



NOMURA

Nomura Europe Holdings plc

Quarterly Pillar 3 Disclosures

31 December 2016

1. Foreword

This document presents certain quantitative quarterly consolidated Pillar 3 disclosures of the Nomura Europe Holdings plc group (“the Group”) as at 31st December 2016.

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”).

The only material subsidiary within the Group is Nomura International plc (‘NIP”). Own Funds, Risk Weighted Exposures, Capital Requirements and Leverage Ratio for NIP have been separately disclosed in this document.

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 23rd 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 and NIP Own Funds at 31st December were:

31 st December 2016 \$m	The Group	NIP
Tier 1 Capital before regulatory adjustments	5,457	4,937
Regulatory Adjustments ⁽¹⁾	(201)	(226)
Tier 1 Capital	5,256	4,711
Tier 2 capital	2,160	1,260
Own Funds	7,416	5,971
Tier 1 Ratio⁽²⁾	14.5%	14.0%
Total Capital as a percentage of total Risk Exposure amounts	20.5%	17.7%
Capital Conservation Buffer requirement	0.63%	0.63%
Countercyclical Capital Buffer requirement	0.01%	0.01%

⁽¹⁾ 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)

⁽²⁾ 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 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 December 31st were:

31 st December 2016 \$m	The Group RWE	The Group Capital Requirements	NIP RWE	NIP Capital Requirements
Market Risk:				
Traded debt	1,101	89	1,101	88
Equity	218	17	218	17
Foreign exchange	731	58	704	56
Modelled market risk	5,607	449	3,892	312
Total Market Risk capital requirement	7,657	613	5,915	473
Total Counterparty Risk & Credit Risk capital requirement	18,817	1,505	18,536	1,484
Total Settlement Risk capital requirement	28	2	28	2
Total Operational Risk capital requirement	3,715	297	2,697	216
Total Credit Valuation Adjustment capital requirement	5,357	429	5,391	431
Total Large Exposure Risk capital requirement	652	52	1,077	86
Total RWE and capital requirements	36,226	2,898	33,644	2,692

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

2.3 Leverage Ratio

CRR Article 451

31 st December 2016 \$m	The Group	NIP
Total Leverage Ratio Exposure	201,451	198,855
Tier 1 Capital	5,256	4,711
Leverage Ratio	2.61%	2.37%

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 leverage ratio requirements by 1st January 2018.