



# **NOMURA BANK INTERNATIONAL PLC**

**INTERIM REPORT**  
30 September 2024

**COMPANY REGISTRATION NUMBER: 1981122**

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## NOMURA BANK INTERNATIONAL PLC

### SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

The Directors of Nomura Bank International plc (the "Bank") present their Management Report and the Financial Statements of the Bank for the six months ended 30 September 2024. 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 AND DESCRIPTION OF PRINCIPAL RISKS

#### 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). It performs this function by raising funding in the open markets through the issuance of notes and commercial paper. The funds raised are passed onto other entities in the Nomura Group. Nomura International PLC ("NIP") is the primary recipient which also receives the majority of the risks from the Bank.

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'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 NIP 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:

	<b>Six months ended 30 September 2024</b>	<b>Six months ended 30 September 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Total comprehensive gain / (loss)	18,728	(85,663)
Profit after tax	4,783	3,187
Profit before taxation	6,377	4,228
	<b>As at 30 September 2024</b>	<b>As at 31 March 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Total assets	7,151,199	6,422,803
Total liabilities	6,879,803	6,170,135
Shareholders' funds	271,396	252,668

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)*****Financial Performance:***

The Bank reported a profit after tax for the period of \$4,782,509 (September 2023: \$3,186,899), increased profitability is driven by increase in fee income earned from issuance of notes and commercial paper on behalf of Nomura Affiliates. This increased issuance was to support the NEHS Funding Plan for the 2025 financial year. The facilitation fee charged on notes issuance remains at 15 bps. Fee and commission income has increased due to increased cost recovery from Nomura Affiliates.

The gains and losses from financial instruments at fair value through profit or loss represents the net fair value movements of bonds and medium term notes issued and the corresponding derivative hedges. The loss of \$150,754,954 (September 2023: loss of \$110,290,909) has increased due to higher average interest rates during the period. Due to the booking model, the fair value of these instruments should be viewed with the corresponding higher net interest income earned in the period of \$154,718,227 (September 2023: \$120,065,119).

The Bank calculates and applies an own credit adjustment based on movement in the credit spreads of the Nomura Group. Own credit spreads are included in the Bank's Bonds and Medium Term Notes. As markets have stabilised, spreads have marginally widened in the period generating a gain of \$13,945,082 for the period (September 2023: loss of \$88,850,392). This gain is net of tax charge of \$374,116 (30 September 2023: credit of \$20,634,479). Own credit is the main driver of other comprehensive income.

***Financial Position:***

The Bank's total assets increased to \$7,151,198,802 (March 2024: \$6,422,802,668). The increase is due to unsecured lending to Nomura Affiliates, following increased note issuance to support the 2025 NEHS Funding Plan.

As a result of this increased issuance, the Bank's liabilities have increased to \$6,869,803,001 (March 2024: \$6,170,135,000).

**DIRECTORS**

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

Tom Scholar	Independent Non-Executive Chair (appointed 10 April 2024)
	Independent Non-Executive Director (appointed 1 January 2024)
John Tierney	Director and Chief Executive Officer ("CEO")
Jonathan Britton OBE	Independent Non-Executive Director
Neeta Atkar MBE	Independent Non-Executive Director
Rosemary Murray	Independent Non-Executive Director
Daisuke Mototani	Executive Director
Magnus Falk	Independent Non-Executive Director
Martin Butler	Independent Non-Executive Director (appointed 26 September 2024)
David Godfrey	Independent Non-Executive Director (resigned 9 April 2024)

**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 appetite is set within the available risk capacity which is determined by constraints including regulatory capital, liquidity and business conditions.

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****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.

Further information on the management of these risks are provided in Note 12 of the Annual Financial Statements.

**BUSINESS ENVIRONMENT**

In the period ended 30 September 2024, Central Banks began to loosen monetary policy as inflation began to stabilise. As a result, Central Banks, including the Bank of England, reduced interest rates for the first time in 4 years.

Additionally, credit spreads widened marginally during the period and have remained relatively stable reflecting less volatile markets in the first 6 months of the financial year.

**GEOPOLITICAL ENVIRONMENT**

The Bank is aware of the geopolitical tensions around the world and continue to actively monitor the impact it could have on the global economy. There is no material impact to the Bank.

**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 Directors consider the Bank's regulatory capital and liquidity position to be strong given the continued positive performance and minimal risk retained. Whilst the Bank has significant exposure to Nomura Group companies, and in particular to NIP, this is minimised through significant collateralisation to minimise the Bank's exposure. The Bank's net exposures with NIP are supported by a limited written guarantee from the Bank's ultimate parent, NHI.

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 31 December 2025. 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.

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****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.

The key regulations impacting the financial soundness of the Bank are risk-based capital, leverage and liquidity requirements as applied by the PRA to Credit Institutions under the UK CRR as adopted into UK law post Brexit and PRA rules and standards. These are largely based on the international standards developed by the Basel Committee on Banking Supervision ("BCBS").

- The BCBS sets out international standards for banking regulation which have been implemented over time in the UK, previously through the EU capital requirements regulations prior to Brexit, but subsequently in a combination of retained EU regulations in primary legislation and through PRA rules and standards. The BCBS regulations have continued to evolve and the UK is now in the process of adopting the changes relating to the Fundamental Review of the Trading Book, new methodologies for CVA and Operational Risk and revisions to the approach for Credit Risk. The new requirements will also introduce the concept of Output Floors which will apply on the use of modelled approaches into its regulatory framework on a phased in basis between July 2025 and January 2030. Overall, these changes are referred to as Basel 3.1 and were originally issued for consultation by HM Treasury ("HMT") and the PRA in November 2022 with an amended implementation date of 1 July 2025 being confirmed by the PRA in September 2023. The first phase of the PRA's near final draft rules was published in December 2023 with the second phase expected to be published in Q2 2024. The changes will also deliver a further transition of regulations from primary legislation to PRA rules as the UK regulatory framework continues to develop post Brexit with the transfer of rule making responsibilities to the PRA and will include new and amended reporting and disclosure requirements.
- On 12 September 2024, HM Treasury and the PRA published the second phase of the final UK rules on the implementation of the remaining Basel 3.1 global standards in the UK. This has an effective date of 1 Jan 2026 for all areas including Fundamental Review of the Trading Book ("FRTB"). At the same time the PRA and HM Treasury are taking further steps to adopt the Future Regulatory Framework to simplify the UK regulatory regime post Brexit and transfer rules from primary legislation into PRA rules.
- On 30 July 2024 the PRA published a consultation on amendments to SS5/21 on its supervisory approach to subsidiaries and branches of international banks. The consultation proposes some additional criteria that the PRA would consider when determining whether it is appropriate for a bank to operate in the UK as a branch rather than a subsidiary and additional clarifications and expectations around firms' booking arrangements and risk management.
- Under the UK European Infrastructure Regulation ("UK EMIR"), the Bank of England/FCA Policy Statement PS 23/2 sets out amendments to Technical Standards and new rules for Trade Repositories in relation to the derivatives reporting framework under UK EMIR which entered into force on 30 September 2024.

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****REGULATION AND REGULATORY CHANGES (CONTINUED)**

- The Financial Services and Markets Act 2023 ("FSMA 2023") has driven substantial regulatory changes in 2024. It revokes assimilated EU law on financial services, granting HM Treasury ("HMT") broad powers to restate and revise that law and designate other activities for regulation by UK regulators. Additionally, FSMA 2023 introduces changes to the objectives and accountability mechanisms of UK regulators, such as an international competitiveness and growth secondary objective for the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority ("PRA"), as well as a new regulatory principle regarding climate.
- Two key regulations under FSMA 2023 will come into force in 2024. The Financial Services and Markets Act 2023 (Digital Securities Sandbox) Regulations 2023, were effective from 8 January 2024, and create the first Financial Market Infrastructure ("FMI") sandbox, allowing firms and regulators to test new technologies like distributed ledger technology. The Financial Services and Markets Act 2023 (Benchmarks and Capital Requirements) (Amendment) Regulations 2023, were effective from 1 January 2024, and amended assimilated EU legislation to reintroduce a 'discount factor' for capital requirements and extend the transitional period for third-country benchmarks.
- The Prudential Regulation Authority ("PRA") implemented several changes in 2024. On 12 September 2024, the PRA published its second policy statement on Basel 3.1 standards, which will come into effect on 1 January 2026 with a four-year transitional period. Additionally, the PRA will review leverage ratio requirement thresholds and offer modifications by consent until the review is complete.
- The Bank of England ("BoE") has continued its resolvability assessments of UK banks, most recently in August 2024. This assessment will be focused on the progress banks have made in embedding resolution preparations into their everyday business. Furthermore, the BoE continues to consult on its approach to determining commercially reasonable payments for contracts subject to statutory tear-up in central counterparty ("CCP") resolution.
- Regarding MiFIR/MiFID II reforms, the UK government is undertaking a review of the UK's implementation of the MiFID II framework as part of a wider agenda to shape the future of financial services regulation following the UK's withdrawal from the EU. These reforms are focused on the wholesale markets review ("WMR") and its partial implementation in FSMA 2023, as well as related FCA consultations.
- On 19 June 2024, the EU Parliament and the Council published the CRD VI Directive, which - among other things - will restrict the cross-border provision "core banking" services such as the provision of loans, credits, guarantees or commitments by non-EU banks or financial institutions. The directive excludes from the restriction activities falling within few limited applicable exemptions, covering interbank or intragroup transactions and reverse solicitation. Member States will have 18 months to transpose CRD VI into national legislation. National implementation measures are expected to be published in late 2025/early 2026. The Company is monitoring the changes.

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****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 10 to 37 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: Interim Financial Reporting ("IAS 34"), and that the interim management report on pages 1 to 6 includes a fair review of the information required by the Disclosure Guidance and Transparency Rule 4.2.7R of the FCA.

**BY ORDER OF THE BOARD AT A MEETING HELD ON 12 December 2024**

Christopher Barlow  
Company secretary

12 December 2024

Company Registration number 1981122



**NOMURA BANK INTERNATIONAL PLC****INDEPENDENT REVIEW REPORT TO NOMURA BANK INTERNATIONAL PLC FOR  
THE SIX MONTHS ENDED 30 SEPTEMBER 2024****Conclusions**

We have been engaged by Nomura Bank International PLC (the "Bank") to review the condensed set of financial statements for the six months ended 30 September 2024, which comprises the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and related notes 1 to 7.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements for the six months ended 30 September 2024 is not prepared, in all material respects, in accordance with UK-adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rule 4.2.7R of the United Kingdom's Financial Conduct Authority.

**Basis for Conclusion**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 (Revised), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued for use in the United Kingdom. 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.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

As disclosed in note 1, the annual financial statements of the Bank are prepared in accordance with UK-adopted International Accounting Standards ("IAS") and EU-adopted International Financial Reporting Standards ("EU IFRSs"). The condensed set of 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 ISRE (UK) 2410 (Revised), however future events or conditions may cause the entity to cease to continue as a going concern.





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## **NOMURA BANK INTERNATIONAL PLC**

### **INDEPENDENT REVIEW REPORT TO NOMURA BANK INTERNATIONAL PLC FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (CONTINUED)**

#### **Responsibilities of the Directors**

The directors are responsible for preparing the half-yearly financial report in accordance with the UK-adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rule 4.2.7R of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Bank'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 Bank 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 Bank a conclusion on the condensed set of financial statement 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 Bank in accordance with International Standard on Review Engagements (UK) 2410 issued by the Financial Reporting Council and our Engagement Letter dated 14 November 2024. Our work has been undertaken so that we might state to the Bank those matters that we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by the law, we do not accept or assume responsibility to anyone other than the Bank, for our review work, for this report, or for the conclusions we have formed.

Yours faithfully

Forvis Mazars LLP  
Chartered Accountants  
30 Old Bailey  
London  
United Kingdom  
EC4M 7AU

13 December 2024

# NOMURA BANK INTERNATIONAL PLC

## CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

	<b>Six months ended 30 September 2024 \$'000</b>	<b>Six months ended 30 September 2023 \$'000</b>
<b>INCOME</b>		
Interest income calculated using effective interest method	112,393	82,045
Other interest and similar income	59,935	53,541
Interest expense calculated using effective interest method	(15,180)	(14,036)
Other interest and similar expenses	(2,429)	(1,485)
<b>NET INTEREST INCOME</b>	<b>154,719</b>	<b>120,065</b>
Fee and commission income	6,957	1,855
Fee and commission expense	(730)	(1,858)
Gains and losses from financial instruments at fair value through profit or loss <sup>1</sup>	(150,755)	(110,290)
<b>TOTAL OPERATING INCOME</b>	<b>10,191</b>	<b>9,772</b>
General and administrative expenses	(3,798)	(5,561)
Credit impairment charge	(16)	17
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>	<b>6,377</b>	<b>4,228</b>
Tax charge on profit on ordinary activities	(1,594)	(1,041)
<b>PROFIT FOR THE PERIOD</b>	<b>4,783</b>	<b>3,187</b>
<b>ATTRIBUTABLE TO:</b>		
<b><u>Equity holders of the parent</u></b>		
Profit for the period from continuing operations	<b>4,783</b>	<b>3,187</b>

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

<sup>1</sup> Gains and losses from financial instruments at fair value through profit or loss was previously labelled as "Dealing loss".

<sup>2</sup> September 2023 has been restated to reclassify a net loss of \$8.3m in gains and losses from financial instruments at fair value through profit or loss to interest expense calculated using effective interest method (increase of \$9.7m) and fee and commission income (increase of \$1.4m). This is to improve comparability in disclosure with no net impact to the Income Statement.

The notes on pages 17 to 37 form part of these financial statements.

**NOMURA BANK INTERNATIONAL PLC**
**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**
**STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)**

	<u>Six months ended 30 September 2024</u> \$'000	<u>Six months ended 30 September 2023</u> \$'000
<b>PROFIT FOR THE PERIOD</b>	<b>4,783</b>	<b>3,187</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items that will not be reclassified to the income statement</b>		
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)	13,945	(88,850)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>13,945</b>	<b>(88,850)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>18,728</b>	<b>(85,663)</b>

The notes on pages 17 to 37 form part of these financial statements.

**NOMURA BANK INTERNATIONAL PLC**
**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**
**STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)**

	<u>Called-up Share Capital</u> \$'000	<u>Retained Earnings</u> \$'000	<u>Own Credit Reserve</u> \$'000	<u>Total</u> \$ 000
As at 1 April 2024	255,000	26,080	(28,412)	252,668
Transferred from own credit reserve to retained earnings during the period	-	(28)	28	-
Profit for the period	-	4,783	-	4,783
Other Comprehensive Income	-	-	13,945	13,945
<b>At 30 September 2024</b>	<b>255,000</b>	<b>30,835</b>	<b>(14,439)</b>	<b>271,396</b>

	<u>Called-up Share Capital</u> \$'000	<u>Retained Earnings</u> \$'000	<u>Own Credit Reserve</u> \$'000	<u>Total</u> \$ 000
As at 1 April 2023	255,000	30,560	101,608	387,168
Dividends paid during the period	-	(5,000)	-	(5,000)
Transferred from own credit reserve to retained earnings during the period	-	2,740	(2,740)	-
Profit for the period	-	3,187	-	3,187
Other Comprehensive Loss	-	-	(88,850)	(88,850)
<b>At 30 September 2023</b>	<b>255,000</b>	<b>31,487</b>	<b>10,018</b>	<b>296,505</b>

During the period, a loss of \$27,808 (September 2023: gain of \$2,740,179) 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 37 form part of these condensed interim financial statements.

# NOMURA BANK INTERNATIONAL PLC

## CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2024

		<b>Unaudited</b>	<b>Audited</b>
		<b>September 2024</b>	<b>March 2024</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents	2	2,982	761
Derivative financial instruments	2	405,853	290,645
Loans and advances to affiliates	2	4,388,028	3,650,595
Securities purchased under agreements to resell	2	2,300,855	2,413,684
Loans and advances to others	2	2,006	2,144
Prepayments and accrued income	2	41,656	57,011
Other assets	2	7,521	6,032
Financial investments	2	13	11
Deferred tax asset		2,285	1,920
<b>Total Assets</b>		<b>7,151,199</b>	<b>6,422,803</b>
<b>Liabilities</b>			
Derivative financial instruments	2	912,014	941,237
Accruals and deferred income	2	49,670	32,526
Borrowings from affiliates	2	125,983	118,366
Customer Deposits	2	10,000	-
Commercial papers issued	2	680,441	815,131
Bonds and medium-term notes	2, 5	5,095,196	4,258,572
Group relief payable		5,815	4,231
Other liabilities	2	684	72
<b>Total Liabilities</b>		<b>6,879,803</b>	<b>6,170,135</b>
<b>Shareholders' funds</b>			
Called up share Capital		255,000	255,000
Retained earnings		30,835	26,080
Own credit reserve		(14,439)	(28,412)
<b>Total Equity</b>		<b>271,396</b>	<b>252,668</b>
<b>Total Liabilities and Equity</b>		<b>7,151,199</b>	<b>6,422,803</b>



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**NOMURA BANK INTERNATIONAL PLC**

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

**STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2024**

Approved by the board of Directors on 12 December 2024 and subsequently signed on its behalf on 12 December 2024.

A handwritten signature in black ink, appearing to read 'John Tierney'.

John Tierney  
Director

The notes on pages 17 to 37 form part of these financial statements.

**NOMURA BANK INTERNATIONAL PLC**
**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**
**STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024  
(UNAUDITED)**

	<b>Six months ended 30 September 2024</b>	<b>Six months ended 30 September 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>		
Profit before tax	6,377	4,228
<b>Non-cash adjustments to reconcile profit for the period to net cash flows</b>		
Depreciation and amortisation	-	17
Net gain/loss including FX gain/loss on bonds and medium term notes	361,660	(218,014)
Interest and FX gain/loss on commercial papers	36,802	(9,960)
Provisions	16	(17)
	<b>398,478</b>	<b>(227,974)</b>
<b>Change in working capital adjustments</b>		
Net change in derivative assets	(115,209)	16,076
Net change in loans and advances to affiliates	(737,478)	(539,590)
Net change in securities purchased under agreements to resell	112,829	302,299
Net change in loans and advances to others	138	161
Net changes in prepayments and accrued income	15,356	(7,290)
Net change in other assets	(1,488)	(3,948)
Net change in financial investments	(1)	(283,225)
Net change in derivative liabilities	(29,223)	146,300
Net change in accruals and deferred income	17,144	19,610
Net change in borrowings from affiliates	7,616	(8,176)
Net change in Customer Deposits	10,000	-
Net changes in borrowings from others	-	(748)
Net change in securities sold under agreements to repurchase	-	283,275
Net change in other liabilities	640	(307)
	<b>(719,676)</b>	<b>(75,563)</b>
Income tax and group relief paid	-	(6,553)
<b>Net cash flow from /(used in) operating activities</b>	<b>(314,821)</b>	<b>(305,862)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of bonds and medium term notes and commercial papers	1,018,768	1,846,263
Repayments of bonds and medium term notes and commercial papers	(701,726)	(1,542,490)
Dividends paid	-	(5,000)
Payment of principal portion of lease liabilities	-	(18)
<b>Net cash flows from /(used in) financing activities</b>	<b>317,042</b>	<b>298,755</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,221</b>	<b>(7,107)</b>



**NOMURA BANK INTERNATIONAL PLC**
**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**
**STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024  
(CONTINUED) (UNAUDITED)**

	<u>Six months ended</u> <u>30 September 2024</u>	<u>Six months ended</u> <u>30 September 2023</u>
	\$'000	\$'000
Cash and cash equivalents at the beginning of the period	761	7,781
Cash and cash equivalents at the end of the period	<u>2,982</u>	<u>674</u>
<b>Included within operational cash flows</b>		
Interest paid	(2,561)	(5,287)
Interest received	188,132	129,213

The cash and cash equivalents mainly consist of nostro balances.

# NOMURA BANK INTERNATIONAL PLC

## CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (CONTINUED) (UNAUDITED)

#### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	<b>1 April 2024</b>	<b>Cash flows</b>	<b>Own Credit</b>	<b>Non-cash changes</b>	<b>30</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>(gains)/loss</b>	<b>Net</b>	<b>September</b>
				<b>(gains)/loss</b>	<b>2024</b>
				<b>including</b>	
				<b>FX</b>	
				<b>\$'000</b>	<b>\$'000</b>
Bonds and medium term notes	4,258,572	488,535	(13,571)	361,660	5,095,196
Commercial papers issued	815,131	(171,493)	-	36,802	680,440
<b>Total liabilities from financing activities</b>	<b>5,073,703</b>	<b>317,042</b>	<b>(13,571)</b>	<b>398,462</b>	<b>5,775,636</b>

	<b>1 April 2023</b>	<b>Cash flows</b>	<b>Own Credit</b>	<b>Non-cash changes</b>	<b>30</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>(gains)/loss</b>	<b>Net</b>	<b>September</b>
				<b>(gains)/loss</b>	<b>2023</b>
				<b>including</b>	
				<b>FX</b>	
				<b>\$'000</b>	<b>\$'000</b>
Bonds and medium term notes	3,578,986	426,474	109,485	(218,013)	3,896,932
Commercial papers issued	789,010	(122,701)	-	(9,960)	656,349
Lease liabilities	316	(18)	-	(298)	-
<b>Total liabilities from financing activities</b>	<b>4,368,312</b>	<b>303,755</b>	<b>109,485</b>	<b>(228,271)</b>	<b>4,553,281</b>

The notes on pages 17 to 37 form part of these financial statements.

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****NOTES TO THE INTERIM REPORT****1 ACCOUNTING POLICIES****(a) Basis of Accounting**

The condensed interim financial statements as at half-year end 30 September 2024 of the Bank have been prepared in accordance with International Accounting Standard 34 ("IAS 34"), Interim Financial Reporting as adopted by the UK and European Union. The interim financial statements 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 2024 which were prepared in accordance with UK adopted International Accounting Standards (IAS) and International Financial reporting Standards (IFRS) as adopted by the European Union.

The financial statements have been prepared under the historical cost convention, except for derivative and non-derivative financial instruments at fair value through profit and loss (FVTPL) which are measured at fair value.

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 USD which is also the Bank's functional currency.

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 2024 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. Amendments to IFRS applicable for the first time for the reporting period beginning 1 April 2024 have not had a material impact on the interim financial statements.

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****NOTES TO THE INTERIM REPORT (CONTINUED)****1 ACCOUNTING POLICIES (continued)****(c) Standards issued but not yet effective**

At the date of authorisation of these interim 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 the accounting period beginning 1 April 2024.

**IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 was issued on 9 April 2024 and becomes effective for reporting periods beginning on or after 1 January 2027. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. The Bank is currently assessing the impact on its financial statements.

**Amendments to IFRS 9 and IFRS 7 for the classification and measurement of financial instruments**

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial instruments that:

- Clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date if certain criteria are met.
- Clarify how to assess ESG-linked features and similar contingent features in performing the SPPI test;
- Clarify the treatment of non-recourse loans and contractually linked instruments in performing the SPPI test; and
- Require additional disclosures for financial instruments with contingent features and equity instruments classified at fair value through OCI.

The amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to only early adopt the amendments related to the classification of financial assets. The Bank is currently assessing the impact on its financial statements.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The Bank is not eligible to elect to apply IFRS 19 as it does not have a parent that prepares publically available IFRS compliant consolidated financial statements.

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****NOTES TO THE INTERIM REPORT (CONTINUED)****1 ACCOUNTING POLICIES (continued)****(d) 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 accompanying disclosures 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 2024.

# NOMURA BANK INTERNATIONAL PLC

SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

## NOTES TO THE INTERIM REPORT (CONTINUED)

### 2 FINANCIAL INSTRUMENTS

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

	30 September 2024			
	<u>Held for trading</u>	<u>Mandatorily at fair value through profit or loss</u>	<u>Amortised cost</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Cash and cash equivalents <sup>3</sup>	-	-	2,982	2,982
Derivative financial instruments	405,853	-	-	405,853
Loans and advances to affiliates	-	37,877	4,350,151	4,388,028
Securities purchased under agreements to resell	-	2,300,855	-	2,300,855
Loans and advances to others	-	2,006	-	2,006
Prepayments and accrued income <sup>1</sup>	-	28,607	12,533	41,140
Other assets <sup>1</sup>	-	2,902	4,245	7,147
Financial investments	-	13	-	13
	<b>405,853</b>	<b>2,372,260</b>	<b>4,369,911</b>	<b>7,148,024</b>
<b>Financial Liabilities</b>				
	<u>Held for trading</u>	<u>Designated at FVPL</u>	<u>Amortised Cost</u>	<u>Total</u>
Derivative financial instruments	(912,014)	-	-	(912,014)
Accruals and deferred income <sup>2</sup>	-	(35,967)	(13,703)	(49,670)
Borrowings from affiliates	-	(125,321)	(662)	(125,983)
Customer Deposits	-	-	(10,000)	(10,000)
Commercial papers issued	-	-	(680,441)	(680,441)
Bonds and medium-term notes	-	(5,095,196)	-	(5,095,196)
Other liabilities <sup>2</sup>	-	-	(641)	(641)
	<b>(912,014)</b>	<b>(5,256,484)</b>	<b>(705,447)</b>	<b>(6,873,945)</b>

# NOMURA BANK INTERNATIONAL PLC

SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

## NOTES TO THE INTERIM REPORT (CONTINUED)

### 2 FINANCIAL INSTRUMENTS (continued)

	31 March 2024			
	<u>Held for trading</u>	<u>Mandatorily at fair value through profit or loss</u>	<u>Amortised cost</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Cash and cash equivalents	-	-	761	761
Derivative financial instruments	290,645	-	-	290,645
Loans and advances to affiliates	-	8,977	3,641,618	3,650,595
Securities purchased under agreements to resell	-	2,413,684	-	2,413,684
Loans and advances to others	-	2,144	-	2,144
Prepayments and accrued income <sup>1</sup>	-	38,117	18,503	56,620
Other assets	-	1,705	4,279	5,984
Financial investments	-	11	-	11
	<u>290,645</u>	<u>2,464,638</u>	<u>3,665,161</u>	<u>6,420,444</u>
<b>Financial Liabilities</b>				
Derivative financial instruments	(941,237)	-	-	(941,237)
Accruals and deferred income <sup>2</sup>	-	(24,454)	(7,989)	(32,443)
Borrowings from affiliates	-	(117,714)	(652)	(118,366)
Bonds and medium-term notes	-	(4,258,572)	-	(4,258,572)
Commercial papers issued	-	-	(815,131)	(815,131)
	<u>(941,237)</u>	<u>(4,400,740)</u>	<u>(823,772)</u>	<u>(6,165,749)</u>

<sup>1</sup> Excludes non-financial assets of \$515,358 (2024: \$390,584 Nil) from 'Prepayments and accrued income', and \$374,188 (2024: \$47,677) from 'Other assets'.

<sup>2</sup> Excludes non-financial liabilities of \$- (2024: \$82,978) from 'Accruals and deferred income', and \$42,431 (2024: \$71,580) from 'Other liabilities'.



**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****NOTES TO THE INTERIM REPORT (CONTINUED)****3 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is usually determined on an individual financial instrument basis consistent with the unit of account of the financial instrument. However, certain financial instruments managed on a portfolio basis are valued as a portfolio. Fair value for a portfolio is based on the price that would be received to sell a net long position (i.e. a net financial asset) or transfer a net short position (i.e. a net financial liability) consistent with how market participants would price the net risk exposure at the measurement date.

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 technique.
- (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.

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****NOTES TO THE INTERIM REPORT (CONTINUED)****3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)****Fair value hierarchy**

- |                |   |
|----------------|---|
| <b>Level 1</b> | Unadjusted quoted prices in active markets for identical assets or liabilities accessible by the Bank at the measurement date.  |
| <b>Level 2</b> | Quoted prices in active markets for similar assets or liabilities, quoted prices in inactive markets or other valuation techniques for which all significant inputs are based on observable market data.  |
| <b>Level 3</b> | 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 present 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 2024 (UNAUDITED)

### NOTES TO THE INTERIM REPORT (CONTINUED)

#### 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

##### Fair Value Hierarchy - Financial Assets

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
<b>30 September 2024</b>				
Derivative financial instruments	-	322,503	83,350	405,853
Securities purchased under agreements to resell	-	2,300,855	-	2,300,855
Loans and advances to affiliates	-	37,877	-	37,877
Loans and advances to others	-	-	2,006	2,006
Prepayments and accrued income	-	28,607	-	28,607
Financial investments	-	-	13	13
Other Assets	-	2,902	-	2,902
	<u>-</u>	<u>2,692,744</u>	<u>85,369</u>	<u>2,778,113</u>
<b>31 March 2024</b>				
Derivative financial instruments	-	229,567	61,078	290,645
Securities purchased under agreements to resell	-	2,413,684	-	2,413,684
Loans and advances to affiliates	-	8,977	-	8,977
Loans and advances to others	-	-	2,144	2,144
Prepayments and accrued income	-	38,117	-	38,117
Financial investments	-	-	11	11
Other Assets	-	1,705	-	1,705
	<u>-</u>	<u>2,692,050</u>	<u>63,233</u>	<u>2,755,283</u>

# NOMURA BANK INTERNATIONAL PLC

SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

## NOTES TO THE INTERIM REPORT (CONTINUED)

### 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy - Financial Liabilities

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>30 September 2024</b>				
Derivative financial instruments	-	705,355	206,659	912,014
Accruals and deferred income	-	35,967	-	35,967
Bonds and medium-term notes	-	5,095,196	-	5,095,196
Borrowings from affiliates	-	125,321	-	125,321
	<u>-</u>	<u>5,961,839</u>	<u>206,659</u>	<u>6,168,498</u>
<b>31 March 2024</b>				
Derivative financial instruments	-	689,760	251,477	941,237
Accruals and deferred income	-	24,454	-	24,454
Bonds and medium-term notes	-	4,258,572	-	4,258,572
Borrowings from affiliates	-	117,714	-	117,714
	<u>-</u>	<u>5,090,500</u>	<u>251,477</u>	<u>5,341,977</u>

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****NOTES TO THE INTERIM REPORT (CONTINUED)****3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)****Valuation techniques by major class of financial instrument**

The valuation techniques used by Nomura to estimate fair value for major classes of financial instruments, together with the significant inputs which determine classification in the fair value hierarchy, are as follows.

**Bank and corporate debt securities and loans carried at fair value**

The fair value of bank and corporate debt securities and loans carried at fair value either as trading assets or through election of the fair value option is primarily determined using DCF valuation techniques but also using broker or dealer quotations and recent market transactions of identical or similar debt securities, if available. Consideration is given to the nature of the broker and dealer quotations, namely whether these are indicative or executable, the number of available quotations and how these quotations compare to any available recent market activity or alternative pricing sources. The significant valuation inputs used for DCF valuations are yield curves, asset swap spreads, recovery rates and credit spreads of the issuer. Bank and corporate debt securities are generally classified in Level 2 of the fair value hierarchy because these valuation inputs are usually observable or market-corroborated. Certain bank and corporate debt securities will be classified in Level 3 because they are traded infrequently and there is insufficient information from comparable securities to classify them in Level 2, or credit spreads or recovery rates of the issuer used in DCF valuations are unobservable.

**Derivatives**

Nomura enters into both exchange-traded and OTC equity, interest rate, credit and foreign exchange derivative transactions. Where these derivatives are traded in active markets and the exchange price is representative of fair value, the fair value of exchange-traded derivatives is determined using an unadjusted exchange price and classified in Level 1 of the fair value hierarchy. The fair value of exchange-traded derivatives which are traded in inactive markets or where the exchange price is not representative of fair value is determined using a model price and are classified in Level 2. The fair value of OTC derivatives is determined through valuation models such as Black-Scholes and Monte Carlo simulation. The significant valuation inputs used include equity prices, dividend yields, volatilities correlations, interest rates, credit spreads, recovery rates and foreign exchange rates. Valuation adjustments are also made to model valuations in order to reflect counterparty credit risk on derivative assets and Nomura's own creditworthiness on derivative liabilities. OTC derivatives are generally classified in Level 2 because all significant valuation inputs and adjustments are observable or market-corroborated. Certain less liquid vanilla or more complex derivatives are classified in Level 3 where dividend yield, interest rate, credit spread, recovery rate, volatility or correlation valuation inputs are significant and unobservable.

Nomura includes valuation adjustments in its estimation of fair value of certain OTC derivatives relating to funding costs associated with these transactions to be consistent with how market participants in the principal market for these derivatives would determine fair value.

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****NOTES TO THE INTERIM REPORT (CONTINUED)****3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)****Valuation techniques by major class of financial instrument (continued)****Bonds and medium-term notes ("Structured notes")**

Structured notes are debt securities issued by Nomura 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 variables, such as an equity or equity index, commodity price, foreign exchange rate, credit quality of a third party or a more complex interest rate (i.e., an embedded derivative).

The fair value of structured notes is determined using a quoted price in an active market for the identical liability if available, and where not available, using a mixture of valuation techniques that use the quoted price of the identical liability when traded as an asset, quoted prices for similar liabilities, similar liabilities when traded as assets, or an internal model which combines DCF valuation techniques and option pricing models, depending on the nature of the embedded features within the structured note. Where an internal model is used, Nomura estimates the fair value of both the underlying debt instrument and the embedded derivative components. The significant valuation inputs used to estimate the fair value of the debt instrument component include yield curves, prepayment rates, default probabilities and loss severities. The significant valuation inputs used to estimate the fair value of the embedded derivative component are the same as those used for the relevant type of independent OTC derivative discussed above. A valuation adjustment is also made to the entire structured note in order to reflect Nomura's own creditworthiness. This adjustment is determined based on recent observable secondary market transactions and executable broker quotes involving Nomura debt instruments and is therefore typically treated as a Level 2 valuation input. Structured notes are generally classified in Level 2 of the fair value hierarchy as all significant valuation inputs and adjustments are observable.

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****NOTES TO THE INTERIM REPORT (CONTINUED)****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 Risk of the Nomura Group.



## NOMURA BANK INTERNATIONAL PLC

### SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

### NOTES TO THE INTERIM REPORT (CONTINUED)

#### 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

##### *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.

	<u>At 1 April</u>	<u>Total gains</u>		<u>Net</u>	<u>At 30</u>	<u>Unrealised</u>
	<u>2024</u>	<u>/ (losses)</u>	<u>Settlements</u>	<u>transfers</u>	<u>September</u>	<u>total gains /</u>
	<u>\$'000</u>	<u>in P&amp;L</u>	<u>\$'000</u>	<u>into / (out</u>	<u>2024</u>	<u>(losses) in</u>
		<u>\$'000</u>		<u>of) level 3</u>		<u>P&amp;L</u>
				<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Financial assets</b>						
Derivative financial instruments	61,078	14,345	3,809	4,118	83,350	14,296
Loans and advances to others	2,144	(138)	-	-	2,006	-
Financial investments	11	2	-	-	13	2
	<u>63,233</u>	<u>14,209</u>	<u>3,809</u>	<u>4,118</u>	<u>85,369</u>	<u>14,298</u>
<b>Financial liabilities</b>						
Derivative financial instruments	251,477	(40,557)	(4,261)	-	206,659	(46,847)
	<u>251,477</u>	<u>(40,557)</u>	<u>(4,261)</u>	<u>-</u>	<u>206,659</u>	<u>(46,847)</u>

Total gains and losses on financial instruments included in the above table are included in 'Gains/Losses from financial instruments at fair value through profit or 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.

# NOMURA BANK INTERNATIONAL PLC

## SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

### NOTES TO THE INTERIM REPORT (CONTINUED)

#### 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 2024 and 31 March 2024.

<u>Class of financial instrument</u>	<u>Fair value</u> \$'000	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Range</u>
<b>30 September 2024</b>				
Derivative financial instruments				
-Assets	83,350	DCF / Option		
-Liabilities	(206,659)	Models	Dividend Yield	0.0-2.0%
	-		Volatilities	10.2%-89.5%
	-		Correlations	-0.68-0.97
Loans and advances to others <sup>1</sup>	2,006		No significant unobservable inputs	
Financial investments	13		No significant unobservable inputs	
<b>31 March 2024</b>				
Derivative financial instruments				
-Assets	61,078	DCF / Option	Volatilities	9.3% - 89%
-Liabilities	(251,477)	Models	Dividend Yield	2.5%-2.5%
			Correlations	-0.68 - 0.97
Loans and advances to others <sup>1</sup>	2,144		No significant unobservable inputs	
Financial investments	11		No significant unobservable inputs	

<sup>1</sup>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.

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****NOTES TO THE INTERIM REPORT (CONTINUED)****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 2024 and 31 March 2024.

# NOMURA BANK INTERNATIONAL PLC

SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

## NOTES TO THE INTERIM REPORT (CONTINUED)

### 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Fair value by level				
	Carrying amount \$'000	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>30 September 2024</b>					
<b>Financial Assets:</b>					
Cash and cash equivalents	2,982	2,982	2,982	-	-
Loans and advances to affiliates	4,350,151	4,350,151	-	4,350,151	-
Prepayments and accrued income	12,533	12,533	-	12,533	-
Other assets	4,245	4,245	-	4,245	-
	<b>4,369,911</b>	<b>4,369,911</b>	<b>2,982</b>	<b>4,366,929</b>	<b>-</b>
<b>Financial Liabilities:</b>					
Accruals and deferred income	(13,703)	(13,703)	-	(13,703)	-
Borrowing from affiliates	(662)	(662)	-	(662)	-
Customer Deposits	(10,000)	(10,000)	-	(10,000)	-
Other liabilities	(641)	(641)	-	(641)	-
Commercial papers issued	(680,441)	(680,441)	-	(680,441)	-
	<b>(705,447)</b>	<b>(705,447)</b>	<b>-</b>	<b>(705,447)</b>	<b>-</b>
<b>31 March 2024</b>					
<b>Financial Assets:</b>					
Cash and cash equivalents	761	761	761	-	-
Loans and advances to affiliates	3,641,618	3,641,618	-	3,641,618	-
Prepayments and accrued income	18,503	18,503	-	18,503	-
Other assets	4,279	4,279	-	4,279	-
	<b>3,665,161</b>	<b>3,665,161</b>	<b>761</b>	<b>3,664,400</b>	<b>-</b>
<b>Financial Liabilities:</b>					
Accruals and deferred income	(7,989)	(7,989)	-	(7,989)	-
Borrowing from affiliates	(652)	(652)	-	(652)	-
Commercial papers issued	(815,131)	(815,131)	-	(815,131)	-
	<b>(823,772)</b>	<b>(823,772)</b>	<b>-</b>	<b>(823,772)</b>	<b>-</b>

**NOMURA BANK INTERNATIONAL PLC****SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)****NOTES TO THE INTERIM REPORT (CONTINUED)****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 2024 the exposure on these financial guarantee contracts amounted to \$181,376,077 (31 March 2024: \$211,869,937).

The Bank has also provided a guarantee in respect of certain commercial papers issued by another Nomura Group company. At 30 September 2024, the maximum exposure on this guarantee amounted to \$16,735,655 (31 March 2024: \$16,196,028).

The Bank provides certain financial guarantees to Nomura Group companies over their exposure to third parties. At 30 September 2024 the exposure on these financial guarantee contracts amounted to \$36,560,869 (31 March 2024: \$106,976,817).

**Commitments:**

The Bank had commitments as at 30 September 2024 amounting to \$1,399,578,558 (31 March 2024: \$1,929,627,556) in respect of undrawn note issuance facilities and loan commitments. The loan commitments are sub-participated to NIP on commitment date.

# NOMURA BANK INTERNATIONAL PLC

## SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

### NOTES TO THE INTERIM REPORT (CONTINUED)

#### 5 BONDS AND MEDIUM-TERM NOTES

	<u>30 September 2024</u> \$'000	<u>31 March 2024</u> \$'000
<b>Bonds and medium- term notes, by remaining maturity:</b>		
- Less than 1 year	414,243	223,229
- Less than 5 years, but greater than 1 year	1,422,177	1,229,516
- Greater than 5 years	3,258,778	2,805,826
	<u><b>5,095,198</b></u>	<u><b>4,258,571</b></u>

As of 30 September 2024, 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 \$485,724,592 (31 March 2024: \$539,383,658) 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 \$13,608,043 (31 March 2024: loss of \$166,030,616) and realised loss of \$37,077 (31 March 2024: gain of \$533,909), as well as a tax credit of \$374,116 (31 March 2024: credit of \$(28,821,718)) 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 \$750,482 at 30 September 2024 (31 March 2024: credit of \$12,857,562). The Bank calculates and applies an own credit adjustment based on movements in the credit spreads of the Nomura Group.

# NOMURA BANK INTERNATIONAL PLC

## SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

### NOTES TO THE INTERIM REPORT (CONTINUED)

#### 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.

	<u>Balance as at 31 March 2024</u> \$'000	<u>Issuance</u> \$'000	<u>Redemption</u> \$'000	<u>Fair value changes</u> \$'000	<u>Balance as at 30 September 2024</u> \$'000
Bonds and medium-term notes	4,258,572	589,741	(101,206)	348,089	5,095,196
	<u>Balance as at 31 March 2023</u> \$'000	<u>Issuance</u> \$'000	<u>Redemption</u> \$'000	<u>Fair value changes</u> \$'000	<u>Balance as at 31 March 2024</u> \$'000
Bonds and medium-term notes	3,578,986	1,490,914	(1,072,099)	260,771	4,258,572
			<u>30 September 2024</u> \$'000	<u>31 March 2024</u> \$'000	
Carrying amount			5,095,196	4,258,572	
Amount the bank is contractually obligated to pay to the holders of bonds at maturity			5,540,322	4,842,294	
<b>Difference between carrying amount and the amount the bank is contractually obligated to pay to the holders of bonds at maturity</b>			<b>445,126</b>	<b>583,722</b>	

# NOMURA BANK INTERNATIONAL PLC

## SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

### NOTES TO THE INTERIM REPORT (CONTINUED)

#### 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:

	<u>30 September 2024</u> \$'000	<u>31 March 2024</u> \$'000
<b>Assets</b>		
Derivative financial instruments	405,986	290,938
Loans and advances to affiliates	4,388,028	3,650,595
Securities purchased under agreements to resell	2,300,855	2,413,684
Prepayments and accrued income	41,141	56,620
Other assets	4,151	4,279
	<u>7,140,161</u>	<u>6,416,116</u>
<b>Liabilities</b>		
Derivative financial instruments	776,233	868,137
Accruals and deferred income	13,553	7,040
Borrowings from affiliates	125,983	118,366
	<u>915,769</u>	<u>993,543</u>

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.



## NOMURA BANK INTERNATIONAL PLC

### SIX MONTHS ENDED 30 SEPTEMBER 2024 (UNAUDITED)

### NOTES TO THE INTERIM REPORT (CONTINUED)

#### 6 RELATED PARTY TRANSACTIONS (continued)

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

	<b><u>30 September</u></b>	<b><u>30 September</u></b>
	<b><u>2024</u></b>	<b><u>2023</u></b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
Interest income	172,322	135,584
Interest expense	(2,599)	(3,109)
Fee income	6,957	1,855
Fee expense	(627)	(1,757)
Administrative expenses towards SLA & Technology charges	(2,361)	(3,856)
	<b><u>173,692</u></b>	<b><u>128,717</u></b>

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 a SLA. The premises where the Bank is registered and operates are leased by Nomura Properties plc.

#### 7 Post Balance Sheet Events

There are no significant events occurring after the balance sheet date that would meet the criteria to be disclosed or adjusted in the interim financial statements for the six months ended 30 September 2024.