subsidiary undertakings, cash collateral and other liabilities.

Cash and cash equivalent, other debtors, borrowings from fellow subsidiary undertakings and cash collateral, in the Statement of Financial Position would be classified in either level 1 or level 2 within the fair value hierarchy.

The following tables present carrying values, fair values and classification within the fair value hierarchy for certain classes of financial instruments of which a portion of the ending balance was carried at fair value as of 30 September 2022 and 31 March 2022.

NOMURA BANK INTERNATIONAL PLC

SIX MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

NOTES TO THE INTERIM REPORT (CONTINUED)

3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Carrying amount $'000	Fair value $'000	Fair value by level Level 1 $'000	Level 2 $'000	Level 3 $'000
30 September 2022					
Financial Assets:					
Loans and advances to banks	2,971	2,971	-	2,971	-
Loans and advances to affiliates	2,535,407	2,535,407	-	2,535,407	-
Prepayments and accrued income	3,281	3,281	-	3,281	-
Other assets	10,692	10,692	-	10,692	-
	2,552,351	**2,552,351**	**-**	**2,552,351**	**-**
Financial Liabilities:					
Accruals and deferred income	(24,098)	(24,098)	-	(24,098)	-
Borrowing from affiliates	(11,170)	(11,170)	-	(11,170)	-
Borrowing from others	(180)	(180)	-	(180)	-
Other liabilities	(518)	(518)	-	(518)	-
Commercial papers issued	(727,498)	(727,498)	-	(727,498)	-
	(763,464)	**(763,464)**	**-**	**(763,464)**	**-**
31 March 2022					
Financial Assets:					
Loans and advances to banks	1,462	1,462	-	1,462	-
Loans and advances to affiliates	2,244,062	2,244,062	-	2,244,062	-
Prepayments and accrued income	2,541	2,541	-	2,541	-
Other assets	4,756	4,756	-	4,756	-
	2,252,821	**2,252,821**	**-**	**2,252,821**	**-**
Financial Liabilities:					
Accruals and deferred income	(9,054)	(9,054)	-	(9,054)	-
Borrowing from affiliates	(167,954)	(167,954)	-	(167,954)	-
Other liabilities	(622)	(622)	-	(622)	-
Commercial papers issued	(794,070)	(794,070)	-	(794,070)	-
	(971,700)	**(971,700)**	**-**	**(971,700)**	**-**

4 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liabilities:

The Bank provides certain financial guarantees to third parties over their exposure to Nomura Group companies. At 30 September 2022 the exposure on these financial guarantee contracts amounted to $248,564,050 (31 March 2022: $164,235,372).

The Bank has also provided a guarantee in respect of certain commercial papers issued by another Nomura Group company. At 30 September 2022, the maximum exposure on this guarantee amounted to $32,367,221 (31 March 2022: $33,338,260).

Commitments:

The Bank had commitments as at 30 September 2022 amounting to $895,237,199 (31 March 2022: $918,490,586) in respect of undrawn note issuance facilities and loan commitments. The loan commitments are sub-participated to NIP on commitment date.

5 BONDS AND MEDIUM-TERM NOTES

	30 September 2022 $'000	31 March 2022 $'000
Bonds and medium- term notes, by remaining maturity:		
- Less than 1 year	193,036	908,002
- Less than 5 years, but greater than 1 year	878,400	747,478
- Greater than 5 years	2,105,819	2,138,165
	3,177,255	**3,793,645**

As of 30 September 2022, the fair value of the aggregate unpaid principal balance (which is contractually principally protected) of long-term borrowings for which the fair value option was elected was $711,803,492 (31 March 2022: $209,615,585) less than the principal balance of such long-term borrowings.

The impact of changes in own credit risk during the period included in other comprehensive income on financial liabilities designated at fair value through profit and loss account was an unrealised gain of $121,618,906 (31 March 2022: gain of $114,450,060) and realised loss of $1,894 (31 March 2022: gain of $128,795), as well as a UK corporation tax charge of $22,523,238 (31 March 2022: charge of $24,923,008) arising during the period. The cumulative valuation adjustment resulting from own credit, included in the fair values of bonds and medium notes in the statement of financial position, is a debit of $119,798,022 at 30 September 2022 (31 March 2022: credit of $1,820,884). The Bank calculates and applies an own credit adjustment based on movements in the credit spreads of the Nomura Group.

5 BONDS AND MEDIUM-TERM NOTES (continued)

Movement in bonds and medium term notes

The Bank typically hedge the returns obliged to pay with derivatives and/or the underlying assets to obtain funding equivalent to unsecured long-term debt.

Structured notes are debt securities which contain embedded features that alter the return to the investor from simply receiving a fixed or floating rate of interest to a return that depends upon some other variable(s) such as an equity or equity index, commodity price, foreign exchange rate, credit rating of a third party or more complex interest rate calculation.

	Balance as at 31 March 2022 $'000	Issuance $'000	Redemption $'000	Fair value changes $'000	Balance as at 30 September 2022 $'000
Bonds and medium-term notes	3,793,645	964,681	(698,582)	(882,489)	3,177,255

	Balance as at 31 March 2021 $'000	Issuance $'000	Redemption $'000	Fair value changes $'000	Balance as at 31 March 2022 $'000
Bonds and medium-term notes	3,834,998	1,245,375	(679,453)	(607,275)	3,793,645

	30 September 2022 $'000	31 March 2022 $'000
Carrying amount	3,177,255	3,793,645
Amount the bank is contractually obligated to pay to the holders of bonds at maturity	4,299,771	4,299,527
Difference between carrying amount and the amount the bank is contractually obligated to pay to the holders of bonds at maturity	**1,122,516**	**505,882**

6 RELATED PARTY TRANSACTIONS

The Bank enters into various transactions with other companies under common control within the Nomura Group which are at an arm's length basis. Included within the Bank's statement of financial position are the following transactions with Nomura group entities:

	30 September 2022 $'000	31 March 2022 $'000
Assets		
Derivative financial instruments	240,908	441,040
Loans and advances to affiliates	2,671,505	2,620,602
Securities purchased under agreements to resell	2,496,036	2,799,330
Prepayments and accrued income	4,783	4,147
Other assets	10,062	4,746
	5,423,294	**5,869,865**
Liabilities		
Derivative financial instruments	950,597	654,122
Accruals and deferred income	23,457	9,469
Borrowings from affiliates	108,380	274,421
	1,082,434	**938,012**

Additionally, the Bank benefits from a written guarantee from its ultimate parent, NHI, over its exposure to NIP. Furthermore, the Bank's obligation to pay the UK Bank Levy in both the current year and prior year has been settled by NIP, who are responsible for reporting and paying the bank levy on behalf of the Nomura UK tax group.

The risk on the Bank's transactions is predominantly retained by other Nomura Group companies. Therefore, many "back-to-back" transactions exist between the Bank and other Nomura Group companies.

6 RELATED PARTY TRANSACTIONS (continued)

Included within the Bank's statement of comprehensive income are the following transactions with Nomura Group entities:

	30 September 2022 $'000	30 September 2021 $'000
Interest income	26,412	11,823
Interest expense	(2,187)	(2,854)
Fee income	25,238	23,155
Fee expense	(567)	(557)
Administrative expenses towards SLA & Technology charges	(15,637)	(4,169)
	33,259	**27,398**

In addition to the above, the Bank has significant dependencies with other Nomura Group companies. Certain corporate services, including the use of IT systems, are provided by NIP through SLA. The premises where the Bank is registered and operates are leased by Nomura Properties plc.

7 IBOR Disclosure

Following the announcement of the cessation of Interest Rate Indices such as LIBOR, the Nomura Group has established a project to manage the transition for any of its contracts that could be affected, which considers the requirements of the Bank. The project is sponsored by the Nomura Group's Global Head of Global Markets and is being led by senior representatives from functions across the Nomura Group including Legal, Finance, Operations and Technology.

During 2021, the Bank has successfully transitioned most of its CHF, GBP and JPY LIBOR referenced trades to alternative reference rates. It also has the operational ability to support Risk Free Rates such as SARON, SONIA, TONA and SOFR. Through to June 2023, the Bank will focus on transitioning USD LIBOR referenced trades through switching legacy trades to SOFR or fallbacks detailed in the ISDA LIBOR protocol or amending the economics of the trade in discussion with its clients.

IBOR reform exposes the Bank to various risks, which the project is managing and monitoring closely. These risks include but are not limited to the following:

- Conduct risk arising from discussions with clients and market counterparties due to the amendments required to existing contracts necessary to effect IBOR reform
- Financial risk to the Bank and its clients that markets are disrupted due to IBOR reform giving rise to financial losses
- Pricing risk from the potential lack of market information if liquidity in IBORs reduces and alternative reference rates are illiquid and unobservable
- Operational risk arising from changes to the Bank's IT systems and processes, and the risk of payments being disrupted if an IBOR ceases to be available

7 IBOR Disclosure (continued)

- Accounting risk if the Bank's hedging relationships fail and from unrepresentative income statement volatility as financial instruments transition to RFRs

The table below shows the Bank's exposure at the period end to significant IBORs subject to reform that have yet to transition to alternative reference rates. These exposures will remain outstanding until the IBOR ceases and will therefore transition in future. The table excludes exposures to IBOR that will expire before transition is required.

	Non-derivative Financial Liabilities carrying value	Effective Derivative notional
	$'000	$'000
LIBOR USD 3- Month	(368,265)	2,532,611

Derivative notionals are presented on a gross basis, however the Bank hedges its market risk out of the entity through the Bank's booking model.