

The logo features a large, stylized 'N' composed of several overlapping triangles in various shades of red and pink. To the right of this graphic is a solid red rectangular area containing the word 'NOMURA' in white, uppercase, sans-serif font.

**NOMURA**

# Nomura Europe Holdings plc

Quarterly Pillar 3 Disclosures  
29 September 2017

## 1. Foreword

This document presents certain quantitative quarterly consolidated Pillar 3 disclosures of the Nomura Europe Holdings plc group (“the Group”) as at 29<sup>th</sup> September 2017.

All companies within the Group are limited by ordinary shares, and apart from the requirements to hold regulatory capital, there is 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).

The Group is subject to consolidated regulatory supervision by the UK Prudential Regulatory Authority (‘PRA’) and is required to apply the disclosure requirements of the EU Capital Requirements Regulation (EU) No 575/2013 (“CRR”).

NIP is the only material subsidiary of the Group and risk management policies and procedures are consistent with the Group. Significant subsidiary disclosures have been made for NIP as applicable.

NBI has been included as it is a UK regulated entity however its RWA is immaterial. NBI disclosures have therefore been made for article 437 (Own Funds) and no other disclosures relevant to significant subsidiary requirements have been made.

This document has been prepared in accordance with the minimum disclosure requirements of the European Banking Authority’s Guidelines on materiality, proprietary and confidentiality and on disclosure frequency, EBA/GL/2014/14, dated 23<sup>rd</sup> December 2014, as required by Articles 432(1), 432(2) and 433 of the CRR.

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 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.

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: [Quarterly Pillar 3](#) or by application in writing to the EMEA Financial Controller at Nomura International plc, 1 Angel Lane, London, EC4R 3AB.

## 2. Quantitative Disclosures

### 2.1 Own Funds

*CRR Articles 437 and 492*

The Group, NIP and NBI Own Funds at 29<sup>th</sup> September 2017 were:

<b>29<sup>th</sup> September 2017 \$m</b>	<b>The Group</b>	<b>NIP</b>	<b>NBI</b>
<b>Tier 1 Capital before regulatory adjustments</b>	<b>5,582</b>	<b>5,007</b>	<b>443</b>
Regulatory Adjustments <sup>(1)</sup>	(132)	(204)	143
<b>Tier 1 Capital</b>	<b>5,450</b>	<b>4,803</b>	<b>586</b>
Tier 2 Capital	2,160	1,260	-
<b>Own Funds</b>	<b>7,610</b>	<b>6,063</b>	<b>586</b>
<b>Tier 1 Ratio<sup>(2)</sup></b>	<b>14.1%</b>	<b>13.3%</b>	<b>1,029.4%</b>
<b>Total Capital as a percentage of total Risk Exposure amounts</b>	<b>19.7%</b>	<b>16.8%</b>	<b>1028.1%</b>
Capital Conservation Buffer requirement	1.25%	1.25%	1.25%
Countercyclical Capital Buffer requirement	0.02%	0.02%	-

<sup>(1)</sup> Regulatory Adjustments include DVA (CRR Article 33 (1) (c)), OCA (CRR Article 33 (1) (b)), PVA (CRR Article 105) and intangible asset deductions (CRR article 37)

<sup>(2)</sup> Tier 1 capital ratio is equal to the Common Equity Tier 1 ratio

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.

Tier 2 Capital consists of subordinated debt.

## 2.2 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 29<sup>th</sup> September were:

29 <sup>th</sup> September 2017 \$m	The Group RWE	The Group Capital Requirements	NIP RWE	NIP Capital Requirements
Market Risk:				
Traded debt	1,504	120	1,504	120
Equity	206	17	206	17
Foreign exchange	439	35	436	35
Modelled market risk	7,113	569	5,037	403
<b>Total Market Risk Capital requirement</b>	<b>9,262</b>	<b>741</b>	<b>7,183</b>	<b>575</b>
<b>Total Counterparty Risk &amp; Credit Risk Capital requirement</b>	<b>20,268</b>	<b>1,621</b>	<b>19,809</b>	<b>1,585</b>
<b>Total Settlement Risk Capital requirement</b>	<b>14</b>	<b>1</b>	<b>14</b>	<b>1</b>
<b>Total Operational Risk Capital requirement</b>	<b>3,520</b>	<b>282</b>	<b>2,913</b>	<b>233</b>
<b>Total Credit Valuation Adjustment Capital requirement</b>	<b>4,932</b>	<b>395</b>	<b>5,010</b>	<b>401</b>
<b>Total Large Exposure Risk Capital requirement</b>	<b>648</b>	<b>52</b>	<b>1,146</b>	<b>92</b>
<b>Total RWE and Capital requirements</b>	<b>38,644</b>	<b>3,092</b>	<b>36,075</b>	<b>2,887</b>

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

## 2.3 Leverage Ratio

CRR Article 451

29 <sup>th</sup> September 2017 \$m	The Group	NIP
<b>Total Leverage Ratio Exposure</b>	<b>187,893</b>	<b>183,479</b>
Tier 1 Capital	5,450	4,803
<b>Leverage Ratio</b>	<b>2.90%</b>	<b>2.62%</b>

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