Nomura Europe Holdings plc

Pillar 3 Disclosures 31 March 2016

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1. Foreword

The Nomura Europe Holdings plc Group (“the Group”) is subject to consolidated regulatory supervision by the Prudential Regulation Authority (“PRA”). The regulatory consolidation is produced in accordance with the requirements established under the Capital Requirements Directive (“CRD”) and the Capital Requirements Regulation (“CRR”), collectively referred to hereinafter as “CRD IV”, which came into effect on 1 January 2014.

The regulatory consolidation excludes certain special purpose entities which are included in the accounting consolidation. A small number of entities included in the accounting consolidation are also excluded from the regulatory consolidation on the basis of their immaterial balance sheet size. There is no material impact on the regulatory capital position of the Group due to the exclusion of these entities.

The regulatory scope of consolidation includes an additional entity, Nomura Capital Markets Ltd (“NCM”), which is not included in the accounting consolidation, in accordance with the direction of the PRA. A complete list of the Group and its subsidiaries can be found in the Nomura Europe Holdings plc (“NEHS”) Company only Annual Report.

All companies within the Group are limited by ordinary shares, and apart from the requirements to hold regulatory capital, there are no practical or legal impediment to the prompt transfer of capital between the Group and its legal subsidiaries. The Group and NCM are 100% owned subsidiaries of Nomura Holdings Inc (“NHI”), the ultimate parent of the Group (incorporated in Japan).

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 Statutory NEHS group accounts will therefore not be published.

Other regulated subsidiaries include Nomura International plc (“NIP”), Nomura Bank International plc (“NBI”), Nomura Bank (Luxembourg) S.A. (“NBL”), Banque Nomura France S.A. (“NBF”), Nomura Alternative Investments Management (Europe) Ltd (“NAIM”) and Nomura Bank (Switzerland) Ltd (“NBS”).

Certain subsidiaries are subject to local Pillar 3 Regulatory requirements. However, owing to their inclusion within the Group document separate disclosures have not been made for NBI, NBL, NBF, NAIM, or NBS.

NIP is the only material subsidiary of the Group, contributing over 90% of the Group’s capital requirement and risk management policies and procedures are consistent with the Group. Separate NIP disclosures have been included with the exception of counterparty risk disclosures which are materially in line with the Group.

This document presents the consolidated Pillar 3 disclosures of the Group as at 31 March 2016 and has been prepared in accordance with the minimum disclosure requirements of CRD IV. All article references made within this document refer to Regulation (EU) No 575/2013 (“CRR”).

Full disclosure is made on an annual basis and limited disclosures are made on a quarterly or semi-annual basis. To the extent that disclosures are made in this document, they do not constitute financial statements and should not be relied upon as such in making judgments about the Group.

This document is available either online within the ‘Investor Relations’ section under the Nomura corporate website: Link: The Group Pillar 3, or by application in writing to the EMEA Financial Controller at Nomura International plc, 1 Angel Lane, London, EC4R 3AB.

2. Qualitative Disclosures

In addition to the qualitative disclosures in this document further details applicable to the Group as required under Pillar 3 are considered and made within the NEHS, NIP and NBI Annual Reports, the NHI quarterly Basel III Pillar 3 disclosures for 31 March 2016 and NHI Securities and Exchange Commission 20F Filings.

Certain disclosures specifically required under Pillar 3 and not contained in the documents referenced in Section 2.1 are made separately in Section 2.2. Quantitative disclosures are made in Sections 3 (Capital) and 4 (Remuneration).

2.1 Equivalent Pillar 3 disclosures

Certain disclosures made under accounting, listing or other requirements are deemed to constitute compliance with CRD IV requirements.

As an integrated part of NHI, disclosures contained in the Securities and Exchange Commission 20F Filing are relevant to the Group.

These documents can be found at the following Link: NHI SEC 20F

The NHI quarterly Basel III Pillar 3 disclosures for 31 March 2016 can be found at the following link: NHI Pillar 3.

Other disclosures relevant to Pillar 3 are contained in the NEHS, NIP and NBI financial statements.

2.2 Additional disclosures required by Pillar 3

2.2.1 The Group approach to assessing internal capital adequacy

The Group conducts an Internal Capital Adequacy Assessment Process ("ICAAP") exercise annually to ensure the entity is adequately capitalised to meet its overall business objectives and withstand any potential stress that it might encounter over a multi-year horizon.

The ICAAP process utilises the Group's own established internal measure of capital which incorporates risks that are not adequately captured or addressed under Pillar 1. The Group also runs a number of stress tests and incorporates the results of the stress scenario that yields the most severe impact on its capital projection. In addition, the ICAAP process identifies and quantifies a range of management actions available to the Group to minimise the impact of stress.

Both the internal measure of capital and stress testing are integral parts of the Group's risk management framework and ensure the businesses are run according to the firm's risk appetite.

2.2.2 Risk requirement methodologies

The Group utilises the standardised (non-modelled) approaches for the calculation of capital requirements for credit, market and operational risks unless specified below.

In December 2012, NIP was granted permission by the PRA to use the Internal Model Method ("IMM") in the calculation of counterparty credit risk capital requirements for certain derivative and securities financing transactions. Further detail is available on the Financial Services Register. (IMM Waiver Permission Link)

In the calculation of risk-weighted exposure amounts under the IMM and standardised approaches to credit and counterparty risk, the ratings of Fitch, Moody's and Standard and Poor's are used for all applicable exposure classes.

In July 2013, NIP was granted permission by the PRA to use its internal Value at Risk ("VaR") model in the calculation of market risk capital requirements for certain positions. Further detail is available on the Financial Services Register. (IMA Waiver Permission Link)

2.2.3 Non-trading book exposure to equities

The Group holds a small number of non-trading equity assets. These are held at fair value and designated for accounting purposes as 'available-for-sale' rather than 'held-for-trading' due to the expectation that the Group will hold these for the long term.

They are treated in line with the requirements of CRD IV, but are not considered material for the purposes of these disclosures.

2.2.4 Securitisations

The Group is not an active participant in the origination of securitisations (meaning pooled assets with tranched risk), and accordingly detailed Pillar 3 disclosures are not made.

Further information about securitisation policies can be found in the NHI financial statements at the following Link: NHI Annual Report

2.2.5 Directorships

The following table showing directorships held by members of the management body at the year end and complements disclosures made in the NEHS. Company only Annual Report.

Director	Internal directorships	External directorships
David Benson	5	-
Jonathan Lewis	2	-
Lewis O'Donald	4	-
Paul Spanswick(1)	6	2
David Findlay(1)	18	2
James Leng	3	2
Minoru Shinohara	4	-
Sir Andrew Cahn	2	9
Hiroyuki Suzuki(2)	5	-
Jonathan Britton	3	7
David Godfrey	3	3

(1) Resigned 27 July 2016

(2) Resigned 22 June 2016

All internal directorships are held within the NHI group. All external directorships are either Non-Executive directorships or are positions within charitable companies/bodies. None of the external directorships are Executive directorships.

Nomura is committed to fostering our corporate culture which respects our people's values regardless of their background, such as gender, nationality, ethnic origin, age, sexual orientation or gender identity. We strive to offer equal opportunities to all personnel to enable each and every one of them to develop their capabilities and strengths as individuals to the fullest and perform as Nomura professionals.

The Nomination Committee has responsibility for leading the process for Board appointments and for identifying and nominating candidates for appointment to the Board. Board appointments will be based on merit and candidates will be considered against objective criteria. We strive to maintain a Board in which a diverse range of skills, knowledge and experiences are combined in an environment which values the input of every director.

All of the above directorships are compliant with CRD IV requirements.

2.2.6 Risk management objectives and policies

The Group's risk strategy comprises a key component of the overall NHI risk strategy and is closely linked to that broader risk strategy. The Group's risk strategy has been established using a similar risk management framework as the one for NHI, and is articulated by the Board of NEHS through three key elements:

- Risk taking is a component of the business strategy approved by the Board of NEHS;
- Risk governance is established through the Board-approved committee structure, risk policies and devolved individual accountabilities for risk management;
- The risk appetite statement is established to articulate the maximum level and types of risk that the Group is willing to assume in pursuit of its strategic objectives and business plan.

The Group defines risks as (i) the potential erosion of its capital base due to unexpected losses arising from risks to which its business operations are exposed, such as market risk, credit risk, operational risk and model risk, (ii) liquidity risk, the potential lack of access to funds or higher cost of funding than normal levels due to a deterioration in NHI's creditworthiness or deterioration in market conditions, and (iii) business risk, the potential failure of revenues to cover costs due to a deterioration in the earnings environment or a deterioration in the efficiency or effectiveness of its business operations.

The Board of Directors of the Company is ultimately responsible for identifying and controlling these risks through its overall risk management approach and approval of risk strategies and principles. These risks are managed through sub-committees of the Board of NEHS:

- The Prudential Risk Committee ("PRC") has oversight of, and provides advice to, the Board on the Group's risk profile, risk appetite, future risk strategy and maintenance of an appropriate risk control framework.
- The Financial Conduct Committee is responsible for ensuring an effective internal control and risk management environment is maintained in respect of the financial conduct risks impacting the Group and for ensuring corporate objectives for the Group are achieved and are consistent with NHI.
- The Risk Management Committee considers and monitors the risk exposures of the Company, including market, counterparty credit, operational, model, liquidity and business risks.
- Various committees are responsible for the review and approval of risks arising in relation to transactions originated and booked within EMEA. Additionally there are committees dedicated to overseeing cross-border risk in relation to non-Europe Middle East and Africa ("non-EMEA") business booked into certain European entities, including the subsidiaries of the Group.

The Directors are ultimately responsible for reviewing the adequacy of the risk management arrangements of the Group and consider that the arrangements in place are adequate.

2.2.7 Monitoring, Reporting and Data Integrity

Development, consolidation, monitoring and reporting of risk management information ("risk MI") are fundamental to the appropriate management of risk. The aim of all risk MI is to provide a basis for sound decision-making, action and escalation as required. The Risk Management Division and the Finance Division are responsible for producing regular risk MI, which reflects the position of Nomura relative to stated risk appetite. Risk MI includes information from across the risk classes defined in the risk management framework and reflects the use of the various risk tools used to identify and assess those risks. The Risk Management Division is responsible for implementing appropriate controls over data integrity for risk MI.

2.2.8 Risk Appetite

The Group's risk appetite defines the type and quantum of risk that the Group is willing to assume in pursuit of its strategic objectives and business plan. This must be within its risk capacity which is determined by constraints including regulatory capital, liquidity, and business conditions.

The Group's risk appetite includes quantitative metrics and/or qualitative statements in relation to capital adequacy, liquidity risk, market and credit risk, cross-border risk, operational risk, model risk, and compliance risk.

Quantitative Metrics

Quantitative metrics of risk appetite are used to define, wherever possible, the maximum level of risk that the Group is willing to assume for each risk class.

To ensure compliance with the quantitative metrics of risk appetite, risk limits are established as a control measure where required. Risk limits are cascaded down to business unit levels where appropriate.

The risk appetite and risk limits for the Group and for EMEA are established at levels that are consistent with the cascaded NHI risk appetite and risk limits. The lower level risk limits are used to manage the business at the more granular levels of the hierarchy in a manner that is consistent with the entity level risk appetite.

Some of the measures used for the Group's quantitative risk appetite are calculated differently from those used in the NHI risk appetite in line with local regulations, and for some of the measures there are additional local regulatory requirements, so additional specific measures have been established at the Group level to ensure this compliance.

The quantitative metrics include, but are not limited to:

- Capital adequacy metrics, such as Tier 1 capital headroom above capital buffers, capital coverage ratio, stressed Tier 1 ratio and economic capital ratio
- Liquidity risk metrics, such as Maximum Cumulative Outflow under different scenarios, Liquidity Coverage Ratio
- Market and credit risk metrics, such as economic capital
- Cross-border risk metrics, such as Risk Weighed Asset, economic capital and VaR
- Operational risk metrics, such as the aggregated operational risk losses as a percentage of gross revenue on a 12-month rolling basis
- Model risk metrics, such as model reserves as a percentage of economic capital measure

Qualitative Statements

Qualitative statements of risk appetite complement quantitative metrics in articulating, for each risk class, the motivations for taking on or avoiding certain types of risks.

The qualitative statements include, but are not limited to, a description of the approach used to manage market risk and credit risk, concentration risk, illiquid assets, cross-border risk, operational risk, model risk and compliance risk.

The Group's risk appetite statements are approved by the Board, and tracked and communicated to that forum on an ongoing basis. There is clear ownership and accountability for each category of risk and individual risk appetite measures across both quantitative and qualitative components. The risk appetite statements may be reviewed on an ad hoc basis, and must specifically be reviewed following any significant changes in strategy.

2.2.9 Exposure to counterparty credit risk

Risk Measures

In December 2012, NIP was granted permission by the PRA to use the Internal Model Method ("IMM") in combination with the standardised approach in the calculation of counterparty credit risk capital requirements.

The Group's main type of counterparty credit risk exposures arise from derivatives transactions or securities financing transactions. For derivatives and securities financing transactions, the Group measures credit risk primarily by way of a Monte Carlo-based simulation model that determines a Potential Exposure profile at a specified confidence level. For NIP, which includes most of the counterparty credit risk of the Group, the exposure calculation model used for counterparty credit risk management is also used for the

IMM-based exposure calculation for regulatory capital reporting purposes since the end of December 2012. Loans and lending commitments are measured and monitored on both a funded and unfunded basis.

Credit Limits

Internal ratings form an integral part in the assignment of credit limits to counterparties. The Group's credit limit framework is designed to ensure that the Group takes appropriate credit risk in a manner that is consistent with its overall risk appetite. Global Credit policies define the delegated authority matrices that establish the maximum aggregated limit amounts and tenors that may be set for any single counterparty group based on their internal rating.

Credit exposures against counterparties are managed by means of setting credit limits based upon credit analysis of individual counterparty. Credit risk is managed daily through the monitoring of credit exposure against approved credit limits and the ongoing monitoring of the creditworthiness of the Group's counterparties. Any change in circumstance that alters the Group's risk appetite for any particular counterparty, sector, industry or country is reflected in changes to the internal rating and credit limit as appropriate.

Nomura Capital Allocation Target ("NCAT") is the measure of economic capital used by NHI and its affiliates, including the Group. NCAT is defined as the amount of capital required to absorb unexpected losses over a one-year time horizon under a severely adverse scenario. For quantification purposes, a severely adverse scenario is interpreted as the unexpected loss computed by the risk model at the 99.95th percentile, or the equivalent Expected Shortfall. NCAT is used as a constraint on the total level of risk which can be taken by the Group. NCAT has various uses within the Group, for example, for counterparty credit exposure management the Group uses the Credit NCAT model to derive single name limits by rating.

Wrong Way Risk

Wrong Way Risk ("WWR") occurs when exposure to a counterparty is highly correlated with the deterioration of creditworthiness of that counterparty. The Group has established policies that govern the management of any WWR exposures. Stress testing is used to support the assessment of any WWR embedded within existing portfolios and adjustments are made to credit exposures and regulatory capital, as appropriate.

WWR analysis is performed by the Risk Management Division and presented monthly to the PRC. The analysis is provided to assist the business and senior management in determining whether the level of wrong way risk is a concern and action should be taken to reduce it.

Risk Mitigation

The Group utilizes financial instruments, agreements and practices to assist in the management of credit risk. The Group enters into legal agreements, such as the International Swap and Derivatives Association, Inc. ("ISDA") agreements or equivalent (referred to as "Master Netting Agreements"), with many of its counterparties. Master Netting Agreements allow netting of receivables and payables and reduces losses potentially incurred as a result of a counterparty default. Further reduction in credit risk is achieved through entering into collateral agreements that allow the Group to obtain collateral from counterparties either upfront or contingent upon exposure levels, changes in credit rating or other factors.

Given the potential for loss resulting from unsecured exposures, as a general rule, all extensions of credit by the Group should be collateralised. However, in certain cases where there is sufficient risk appetite, unsecured exposure may be approved by the relevant credit risk managers in conjunction with the Front Office. In addition, there are certain jurisdictions with specific rules relating to approvals and management of collateral. To ensure compliance, any local regulatory rules or statutes that are stricter must be followed.

Legal agreements should ensure that margin agreements and collateral accepted from clients provide the best possible protection for the Group. Any collateral types included for exposure reduction must meet the requirements of the CRR. New collateral types, including non-standard collateral must be approved by the Global Collateral Steering Committee. Any non-standard collateral that gets approved must also be reviewed by all relevant departments to ensure that the operational capability is in place to properly control the new collateral type, and that concentration, reuse and liquidity implications are understood. The review must include any local or legal entity policies or procedures that contain rules relating to eligibility or acceptable collateral.

Concentrations of collateral by issuer, country and counterparty are monitored and reported to senior management. Haircuts are applied to collateral and set according to the volatility of the asset. Haircut levels are determined through quantitative and historical analysis.

The Group utilises financial instruments, to assist in the management of counterparty credit risk. The Group enters into credit hedges in the form of single name credit default swaps, credit contingent CDS and credit index swaps to mitigate losses arising from deterioration in counterparty creditworthiness. The Group actively monitors large exposures to collateralised counterparties and seeks to reduce exposures through trade compression and hedging with single name credit default swaps.

2.2.10 Use of the Internal Risk Models for Market Risk

In July 2013, NIP was granted permission by the PRA to use internal modelled Value at Risk ("VaR") methodology in the calculation of market risk capital requirements for certain credit and interest rates positions (e.g. bonds, credit default swaps, loans in the trading book and others), certain equity positions (e.g. cash equities, equity forwards, equity swaps and others) and certain foreign exchange positions (e.g. FX spot, FX futures, FX forwards, FX swaps, cross-currency swaps and others).

Effective management of market risk requires the ability to analyse a complex and constantly changing global market environment, identify problematic trends and ensure that appropriate action is taken in a timely manner. The Group uses a variety of statistical risk measurement tools to assess and monitor market risk on an ongoing basis including, but not limited to VaR, Stressed VaR ("SVaR"), Comprehensive Risk Measure ("CRM") and Incremental Risk Charge ("IRC").

VaR and SVaR

VaR is a measure of the potential loss due to adverse movements of market factors, such as equity prices, interest rates, credit, foreign exchange rates, and commodities with associated volatilities and correlations.

A single VaR model has been implemented globally in order to determine the total trading VaR for the Group. A historical simulation is implemented, where historical market moves over a two-year window are applied to the Group's current exposure in order to construct a profit and loss distribution. Potential losses can be estimated at required confidence levels or probabilities. A scenario weighting scheme is employed to ensure that the VaR model responds to changing market volatility. For credit and interest rates products, a profit and loss distribution is generated using the full revaluation method. For equity and foreign exchange products, a profit and loss distribution is generated using spot-volatility grids. However, for some products that have linear returns, "greeks" (e.g. the "delta" or the ratio comparing the change in the price of a derivative to the corresponding change in the price of the underlying asset) are applied to the underlying price series in order to generate a profit and loss distribution.

The Group uses the same VaR model for both internal risk management purposes and for regulatory reporting. For internal risk management purposes, VaR is calculated at a 99% confidence level and using a 1-day time horizon. For regulatory capital, the Group uses the same confidence level but a 10-day time horizon calculated using actual 10-day historical market moves.

The Group's VaR model uses exact time series for each individual risk factor. However, if good quality data are not available, a "proxy logic" maps the exposure to an appropriate time series. The level of proxying taking place is carefully monitored through internal risk management processes and there is a continual effort to source new time series to use in the VaR calculation.

The performance of the Group's VaR model is constantly monitored to ensure that it remains fit for purpose. The main approach for validating VaR is to compare 1-day trading losses with the corresponding VaR estimate. The Group's VaR model is backtested at different hierarchy levels. Backtesting results are reviewed on a monthly basis by the Risk Management Division.

1-day trading losses exceeded the 99% VaR estimate on two occasions for NIP and one occasion for NCM for the year ended 31 March 2016.

VaR aggregates risks from different asset classes in a transparent and intuitive way. However, there are limitations. VaR is a backward-looking measure: it implicitly assumes that distributions and correlations of recent factor moves are adequate to represent moves in the near future. VaR is appropriate for liquid markets and is not appropriate for risk factors that exhibit sudden jumps. Therefore it may understate the impact of severe events. Given these limitations, Nomura uses VaR only as one component of a diverse risk management process.

To complement VaR under Basel 2.5 regulations, the Group also computes SVaR, which samples from a one-year window during a period of financial stress. The SVaR window is regularly calibrated and observations are equally weighted.

Incremental Risk Charge (“IRC”)

IRC is a measure of the potential loss from credit migration and default events on debt securities over a one year time horizon and 99.9% confidence level. IRC is calculated by Monte Carlo simulation of correlated migration and default events. P&L from migration is computed by applying credit spread shocks based on initial and final credit rating, adjusted for basis risk by product, recovery and maturity. P&L from default is simulated including stochastic recovery, correlated with overall default rates. A key determinant of IRC on a position is the credit rating of the obligor, which is based on NHI’s IRB Internal Rating system. The IRC scope covers all debt securities as approved by the PRA, with the exception of trades covered under the Comprehensive Risk Measure as further described below. All positions in the IRC model are assumed to have a one year liquidity horizon.

Comprehensive Risk Measure (“CRM”)

CRM is a measure of the potential loss from all forms of market and credit events on the portfolio of credit correlation instruments over a one year time horizon and 99.9% confidence level. CRM is calculated by Monte Carlo simulation of correlated market and credit shocks, and full revaluation of the CRM portfolio applied to scenarios which drive severe losses. The main market risk factors driving CRM are implied correlation, modelled using a transformed Ornstein-Uhlenbeck process, and credit spreads, modelled using Geometric Brownian Motion. Index single name basis risk is also included, as is correlation between market risk factors and defaults. Defaults are simulated using the same credit risk model as in IRC, with credit ratings based on NHI’s internal rating system. CRM scope covers collateralised debt obligations and first-to-default positions, plus designated single-name and index hedges in the portfolio of credit correlation instruments. All positions in the CRM model are assumed to have a one year liquidity horizon.

2.2.11 Stress testing

Stress testing is used to complement any internal risk models in order to identify certain risks to portfolios, at various levels, which are adversely affected by certain shocks when such portfolios are non-linear and tail risks from potentially higher moves than those captured by the VaR model; to overcome limitations of models and historical data when assessing and controlling risk; and to identify risk concentrations and potential correlations across instruments, risk types and businesses.

Unless specific to one asset class, stress tests are economically coherent, challenging, and comprehensive in terms of business and risk coverage. Stress tests specific to one risk class also known as grids are also run and aggregated at levels where this specific risk is managed.

Stress tests are applied to all trades notwithstanding the way they are treated in VaR in order to be able to get a consistent view of the risks. However, analysis could be done at any level of business, or aggregation when required. Stress tests are performed by defining and applying shocks to the data used as input into the VaR model such as shocks to credit spreads, to bond prices, to interest rates, to equity price, foreign exchange rates as well as shocks to the volatility and other factors impacting the data used as input into the VaR model.

3. Quantitative Disclosures

3.1 Own Funds

CRR Articles 437 and 492

The Group and NIP Own Funds at the 31 March 2016 were:

ITS[(1)]	31 March 2016 $m	The Group	NIP
1	Common Equity Tier 1 capital instruments and share premium	12,351	10,018
2	Retained earnings	(7,737)	(6,173)
3	Other reserves	977	1,175
6	**Common Equity Tier 1 before regulatory adjustments**	**5,591**	**5,020**
8	Deduction from Tier 1: other intangible assets[(2)]	(16)	(8)
	Prudential filters:		
14	Liabilities own credit risk adjustment[(3)]	(158)	(149)
7	Prudent valuation adjustment[(4)]	(193)	(176)
28	**Total Regulatory Adjustments to Common Equity Tier 1**	**(367)**	**(333)**
29	**Common Equity Tier 1**	**5,224**	**4,687**
46	Tier 2 capital	2,160	1,260
59	**Total Capital[(5)]**	**7,384**	**5,947**
61	**Common Equity Tier 1 Ratio[(6)]**	**14.4%**	**14.0%**
63	Total Capital as a percentage of total Risk Exposure amounts	20.3%	17.7%
64	Institution specific buffer requirement[(7)]	5.1%	5.1%
65	of which: Capital conservation buffer requirement	0.63%	0.63%
66	of which: Countercyclical buffer requirement[(8)]	0.02%	0.01%
68	Common Equity Tier 1 available to meet Buffers [(9)]	9.9%	9.5%

(1) Implementing Technical Standards Regulations (EU) no. 1423/2013
(2) CRR Article 37
(3) CRR Article 33 (1) (c) / CRR Article 33 (1) (b)
(4) CRR Article 34
(5) Per the Group (section 3.2) and NIP (section3.3) reconciliation of own funds to the audited financial balance sheet
(6) Tier 1 capital ratio is equal to the Common Equity Tier 1 ratio
(7) Institution specific buffer requirement (CET1 requirement in accordance with Article 92 (1)(a) plus capital conservation buffer and countercyclical buffer requirements expressed as a percentage of risk exposure amounts)
(8) Section 3.4 amount of institution-specific countercyclical capital buffer
(9) Common Equity Tier 1 available to meet buffers as a percentage of risk exposure amounts

There are no innovative Tier 1 instruments held nor expected loss amounts. No restrictions have been applied to the calculation of Common Equity Tier 1 or the prudential filters to Common Equity Tier 1. The Group is not applying transitional provisions of CRD IV to Own Funds.

Tier 1 capital consists of share capital and reserves.

Group Tier 2 consists of subordinated debt (see Appendices).

At 31 March 2016 there were no applicable systemic risk or other systemically important institution (“OSII”) buffers.

A description of the main features of the Group and NIP Common Equity Tier 1 and Tier 2 capital has been included in the appendices.

3.1.1 Regulatory prudent valuation of assets carried at fair value

In accordance with CRD IV a prudential valuation adjustment is deducted from the Group’s Tier 1 Capital. There are established fair valuation and prudent valuation frameworks which set out the policies and procedures for the determination of price verification and prudent valuation in accordance with the requirements of CRD IV and related interpretive guidance.

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3.2 Reconciliation of Group Own Funds to the audited financial balance sheet

CRR Articles 437(a)

31 March 2016 $m	NEHS Company Only Accounts[(1)]	Consolidation Adjustments	NEHS Group[(2)]	Other regulatory adjustments	Intangible Assets[(3)]	Prudential filters: Derivative liabilities own credit risk adjustment[(4)]	Prudential filters: Liabilities own credit risk adjustment[(5)]	Prudential filters: Prudent valuation adjustment[(6)]	Group Regulatory position
Called up share capital	9,251	-	9,251	3,093					**12,344**
Share premium	7	-	7	-					**7**
Available-for-sale reserve	-	4	4	-					**4**
Share based payment reserve	-	1,004	1,004	-					**1,004**
Translation Reserve	-	(31)	(31)	-					**(31)**
Retained Earnings	(5,244)	(586)	(5,830)	(1,907)	(16)	(149)	(9)	(193)	**(8,104)**
Common Equity Tier 1	**4,014**	**391**	**4,405**	**1,186**	**(16)**	**(149)**	**(9)**	**(193)**	**5,224**
Creditors: Amounts Falling Due More Than One Year	2,160	-	2,160	-	-	-	-	-	**2,160**
Tier 2 Capital Instruments	**2,160**	-	**2,160**	-	-	-	-	-	**2,160**
Own Funds	**6,174**	**391**	**6,565**	**1,185**	**(16)**	**(149)**	**(9)**	**(193)**	**7,384**

(1) Per audited NEHS Company only Annual Report & Accounts
(2) Per NEHS Consolidated Primary Financial Statements
(3) CRR Article 37
(4) CRR Article 33 (1) (c)
(5) CRR Article 33 (1) (b)
(6) CRR Article 34

3.3 Reconciliation of NIP Own Funds to the audited financial balance sheet

CRR Articles 437(a)

31 March 2016 $m	NIP Company Accounts[(1)]	Intangible Assets[(2)]	Prudential Filters Derivative liabilities own credit risk adjustment[(3)]	Prudential Filters Prudent valuation adjustment[(4)]	NIP Regulatory position
Called up share capital	9,991				**9,991**
Share premium	27				**27**
Capital redemption reserve	184				**184**
Other reserves	(17)				**(17)**
Available-for-sale reserve	4				**4**
Share based payment reserve	1,004				**1,004**
Retained Earnings	(6,173)	(8)	(149)	(176)	**(6,506)**
Common Equity Tier 1	**5,020**	**(8)**	**(149)**	**(176)**	**4,687**
Creditors: Amounts Falling Due More Than One Year	1,260	**-**	**-**	**-**	**1,260**
Tier 2 Capital instruments	**1,260**	**-**	**-**	**-**	**1,260**
Own Funds	**6,280**	**(8)**	**(149)**	**(176)**	**5,947**

(1) Per audited NIP Company Only Annual report
(2) CRR Article 37
(3) CRR Article 33 (1) (c)
(4) CRR Article 34

3.4 Amount of institution-specific countercyclical capital buffer

CRR Article 440

The Countercyclical Capital Buffer ("CCyB") has been introduced to ensure that capital buffers are built up when credit growth is excessive. As at 31 March 2016, Norway, Sweden and Hong Kong have set non zero CCyB rates. A geographic distribution of own funds requirements has been included in section 3.5.

For the Group the relevant credit exposure relates to issuer risk, counterparty and credit risk exposures predominantly to corporate counterparties. The CCyB for NIP is materially in line with the Group.

31 March 2016 $m	The Group
Total risk exposure amount	36,394
Institution specific countercyclical buffer rate	0.02%
Institution specific countercyclical buffer requirement	6

3.5 Geographical distribution countercyclical capital buffer (CCyB)

CRR Article 440

This table provides a summary of the geographical distribution of own funds requirements as noted above.

	Own funds requirements				
31 March 2016 $m	Of which: general credit exposures	Of which: trading book exposures	Total	Own Funds requirement weights	CCyB Rate
Hong Kong	7	6	13	1.27%	0.63%
Norway	5	0	5	0.53%	1.00%
Sweden	3	1	4	0.39%	1.00%
United Kingdom	183	3	186	18.55%	0.00%
United States of America	92	5	97	9.70%	0.00%
Cayman Islands	88	5	93	9.26%	N/A
Netherlands	82	2	84	8.37%	0.00%
Luxembourg	77	1	78	7.78%	0.00%
France	51	2	53	5.25%	0.00%
Ireland	49	3	52	5.20%	0.00%
Germany	34	2	36	3.58%	0.00%
Spain	29	5	34	3.47%	0.00%
Japan	22	9	31	3.10%	0.00%
United Arab Emirates	22	2	24	2.43%	N/A
British Virgin Islands	23	0	23	2.29%	N/A
Italy	16	0	16	1.59%	0.00%
Taiwan	14	2	16	1.56%	N/A
Turkey	7	7	14	1.33%	0.00%
Denmark	13	0	13	1.31%	0.00%
Belgium	11	1	12	1.26%	0.00%
Switzerland	12	0	12	1.20%	0.00%
Canada	12	0	12	1.18%	N/A
Singapore	10	0	11	1.05%	N/A
Other[(1)]	61	23	84	8.36%	N/A
Total	**923**	**79**	**1,002**	**100.00%**	

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

3.6 Capital Requirements and risk weighted exposure

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

The Group and NIP Risk Weighted Exposure ("RWE") and capital requirements for the most recent year end were:

31 March 2016 $m	The Group RWE	The Group Capital	NIP RWE	NIP Capital
Market Risk:				
Traded debt	1,107	89	1,107	89
Equity	254	20	254	20
Foreign exchange	795	64	749	60
Modelled market risk	6,055	484	4,097	328
Total Market Risk capital requirement	**8,211**	**657**	**6,207**	**497**
Counterparty and Credit Risk:				
Central governments or central banks	170	14	55	4
Regional governments or local authorities	93	7	44	4
Public sector entities	265	21	265	21
Multilateral development banks	16	1	16	1
Institutions	5,734	459	5,418	433
Corporates	11,444	916	12,129	970
Other items	129	10	54	4
Total Counterparty and Credit Risk capital requirement	**17,851**	**1,428**	**17,981**	**1,437**
Of which non trading	*3,515*	*281*	*3,524*	*282*
Total Settlement Risk capital requirement	24	2	24	2
Total Operational Risk capital requirement	3,714	297	2,697	216
Total Credit Valuation Adjustment capital requirement	5,844	467	5,730	458
Total Large Exposure Risk capital requirement	750	60	910	73
Total RWE and capital requirements	**36,394**	**2,911**	**33,549**	**2,683**

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

3.7 Counterparty risk exposure method

CRR Article 439 (f)

This table provides Group Counterparty and Credit Risk Exposures by calculation method. Counterparty and Credit exposures for NIP are materially in line with the Group.

31 March 2016 $m	Exposure at Default
Mark to Market Method	39,538
Internal Model Method	16,351
Standardised Credit Risk Method	8,407
Counterparty risk exposure	**64,296**

3.8 Credit quality step analysis of counterparty and credit risk exposures before credit risk mitigation

CRR Article 444 (e)

Tables 3.8 and 3.9 show the Group Counterparty Credit Risk and Credit Risk exposures classified by exposure class and Credit Quality Step (CQS). Table 3.8 presents exposures before credit risk mitigation and Table 3.9 presents exposures after credit risk mitigation. Counterparty and Credit exposures for NIP are materially in line with the Group.

	Credit Quality Step							
31 March 2016 $m	1	2	3	4	5	6	Not rated	Total
Central governments or central banks	16,953	41	13	2	-	47	310	**17,366**
Regional government or local authorities	193	-	254	37	-	-	417	**901**
Public sector entities	451	-	-	6	-	-	1,096	**1,553**
Multilateral development banks	82	-	-	-	-	-	107	**189**
Institutions	13,702	68,066	5,382	428	582	39	110,516	**198,715**
Corporates	347	2,127	779	80	123	2	18,318	**21,776**
Other items	-	-	-	5	-	-	1,615	**1,620**
Total	**31,728**	**70,234**	**6,428**	**558**	**705**	**88**	**132,379**	**242,120**

3.9 Credit quality step analysis of counterparty and credit risk exposures after credit risk mitigation

CRR Article 444 (e)

31 March 2016 $m	Credit Quality Step 1	2	3	4	5	6	Not rated	Total
Central governments or central banks	13,636	41	13	2	-	47	310	**14,049**
Regional government or local authorities	127	-	214	37	-	-	401	**779**
Public sector entities	120	-	-	6	-	-	1,096	**1,222**
Multilateral development banks	82	-	-	-	-	-	107	**189**
Institutions	3,478	5,938	1,943	49	98	21	23,993	**35,520**
Corporates	211	1,708	494	73	101	-	9,760	**12,347**
Other items	-	-	-	-	-	-	190	**190**
Total	**17,654**	**7,687**	**2,664**	**167**	**199**	**68**	**35,857**	**64,296**

3.10 Derivative counterparty credit exposures

CRR Article 439 (e)

This table shows the Group trading book derivative exposure under the mark to market approach broken down by gross positive fair value before netting. Net current credit exposure is after the application of netting and collateral received. Derivative exposures under the mark to market method for NIP are materially in line with the Group. The IMM net credit exposure represents the effective expected exposure of the modelled derivative population.

31 March 2016 $m	Mark to Market Method	Internal Model Method	Total
Gross positive fair value of contracts	125,675		
Potential future credit exposure	75,258		
Netting benefits	(151,589)		
Netted Current Credit Exposure	**49,344**		
Collateral held	(22,238)		
Net Derivatives Credit Exposure	**27,106**	**8,004**	**35,110**

3.11 Notional value of credit derivative contracts

CRR Article 439 (g) and (h)

Where a market in credit derivatives exists, the Group may choose to purchase default protection in the form of a credit derivative from a third party.

31 March 2016 $m	Protection bought	Protection sold	Total
Credit derivative notional value	236,677	238,042	474,719

3.12 Impact of a credit downgrade on collateral pledged

CRR Article 439 (d)

Neither the Group nor NIP is rated by an External Credit Assessment Institution ("ECAI"). The NIP ISDA Credit Support Annex ("CSA") references Nomura Securities Co. Ltd ("NSC") as a credit reference entity.

A one notch downgrade in the credit rating of NSC would trigger the pledge of a further $57m of collateral.

3.13 Geographical analysis of credit risk exposures before credit risk mitigation

CRR Article 442 (c), (d), (e) and (g)

Tables 3.13 and 3.14 show the Group credit risk exposures before credit risk mitigation. Table 3.13 shows the exposure by exposure class defined in the CRR and geographic region of the exposure. Table 3.14 presents the same information by exposure class and maturity of the exposure.

31 March 2016 $m	EMEA	Asia	Americas	Total	Average[(1)]
Central governments or central banks	2,331	574	-	**2,905**	**2,008**
Regional government or local authorities	253	34	-	**287**	**246**
Public sector entities	-	-	-	**-**	**207**
Multilateral development banks	50	-	-	**50**	**34**
Institutions	2,737	484	430	**3,651**	**3,236**
Corporates	1,946	180	832	**2,958**	**3,306**
Other items	140	-	-	**140**	**229**
Total	**7,457**	**1,272**	**1,262**	**9,991**	**9,266**

(1) Average total exposure over the year

3.14 Residual maturity analysis of credit risk exposures before credit risk mitigation

CRR Article 442 (f)

Table 3.14 presents the same information as above but categorised by exposure class and maturity of the exposure.

31 March 2016 $m	Less than 3 months	3 months to 1 year	1 year to 3 years	3 years to 5 years	5 years to 10 years	Over 10 years or undated	Total
Central governments or central banks	2,886	19	-	-	-	-	**2,905**
Regional government or local authorities	287	-	-	-	-	-	**287**
Multilateral development banks	50	-	-	-	-	-	**50**
Institutions	3,382	200	48	7	14	-	**3,651**
Corporates	1,392	161	399	494	176	336	**2,958**
Other items	78	-	-	-	-	62	**140**
Total	**8,075**	**380**	**447**	**501**	**190**	**398**	**9,991**

3.15 Analysis of impaired and past due exposures and allowance for impairment

CRR Article 442 (h)

Please refer to the NEHS Company only Annual Report for the year ended 31 March 2016 for further details of the policies related to impaired assets**.** Neither the Group nor NIP had impaired assets as at 31 March 2016.

3.16 Market risk internal model approach values for trading portfolios

CRR Article 455

3.16.1 Review of Market Risk regulatory measures

The table below summarises the regulatory market risk measures for in scope positions under the PRA approved internal model approach. Standardised regulatory capital calculations are performed for positions that do not meet the conditions for inclusion within the approved internal model approach.

1-day trading losses exceeded the 99% VaR estimate on two occasions for Nomura International plc and one occasion for Nomura Capital Market for the year ended 31 March 2016.

31 March 2016 $m	The Group	NIP
VaR (10 day 99%)		
Maximum value	233	37
Average value	66	33
Minimum value	42	14
Period end	37	24
Stressed VaR (10 day 99%)		
Maximum value	146	123
Average value	80	58
Minimum value	56	36
Period end	66	44
Incremental Risk Charge (99.9%)		
Maximum value	188	159
Average value	105	73
Minimum value	64	35
Period end	85	50
Comprehensive Risk capital charge (99.9%)		
Maximum value	1	1
Average value	0	0
Minimum value	-	-
Period end	0	0

3.16.2 Market risk internal model capital requirement

31 March 2016 $m	The Group	NIP
VaR (10 day 99%)		
Period end	37	24
60 day average multiplied by 3	127	74
Higher value[1]	**127**	**74**
Stressed VaR (10 day 99%)		
Period End	66	44
60 day average multiplied by 3	223	155
Higher value[1]	**223**	**155**
Incremental Risk Charge (99.9%)		
Period End	85	50
60 day average	89	57
Higher Value[1]	**92**	**57**
Comprehensive Risk capital charge (99.9%)		
Period End	0	0
60 day average	0	0
Higher value[1]	**0**	**0**
Risk Not In VaR	**8**	**8**
Stressed Risk Not In VaR	**34**	**34**
Total Modelled Market Risk	**484**	**328**

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

3.17 Sensitivity of the banking book to changes in interest rates

CRR Article 448

Trading Book and Banking Book

The Group's principal activities are broking and dealing in securities, derivatives and banking activities. They include, among other services; trading and sales in fixed income and equity products, including related derivatives; investment banking services; asset and principal finance business, corporate finance and private equity.

The Group's assets and positions/transactions in financial instruments are included in the trading book where they satisfy the requirements of CRR Article 102. The Group has policies and procedures for determining which positions to include in the trading book for the purposes of calculating its capital requirements and for the management of the trading book. All other assets and positions/transactions are considered to be banking book.

Analytical Techniques to Measure IRRBB

Stress testing is used as the primary analytical technique to measure Interest Rate Risk in the Banking Book ("IRRBB"). Based on the types and level of interest rate (IR) exposure in the Banking Book, the Market Risk Department defines and runs a number of stress tests.

The types of stress tests used include +/-200bp parallel moves, and others as appropriate, to ensure the key interest rate risks in the Banking Book are captured; for example steepening and flattening moves across the tenor points or stress tests which have different shock levels for different currencies. The calculation of IRRBB is performed on a monthly basis.

Market Risk Limit

The interest rate risk stress test limit on the Banking Book is $90m, and the alert threshold is $50m. The Market Risk Department takes the stress test which produces the largest loss and compares that to the above limit.

The stress results are sent to the Regulatory Reporting Group in Finance, which is responsible for ensuring that the firm is holding adequate capital to cover this risk in the Banking Book. In addition, the results of the stress tests and the usage against the limit are presented and explained to the Risk Management Committee on a monthly basis. Management information on IRRBB is also presented to the Board Risk Committee on a regular basis.

As of 31 March 2016, a rates steepening scenario resulted in a loss of $10.6m.

3.18 Leverage Ratio

The leverage ratio disclosures, which came into effect from 1 January 2015, have been prepared in accordance with the requirements of the EU Capital Requirements Regulation (CRR) as amended by Delegated Regulation (EU) 2015/62. The calculation uses the end-point CRR definition of Tier 1 capital for the numerator and the CRR definition of leverage exposure.

Leverage reconciliation of accounting assets and leverage ratio exposures

CRR Article 451

31 March 2016 **$m**	**The Group**	**NIP**
Total assets as per published financial statements(1)	7,249	383,006
Consolidation adjustment	378,234	-
Total Assets(2)	**385,483**	**383,006**
Adjustments for derivative financial instruments	(136,865)	(134,260)
Adjustments for securities financing transactions	(6,280)	(5,706)
Adjustment for off-balance sheet items	3,079	3,079
Adjustment for intragroup exposures(3)	-	(3,636)
Other adjustments(4)	(242)	(463)
Total leverage ratio exposure	**245,175**	**242,020**

(1) The Group total assets per NEHS Company only Annual Report & Accounts
(2) The Group total assets per NEHS Consolidated Primary Financial Statements
(3) NIP exposures to NBI are exempt
(4) Other regulatory adjustments

Leverage ratio common disclosure

CRR Article 451

31 March 2016 $m	The Group	NIP
On-balance sheet exposures		
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	38,736	36,830
Asset amounts deducted in determining Tier 1 capital	(209)	(184)
Total on-balance sheet exposures	**38,527**	**36,646**
Derivative exposures		
Replacement cost associated with all derivatives transactions	13,466	14,432
Add-on amounts for PFE associated with all derivatives transactions	69,282	71,500
Deductions of receivables assets for cash variation margin provided in derivatives transactions	(12,354)	(12,354)
Exempted CCP leg of client-cleared trade exposures	(1,840)	(1,840)
Adjusted effective notional amount of written credit derivatives	233,369	233,369
Adjusted effective notional offsets and add-on deductions for written credit derivatives	(220,915)	(220,915)
Total derivative exposures	**81,008**	**84,192**
Securities financing transaction exposures		
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	222,551	221,166
Netted amounts of cash payables and cash receivables of gross SFT assets	(112,482)	(112,493)
Counterparty credit risk exposure for SFT assets	12,492	13,067
Total securities financing transaction exposures	**122,561**	**121,740**
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	5,528	5,528
Adjustments for conversion to credit equivalent amounts	(2,449)	(2,449)
Other off-balance sheet exposures	**3,079**	**3,079**
Exempted exposures		
Exemption of intragroup exposures (solo basis) in accordance with Article 429(7)	**-**	**(3,636)**
Capital and total exposures		
Tier 1 capital	**5,224**	**4,687**
Total leverage ratio exposures	**245,175**	**242,021**
Leverage ratio	**2.13%**	**1.94%**

Breakdown of on-balance sheet leverage exposures (excluding derivatives, SFTs and exempted exposures)

CRR Article 451

31 March 2016 $m	The Group	NIP
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures)	38,736	36,830
of which: Trading book exposures	32,327	30,829
Banking book exposures	6,409	6,001
of which:		
Exposures treated as sovereigns	2,351	1,905
Institutions	2,355	2,245
Corporate	1,567	1,789
Other	136	62

Management of exposure to leverage forms a key part of the Group's overall strategy, business planning and risk appetite framework. The Group is committed to achieving full compliance with all relevant regulatory requirements and is implementing changes to ensure it meets the leverage ratio requirements by 1 January 2018.

3.19 Asset Encumbrance

CRR Article 443

An asset is encumbered if it has been pledged or is subject to any form of arrangement to secure, collateralise or credit enhance transactions from which they cannot be freely withdrawn.

The main source of encumbrance within the Group derives from Repurchase Agreement transactions with the majority of encumbered assets comprising of high-quality government bonds.

Secured lending and stock borrow/loan transactions are principally governed by Global Master Repurchase Agreements (GMRAs) and Global Master Stock Lending Agreements (GMSLAs). Collateral pledged on derivative transactions are principally governed by ISDA agreements, including CSA.

The following tables cover the requirement for all templates under the CRD IV guidelines. The amount reported in "Other assets" within "carrying amount of unencumbered assets" comprises mainly derivative assets, which are reported gross in accordance with UK GAAP**.**

Template A – Assets

$m	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets of the reporting institution	62,230		420,670	
Equity instruments	9,699	9,683	1,547	1,719
Debt securities	34,433	34,763	2,195	2,195
Other assets	1,020		248,519	

Template B – Collateral received

$m	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
Collateral received by the reporting institution	180,931	**36,231**
Equity instruments	21,922	**2,956**
Debt securities	158,071	**32,779**
Other collateral received	230	**189**
Own debt securities issued other than own covered bonds or ABS	-	-

Template C – Encumbered assets, collateral received and associated liabilities

$m	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	160,778	205,174

4. Remuneration Disclosures

While the Group applies many of the Remuneration Code principles on a firm-wide basis, this disclosure specifically relates to remuneration policies and approaches as applied to individuals identified as Material Risk Takers ("MRTs"). Individuals have been identified as MRTs based on the qualitative and quantitative criteria set out in the Regulatory Technical Standards (EU) 604/2014 and the Group's own risk assessment of their role.

Several subsidiaries of the Group, including NIP and NBI, are subject to, and apply, the requirements of the PRA Remuneration Code (SYSC 19D) ("the Code"), as well as article 450 of the Capital Requirements Regulation ("CRR"). This disclosure includes all entities with staff identified as Material Risk Takers.

4.1 Remuneration Policy

NHI has developed a global remuneration policy which applies to all subsidiaries globally (collectively the "NHI Group") including both executives and employees of the Group based around the following six key themes. It aims to:

- Align with Nomura values and strategies;
- Reflect Firm-wide, divisional and individual performance;
- Establish appropriate performance measurement with a focus on risk;
- Align employee and shareholder interests;
- Establish appropriate compensation structures; and
- Ensure robust governance and control processes.

4.2 Remuneration Governance

The remuneration process for the Group is overseen by the NEHS Remuneration Committee ("the Committee"). For the 2015/16 fiscal year, the Committee comprised the Chairman of the Board of Directors and other UK-based Non-Executive Directors of the Board. The Chairman has a second casting vote in the event of a tied vote. The term of office of each member of the NEHS Remuneration Committee is reviewed periodically, and membership changes must be approved by the Board. Appointments to the Committee are for a period of up to three years, extendable by no more than two additional three-year periods, so long as the majority of members (other than the Board Chair) continue to be independent Non-Executives.

The Committee held 7 meetings for the 2015/16 fiscal year.

The Group operates a remuneration policy with the following principles:

- The remuneration framework supports business strategy across the EMEA region;
- Members of executive management are rewarded for individual contributions to business success and are provided with incentives appropriate to the Group's risk management profile;
- Appropriate levels of incentive funding based on the Group's performance;
- Alignment to regulatory requirements;
- Ongoing review of appropriateness and relevance of remuneration policy in region; and
- Oversight of the remuneration of senior officers in the Control Functions.

Advisors or other contributors are not formally appointed or retained by the Committee, but are invited to attend the meetings to provide insight as required throughout the year end process.

Governance bodies of the NHI Group (such as the Statutory Compensation Committee and the Human Resources Committee) provide additional oversight and approval to certain aspects of the decision-making process.

4.3 Incentive Funding Determination

NHI Group operates both “top-down” and “bottom-up” processes in parallel to establish the appropriate total incentive funding level. The “top-down” process is intended to inform the decision around how much the firm should allocate for overall variable compensation funding based on performance. The “bottom-up” process helps to inform how the total incentive funding amount might be allocated across the NHI Group, also aligned with the “top-down” process.

A variety of financial performance measures, risk adjustment metrics and data points are used to inform the compensation decision regarding the firm wide incentive pool. The key risk-adjusted financial performance metric is PE / Risk adjusted Revenue. Risk adjustment is based on Nomura’s Capital Allocation Target (“NCAT”) risk metric, reflecting the amount of capital and risk applied, and an appropriate economic charge. This view is revised and updated as financial forecasts become firmer throughout the year-end process.

The Committee considers a mix of formulaic and discretionary factors when determining the allocation and distribution to employees:

- The Committee considers all relevant business performance data and key performance indicators “KPIs”, both relative and absolute when reviewing the funding recommendations including market and competitive conditions, franchise stability and protection, sustainable profitability of the NHI Group and Wholesale segment, capital position, shareholder interests and longer term role of the Group within the NHI Group; and
- The Committee also considers the appropriate level of market pay to retain experienced and skilled staff particularly in control functions where competitive pressures may be significant.

The “bottom-up” process operates with guidance based on the initial top-down view on projected funding levels and informs allocations based on business specific requirements, particularly for Corporate functions. Within guideline allocations, managers are asked to make individual award recommendations to allow reporting on how potential funding might be allocated across the firm. This process is also intended to flag particular areas of remuneration pressure or concern, and to validate the “top down” approach.

4.4 Control Functions

Risk Management and Control Functions have significant input into the remuneration policy decisions and the year end process. At the global level, the Risk and Compliance Functions play a continuing role in monitoring policy, ensuring appropriate metrics are considered, and that those metrics appropriately reflect the impact of risk behaviours. When reviewing policies, Risk, Compliance and Finance functions are consulted to ensure their views are reflected in the policies.

At the regional level, EMEA Heads of Risk, Finance and Compliance are standing attendees at the Remuneration Committee and provide an update on their respective function at every meeting. The Head of Internal Audit also attends as an observer and also provides an update on any areas of concern (e.g. adverse audit outcomes etc.) at the year-end meetings. Other areas of input from the Control Functions include:

- Risk Management:
  - Provide commentary on any risk issues that should impact bonus funding levels or affect the compensation of individuals or groups
  - Highlight instances where a business or individual has breached tolerable risk levels
- The Compliance function highlights if there are any specific concerns from their area. Specifically:
  - Provide input on Compliance issues, concerns and areas of focus, e.g. significant individual breaches or persistent cases of low level non-compliance with Group policies
  - Raise issues relating to individual or more widespread conduct issues as part of the Conduct Process set out in the Performance Adjustment Process referred to below. Compliance is

represented at both the EMEA Executive Committee, the Compensation Control Forum and the Remuneration Committee to provide the Control Function perspective

- Maintain an active dialogue with heads of key businesses and Control Functions which also gives the opportunity to raise concerns or flags about the behaviour or conduct of individuals or groups

The management structure in each Control Function is separate to the business they oversee to ensure independence. Remuneration levels of Control Function staff are established without influence from the business they support. The Remuneration Committee directly reviews and approves the Total Compensation awards for senior officers in the Risk Management, Compliance and Internal Audit Functions.

4.5 Nomura Remuneration Framework

Total Compensation ("TC") is Nomura's core metric for remuneration decisions, with levels compared against prior years, and both internal and external reference points. It is defined at Nomura as comprising the following elements:

Remuneration Element	Purpose	Example Elements
Fixed Remuneration	▪ Rewards individuals for their knowledge, skills, competencies, experience, roles and responsibilities ▪ Reflects local labour market standards and practices ▪ Levels sufficient to absorb changes in the amount of bonus (including reduction to zero)	▪ Base salary ▪ Cost of Living Allowance
Variable Remuneration (Annual Bonus)	▪ Rewards NHI Group, Group business, team and individual performance, contribution to results as well as strategic and future value ▪ Reflects a broad view of performance, including individual approach to risk, compliance, controls, conduct, cross divisional cooperation, as well as financial performance ▪ Reflects appropriate internal and market-based comparisons	▪ Cash bonus ▪ Deferred remuneration

Note: Benefits are driven by local market regulation and practice and are not included in Nomura's definition of TC. The Group does not award discretionary pension benefits.

Variable remuneration is discretionary, and aims to align reward with the NHI Group, Group business, team and individual performance. The level of variable remuneration is based on financial and non-financial performance. The NHI Group's approach to determining the total amount of variable remuneration is described under "Incentive Funding Determination" (Section 4.3) above.

Remuneration commitments (e.g. guaranteed bonuses) are only used in exceptional circumstances and only for the first year of employment; the Group gives such guarantees only extremely rarely, and in compliance with the requirements of the PRA's and FCA's Remuneration Code.

The Group applied for shareholder approval on the extension of the ratio between the fixed and variable components to 1:2 for MRTs in accordance with the procedure set out under the Remuneration Code. This was approved on 7 March 2014. No award of variable remuneration paid to a Material Risk Taker in respect of the 2015/16 performance year exceeded twice their fixed remuneration, in compliance with article 450 of the CRR.

4.6 Variable Remuneration Delivery

Variable remuneration is intended to align employee interests with the long-term interests of shareholders. The components of variable remuneration are:

Cash bonus

A proportion of variable remuneration is delivered in the form of a cash payment made to individuals following the end of the fiscal year.

The proportion of variable remuneration paid as cash is dependent upon the individual's level of TC. At lower levels of TC, most or all of the variable remuneration will be delivered as cash. This is reduced as TC increases, in line with regulatory requirements and market practice.

While the policy is global in application, specific local regulatory requirements are applied when deciding on proportions of cash bonuses.

For Group staff identified as "Material Risk Takers", 50% of the cash bonus is delivered in Notional Stock Units which pay out 6 months from award.

Deferred remuneration

Certain senior management and employees whose total remuneration is above a specific threshold (or are subject to specific regulatory requirements, e.g. MRTs) receive a portion of their variable remuneration in the form of deferred awards. By linking the value delivered to NHI Group's share price and imposing certain vesting periods and restrictions, the plans:

- Align employee interests with those of shareholders;
- Increase employee retention; and
- Encourage cross-divisional and cross-regional collaboration by focusing on a common goal of the long-term increase in shareholder value.

The awards are deferred over a period of at least three years.

The NHI Group operates the following deferred remuneration plans:

Stock Acquisition Right ("SAR") Plan B

These are options of one NHI stock with a nominal exercise price of ￥1. For 2015/16 awards, SARs are deferred over three years vesting in three equal annual instalments.

Staff identified as being a "Material Risk Taker" had additional retention periods of six months applied to their deferrals post vesting as required by the Remuneration Code.

Notional Stock Unit ("NSU") Plan

This is a phantom equity plan designed to replicate the key features of the SAR Plan B described above. The value is linked to the NHI stock price, and settled in cash on the vesting date. For 2015/16 awards, they are deferred over three years vesting in three equal annual instalments.

NSUs are typically only awarded to US taxpayers for US tax reasons.

Staff identified as being a "Material Risk Taker" had additional retention periods of six months applied to their deferrals post vesting as required by the Remuneration Code.

Collared Notional Stock Unit ("CSU") Plan

The plan is linked to the value of the NHI share price, subject to a collar of +/-10% of grant price. Awards vest quarterly over a three year period. The awards are settled in cash.

Notional Indexed Unit ("NIU") Plan

The plan is linked to a global stock index quoted by the Morgan Stanley Consumer Index (MSCI). Other material terms, including deferral period, vesting conditions and settlement, are the same as under the CSU plan.

4.7 Performance Adjustment of Deferred Awards

Malus

For all staff, including staff identified as "Material Risk Takers", unpaid deferred compensation awards may be reduced by up to 100% if:

- NHI, or any related entity is required to materially restate any of its financial statements for the fiscal year in which the grant was based on;
- The Grantee materially violates one of NHI's or an NHI Group entity's written policies;
- The Grantee causes or has caused material detriment to the business or reputation of NHI or any NHI Group entity;
- NHI or any NHI Group entity suffers a material downturn in performance;
- NHI or any NHI Group entity suffers a material failure of risk management;
- The relevant team, business area, NHI Group entity or profit centre in which the Grantee works or has worked has been found to be in breach of any company laws, rules or code of conduct or is accountable for any material error;
- The relevant business unit, profit centre or team in which the Grantee works or has worked, has suffered a material downturn in its financial performance;
- The relevant business unit or team in which the Grantee works or has worked has suffered improper or inadequate risk management;
- The Grantee's conduct or performance has been in breach of any laws, rules or codes of conduct or is accountable for any material error;
- Delivering all outstanding deferred compensation awards would not be sustainable according to the financial situation of the company;
- The Grantee's conduct failed to meet the appropriate standards of fitness and propriety;
- The Grantee failed to raise concerns in relation to improper or inadequate risk management issues that were known to the Grantee;
- The Grantee could have been reasonably expected to be aware of a risk management failure, misconduct or material error but failed to take adequate steps to promptly identify, assess, report, escalate or address it;
- By virtue of the Grantee's role or seniority the Grantee could be deemed directly responsible or accountable for a risk management failure, misconduct or material error;
- Information has emerged since the date of grant of the award which would have affected the size of the award which was granted;
- There has been a material adverse change in the risk profile of the company or any related entity, business unit or team in which the Grantee works or has worked;
- There has been an error or a misstatement which has resulted in a material overpayment to the Grantee.

Discretion is retained in each case by the Human Resources Committee to make a decision around the breach and the proportion of awards to be reduced.

4.8 Performance Adjustment of all Variable Awards

Clawback

For Group staff identified as "Material Risk Takers", 100% of all variable pay awarded in relation to the 2015/16 performance year is subject to clawback. This applies for a period of up to seven years from the date of payment for upfront cash awards or seven years from the date of award of any deferred awards. The Group shall be entitled to clawback in any of the following circumstances:

a) The Group or the NHI Group has been required to materially restate any of its financial statements for the fiscal year in respect of which the award was made;

b) The Group, the NHI Group or the business unit in which the employee works or have worked has suffered improper or inadequate risk management;

c) The Group considers that the employee has participated in or has been responsible for conduct which has caused the Group, NHI Group or the business unit in which the employee works or have worked to suffer significant financial losses;

d) The Group becomes aware of any material wrongdoing or error on the employee's part which could have been the subject of investigation and/or disciplinary proceedings and that would have resulted in the bonus not being paid or award not being made or a lesser sum being paid or awarded;

e) The Group considers that the employee caused material detriment to the business or reputation of the Group or the NHI Group whilst being an employee of the Group;

f) The Group considers that the employee's conduct, whilst the employee was an employee of the NHI Group, has failed to meet appropriate standards of fitness and propriety.

Discretion is retained in each case by the Human Resources Committee to make a decision around the breach and the proportion of awards to be repaid. They will consider all relevant factors which include, but shall not be limited to, the proximity of the employee to, their responsibility in respect of the circumstances set out above and the recommendation of the Committee in respect of the awards to be cancelled or repaid.

4.9 Performance Adjustment Process

Each quarter, staff members whose conduct has fallen below the Group's expectations are identified by the Control and Support Functions (Compliance, HR, Risk Management, Audit, Finance and Information Technology) and the Front Office Supervision team and their behaviour reviewed by the EMEA Executive Committee (this includes all staff with an adverse disciplinary outcome).

Cases considered material are escalated to the Compensation Control Forum at year end (the "CCF"; comprising Legal, HR and Compliance) to determine whether a specific compensation adjustment is appropriate.

Where it is considered appropriate, year-end compensation proposals by the employee's manager will be reviewed by the CCF, the EMEA CEO and ultimately approved by the NEHS Remuneration Committee. The layers of review will also include whether malus and / or clawback is appropriate.

Performance adjustment (malus and/or clawback) can be applied where the employee fails to fulfil the terms of the award or breaches terms and conditions (e.g. breach of non-solicit/confidentiality clause or Code of Conduct etc).

4.10 Quantitative Disclosures

The tables below show the aggregated breakdown of remuneration for the fiscal year ended 31 March 2016 for Senior Management and Other Members of Staff within the Group.

	Total Remuneration
Front Office ($m)	279.5
Infrastructure ($m)	52.3
Total ($m)	331.7

Amounts of Remuneration	Senior Management[1]	Other Members of Staff[2]	Total
Fixed Remuneration ($m)	63.3	155.2	218.5
Variable Remuneration ($m)	31.8	81.4	113.2
Number of Staff	73	349	422

Types of Variable Remuneration	Senior Management[1]	Other Members of Staff[2]	Total
Cash ($m)	2.0	13.4	15.4
Shares ($m)	12.1	25.1	37.3
Share Linked Instruments ($m)	13.2	35.6	48.8
Other ($m)	4.5	7.3	11.8

Outstanding Deferred Remuneration		Senior Management[1]	Other Members of Staff[2]	Total
Outstanding as at March 31, 2016[4] ($m)	*Vested*[5]	25.0	15.5	40.5
	Unvested	112.6	133.1	245.8
TOTAL		137.7	148.6	286.3

Deferred Remuneration During Year	Senior Management[1]	Other Members of Staff[2]	Total
Awarded during year[6] ($m)	65.6	89.1	154.8
Paid out during year[7] ($m)	53.4	72.6	125.9
Payout reduction through performance adjustments[8] ($m)	0.0	-12.4	-12.4

New Sign-On Awards[9]	Senior Management[1]	Other Members of Staff[2]	Total
Total new sign on awards made ($m):	0.0	0.1	0.1

Severance Payments[10]	Senior Management[1]	Other Members of Staff[2]	*Highest Award to single person*	Total
Total severance payments made ($m)	1.5	8.7	0.5	10.2
Number of Payees	6	33	1	39

MRT Remuneration by band[11]	Senior Management[1]	Other Members of Staff[2]	Total[4]
1.0 - 1.5 (€m)	9	37	46
1.5 - 2.0 (€m)	14	15	29
2.0 - 2.5 (€m)	4	5	9
Over 2.5 (€m)	8	1	9

Notes:

(1) 'Senior Management' comprises Group Board Directors, Nomura Wholesale Executive Committee members, EMEA Executive Committee Members and other staff e.g. Line of business Executive Management

(2) 'Other Members of Staff' comprises all other staff identified as Material Risk Takers for the fiscal year

(3) Top three tables reflect remuneration paid in respect of performance during fiscal year ended 31 March 2016

(4) Awards outstanding at 31 March 2016 have been valued based on deferred vehicle prices as at 31 March 2016

(5) 'Vested' includes unexercised SAR Plan B awards.

(6) Deferred remuneration awarded during the year relates to prior performance year

(7) Awards paid out based on deferred vehicle prices at time of vesting

(8) 'Performance Adjustment' is defined as the forfeiture of an award following involuntary termination or the application of malus and/or clawback

(9) Sign-on awards include issue of deferred awards to mirror existing deferred compensation from a previous employer (forfeited on termination) and guaranteed bonus awards

(10) Severance payments include all payments made in association with termination of employment, such as payments in lieu of notice/benefits or ex-gratia payments. Includes MRTs with termination date within the financial year

(11) Table prepared in Euros in accordance with Article 450 of the CRR (exchange rate 0.94518)

Appendix 1 – The Group capital instrument features

	Capital Instruments main features template	Ordinary Shares	Subordinated debt	Subordinated debt	Subordinated debt	Subordinated debt
1	Issuer	Nomura Europe Holdings Plc.	Nomura Europe Finance NV	Nomura Europe Finance NV	Nomura Europe Finance NV	Nomura Europe Finance NV
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement	NA	NA	NA	NA	NA
3	Governing Law(s) of the instrument	English Law	English Law	English Law	English Law	English Law
	Regulatory Treatment					
4	Transitional CRR	Common Equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at Solo/(sub-)consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified for each Jurisdiction)	Ordinary Shares	Long-term Subordinated Loan facility	Long-term Subordinated Loan facility	Long-term Subordinated Loan facility	Long-term Subordinated Loan facility
8	Amount recognised in Regulatory Capital (Currency in million, as of most recent reporting date)	$9,251m	$900m	$600m	$460m	$200m
9	Nominal amount of instrument	$9,251m	$900m	$600m	$460m	$200m
9a	Issue Price	NA	$900m	$600m	$460m	$200m
9b	Redemption price	NA	$900m	$600m	$460m	$200m
10	Accounting calssification	Shareholders' equity	Liability - Amortised Cost	Liability - Amortised Cost	Liability - Amortised Cost	Liability - Amortised Cost
11	Original date of issuance	NA	08/03/2013	23/04/2013	15/04/2013	19/02/2013
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated
13	Original maturity date	No Maturity	08/03/2025	23/04/2025	13/04/2025	17/05/2025
14	Issuer call subject to prior supervisory approval	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	NA	NA	NA	NA	NA
16	Subsequent call dates, if applicable	NA	NA	NA	NA	NA
	Coupons/ dividends					
17	Fixed or floating dividend/ coupon	Floating	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	NA	LIBOR + 225bp	LIBOR + 225bp	LIBOR + 225bp	LIBOR + 195bp
19	Existence of a dividend stopper	No	No	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in teram of timing)	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in term of amount)	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	NonConvertible	NonConvertible	NonConvertible	NonConvertible	NonConvertible
24	If convertible, conversion trigger(s)	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA
30	Write-down features	NA	NA	NA	NA	NA
31	If write-down, write down trigger(s)	NA	NA	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA	NA
34	If temporary write down, description of write-up mechanism	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Perpetual unsecured	Other Creditors *The legal nature of the subordinated loans differs from that usually associated with debt. In a winding up of the Company no amount will be paid in respect of the subordinated debt until all other creditors have been paid in full*	Other Creditors *The legal nature of the subordinated loans differs from that usually associated with debt. In a winding up of the Company no amount will be paid in respect of the subordinated debt until all other creditors have been paid in full*	Other Creditors *The legal nature of the subordinated loans differs from that usually associated with debt. In a winding up of the Company no amount will be paid in respect of the subordinated debt until all other creditors have been paid in full*	Other Creditors *The legal nature of the subordinated loans differs from that usually associated with debt. In a winding up of the Company no amount will be paid in respect of the subordinated debt until all other creditors have been paid in full*
36	Non-compliant transitioned features	NA	NA	NA	NA	NA
37	If yes, speicfy non-compliant features	NA	NA	NA	NA	NA

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Appendix 2 – NIP capital instrument features

Capital Instruments main features template		Ordinary Shares	Subordinated debt	Subordinated debt	Subordinated debt
1	Issuer	Nomura International Plc.	Nomura Europe Holdings Plc.	Nomura Europe Holdings Plc.	Nomura Europe Holdings Plc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement	NA	NA	NA	NA
3	Governing Law(s) of the instrument	English Law	English Law	English Law	English Law
	Regulatory Treatment				
4	Transitional CRR	Common Equity Tier 1	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2	Tier 2
6	Eligible at Solo/(sub-)consolidated	Solo	Solo	Solo	Solo
7	Instrument type (types to be specified for each Jurisdiction)	Ordinary Shares	Long-term Subordinated Loan facility	Long-term Subordinated Loan facility	Long-term Subordinated Loan facility
8	Amount recognised in Regulatory Capital (Currency in million, as of most recent reporting date)	$9,251m	$600m	$460m	$200m
9	Nominal amount of instrument	$9,251m	$600m	$460m	$200m
9a	Issue Price	NA	$600m	$460m	$200m
9b	Redemption price	NA	$600m	$460m	$200m
10	Accounting calssification	Shareholders' equity	Liability - Amortised Cost	Liability - Amortised Cost	Liability - Amortised Cost
11	Original date of issuance	NA	23/04/2013	15/04/2013	19/02/2013
12	Perpetual or dated	Perpetual	Dated	Dated	Dated
13	Original maturity date	No Maturity	23/04/2025	13/04/2025	17/05/2025
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	NA	NA	NA	NA
16	Subsequent call dates, if applicable	NA	NA	NA	NA
	Coupons/ dividends				
17	Fixed or floating dividend/ coupon	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	NA	LIBOR + 225bp	LIBOR + 225bp	LIBOR + 195bp
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in teram of timing)	Fully discretionary	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in term of amount)	Fully discretionary	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	NonConvertible	NonConvertible	NonConvertible	NonConvertible
24	If convertible, conversion trigger(s)	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA
30	Write-down features	NA	NA	NA	NA
31	If write-down, write down trigger(s)	NA	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA
34	If temporary write down, description of write-up mechanism	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Perpetual unsecured	Other Creditors *No amount will be paid in respect of the subordinated debt until all other creditors have been paid in full*	Other Creditors *No amount will be paid in respect of the subordinated debt until all other creditors have been paid in full*	Other Creditors *No amount will be paid in respect of the subordinated debt until all other creditors have been paid in full*
36	Non-compliant transitioned features	NA	NA	NA	NA
37	If yes, speicfy non-compliant features	NA	NA	NA	NA