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NOMURA FINANCIAL PRODUCTS EUROPE GMBH

Annual Financial Statements and Management Report
01 April 2025 – 31 March 2026

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MANAGEMENT REPORT

FUNDAMENTALS

The Management Board of Nomura Financial Products Europe GmbH ("NFPE") presents its management report and the annual financial statements for the financial year ended 31 March 2026. The Institution is registered in Germany in commercial register B of the Frankfurt am Main Local Court under no. HRB 110 223 and maintains its registered office at Rathenauplatz 1, 60313 Frankfurt am Main, Germany.

OVERVIEW OF THE INSTITUTION'S BUSINESS ACTIVITIES AND CONTROLS, DESCRIPTION OF MAJOR RISKS AND INFORMATION ABOUT BRANCHES

Primary activities, organisation and legal structure

The company was founded in 2017 in Germany as a securities trading bank and is a 95.1% subsidiary of Nomura Europe Holdings plc ("NEHS"), headquartered in London, United Kingdom, with a further 4.9% held by Nomura International plc ("NIP"), also headquartered in London, United Kingdom.
On 24 May 2018, the Federal Financial Supervisory Authority ("BaFin") granted the company a licence to conduct banking business and provide financial services in accordance with Section 32 (1) and (2) of the German Banking Act (KWG) (since 25 June 2021 in accordance with Section 15 of the German Investment Institutions Act (WpIG)). The Institution commenced trading activities on 6 March 2019. The Institution’s licensed banking operations include:

- Trading in and selling of fixed-income and equity products, including derivatives
- Investment banking services
- Corporate finance and private equity

The Institution’s ultimate parent company and controlling company is Nomura Holdings, Inc. (“NHI”), which together with NEHS and the other NHI subsidiaries forms the “Nomura Group”.
The Nomura Group is a financial services group based in Japan with branches in countries and regions all over the world, including Singapore, Hong Kong, the US and the UK. The Nomura Group's business consists of the Wealth Management, Investment Management, Wholesale and Banking businesses, which provide financial services to a wide range of clients, including retail investors, corporates, financial institutions, governments and government agencies.

The Institution is subject to the oversight of BaFin. BaFin sets minimum capital requirements for the Institution on a standalone basis. In a letter dated 28 February 2025, the company was classified by BaFin as a potentially systemically important institution within the meaning of Section 4 of the German Investment Institutions Act (WpIG) in conjunction with Section 12 sentence 2 no. 3 of the German Banking Act.

In the year under review, NFPE was headed by five managing directors and controlled by a supervisory board consisting of at least three members.

CORPORATE GOVERNANCE

In terms of organisational structure, NFPE has a **Management Board** and a voluntary **Supervisory Board**. Together with the shareholder meeting, these boards are the governing bodies of NFPE.

Management Board

The Management Board's primary aim is to conduct NFPE's business sustainably, profitably and in compliance with Sec. 25a KWG and to act in the best interests of its stakeholders (which include its shareholders) and in the public interest. The Management Board defines the allocation of powers and responsibilities and manages NFPE's business and affairs.

The Management Board consists of the Chief Executive Officer (**"Spokesman"** or **"CEO"**), the Chief Risk Officer ("**CRO**"), the Chief Compliance Officer ("**CCO**"), the Chief Financial and Administrative Officer ("**CFAO**") and the Chief Trading Officer (**"CTO"**), who share responsibility for the management and control of NFPE.

The Management Board is supported by committees that advise the managing directors: the Risk Management Committee, the Asset & Liability Committee, the ICAAP Committee, the Third Party Risk Management Forum, the Legal Entity Management Committee and the Project & Change Committee. NFPE's Management Board members also attend Transaction Committee meetings at NEHS which have implications for the business undertaken by NFPE.

The committees and their responsibilities are outlined below:

NFPE's Risk Management Committee is chaired by the CRO of NFPE and is primarily responsible for monitoring all material risks and the relevant risk management and methods. In addition, it is responsible for reviewing the risk strategy and monitoring risk-relevant regulatory issues and their implementation in NFPE.

The Asset and Liability Committee (ALCO) was established by the Management Board of NFPE to assist the company's CFAO in the performance of its responsibilities in the management of the financial resources of capital, leverage exposure and balance sheet, large exposures and liquidity.
The Committee's goal is to reach an agreement between the Front Office and the Finance Department on the optimal allocation of these resources. This takes into account current resource utilisation and expected utilisation, based on the Front Office's business plan and/or expected changes in general market conditions.

In accordance with Section 25a (1) sentence 3 no. 2 of the German Banking Act (KWG) in conjunction with AT 4.1 no. 1 MaRisk, the Management Board of NFPE has established an Internal Capital Adequacy Assessment Process (ICAAP) Committee, which is chaired by the CFAO of NFPE and which ensures that the company's material risks are continuously covered by the risk coverage potential, taking into account the risk concentrations, and thus that the risk-bearing capacity is given.

The Third Party Risk Management Forum is chaired by the Outsourcing Officer and ensures effective monitoring of the services provided by companies within the Group or third parties through the establishment of an effective Third Party Risk Management Framework. This includes, among other things, the regular assessment of the performance of outsourcing companies on the basis of individually tailored key performance indicators (KPIs).

The NFPE Legal Entity Committee is chaired by the Head of Legal Entity Management at NFPE and is responsible for ensuring that all matters related to the NFPE Booking Rules Framework, cross-border bookings as well as the AP and merchant population are monitored and escalated where necessary. Authorised Persons ("APs") refer to individuals in front office roles authorised by NFPE to carry out regulated activities on behalf and for the account of NFPE, and to give NFPE access to funding as a trader by arranging the execution of transactions with a client or counterparty. The NFPE Management Board participates in this committee.

The Project & Change Committee is led by the Legal Entity Management Office and allows for targeted monitoring of project plans and initiatives within NFPE or within the Nomura Group with significant involvement of NFPE.

Representatives of NFPE also attend group-wide committee meetings. The Transaction Committees are control bodies set up by the EMEA CRO to approve complex and non-standard transactions and high-risk transactions at NEHS. The NFPE

CRO participates in the meetings of the committee if a transaction requiring approval concerns NFPE; they have a veto right over these deals. The decision of the NFPE CRO is underpinned by a local process involving the control functions. In the reporting period, 52 transaction committees relevant to NFPE took place.

Supervisory Board of NFPE

The Supervisory Board is responsible for overseeing the Management Board and ensuring that the company's business is conducted in accordance with applicable laws and regulations and the company's articles of association. In addition, the Supervisory Board is responsible for engaging the auditor for the financial year and for making the relevant reports available to the shareholders. In order to fulfil these tasks, the Supervisory Board has formed a Remuneration Committee and a combined Audit and Risk Committee.

The Remuneration Committee of NFPE is based on the requirements of the IVV [“Institutsvergütungsverordnung”: German Ordinance Regarding the Supervisory Requirements for Remuneration Systems of Institutions], the WpIG [“Wertpapierinstitutsgesetz”: German Investment Institutions Act] in conjunction with the German Banking Act and serves to monitor the appropriateness of the design of the remuneration systems for managing directors and employees.
In organisational terms, this committee reports to the Supervisory Board of NFPE, its members are also members of the Supervisory Board. The committee supports the Supervisory Board in all of NFPE’s remuneration matters. In particular, the remuneration systems and remuneration components are examined and discussed with regard to their appropriateness and topicality, as well as regulatory compliance. This includes the salary adjustment processes and the planning and disbursement of variable remuneration components. In order to review variable remuneration with regard to risk, the Remuneration Committee may also use information provided by the Compliance, Internal Audit and Risk control functions, in addition to that provided by Human Resources. The Finance department is consulted in order to take into account the financial position and performance.

The Audit and Risk Committee is a committee of the Supervisory Board of NFPE and was established in accordance with the requirements of Section 25d (8) and (9) of the German Banking Act. The committee’s tasks include supporting the Supervisory Board in monitoring the implementation of the risk strategy and the internal control system, and in accounting processes. It also assists the Supervisory Board in selecting the external auditor, monitoring the conduct of the audit and resolving audit findings by the Management Board.

The Supervisory Board meets at least four times a year in order to fulfil its tasks effectively. Additional Supervisory Board meetings are held whenever necessary.

DIVISIONS AND PRODUCTS

NFPE’s business comprises the two main divisions of Global Markets and Investment Banking.

NFPE’s Global Markets division sells and trades in cash and derivative products on the basis of interest, fixed-income products and currencies, securitised products and equities. It also performs equity research, primarily for its European institutional clients. The offer includes services in the primary and secondary market business.

NFPE’s Investment Banking division sells a comprehensive range of products, including strategic advisory services, as well as financing and derivative solutions for corporations, private equity investors, financial institutions and sovereign or supranational institutions.

NFPE works in the capital markets business with institutional clients to further improve its sustainability expertise and business activities related to ESG (Environment, Social, Governance).

ECONOMIC REPORT

BUSINESS ENVIRONMENT

The business environment in financial year 2025/2026 (1 April 2025 to 31 March 2026) was characterised by market volatility at the beginning of the year, a subsequent stabilisation phase and renewed uncertainties at the end of the year.

Inflation and monetary policy
Inflation in the euro area showed a moderate upward trend in the reporting period. The annual inflation rate was 2.2% in March 2025 and rose to 2.6% by March 2026. Inflation was thus above the European Central Bank's target of 2.0%. The main drivers were services (+1.49 percentage points), energy (+0.48 percentage points) and food, alcohol and to-bacco (+0.45 percentage points).

Development of the stock markets
The EuroStoxx 50 Index experienced pronounced periods of volatility in the 2025/2026 financial year. The index started the financial year on 1 April 2025 at 5,320.30 points and closed at 5,569.73 points on 31 March 2026, for an annual performance of +4.69% (source: Bloomberg). Immediately at the beginning of the financial year, the index experienced a downturn and fell within a few trading days to the year's low of 4,622.14 points on 9 April 2025 – a decline of over 13% compared to the start of the year. This market movement was triggered by a combination of uncertainties about global trade policy and concerns about a possible weakening of the global economy. After this downturn, the index gradually recovered and stabilised. From September 2025 onwards, a stable upward trend developed and reached an interim high of 6,173.32 points on 25 February 2026. In March 2026, a significant correction began in the wake of the Iran war. The index fell by more than 600 points within a few weeks and stood at 5,569.73 points at the end of the financial year – around 10% below the February peak.

Market volatility (VSTOXX)
Market volatility, as measured by the VSTOXX index (30-day implied volatility of the EuroStoxx 50), showed significant fluctuations in the financial year and reflected the uncertainty of market participants (source: Bloomberg). The VSTOXX started the financial year on 1 April 2025 at 21.09 and rose to its annual high of 46.72 as early as 7 April 2025. On 9 April, the index remained at 45.87. These values reflected the highest volatility levels of the entire financial year. After this phase, volatility gradually normalised. From May 2025 to February 2026, the VSTOXX mainly moved in a range between 14 and 24 points, with occasional outliers. Parallel to the stock market correction, the VSTOXX rose significantly in March 2026 and stood at 30.68 at the end of the financial year on 31 March 2026 – the highest value since May 2025.

The 2025/2026 financial year was characterised by three defining characteristics: an increase in volatility at the beginning of the year with historically high VSTOXX values, a calming and recovery phase lasting several months with low volatility levels over the course of the year, and a renewed tightening of market conditions at the end of the year. Despite the extreme fluctuations, the EuroStoxx 50 closed with a moderate gain of 4.69%, while inflation in the euro area rose slightly to 2.6%.

In this environment, NFPE trading volumes remained relatively stable until the end of the financial year, with only a slight year-on-year decline. Around the turn of the year 2025/2026, trading volumes declined, but then recovered.

War in Ukraine

Since the start of Russia's war of aggression against Ukraine in 2022, a growing number of sanctions have been imposed, targeting Russian state enterprises along with companies and individuals associated with Russia in particular.

As part of the adoption of the sanction measures in 2022, NFPE placed business activities with business customers with a connection to Russia on hold or completely discontinued them.
As NFPE does not maintain regular or custody accounts for clients, it did not freeze any assets.

War in the Middle East

The war in the Middle East, which broke out at the end of February 2026, has led to a weakening of the macroeconomic environment, as well as uncertainty and volatility in global financial markets. This included a slowdown in the interest rate and bond business due to increased uncertainty about the interest rate outlook.

NOMURA

KEY PERFORMANCE INDICATORS

The Management Board evaluates the company's business development on the basis of a number of different performance indicators.

These financial performance indicators are in line with the objectives of the Nomura Group. In this process, the Group-wide metrics are broken down into components that can be influenced by the company.

Return on equity (ROE): The Group defines ROE as the profit attributable to shareholders divided by total equity and aims to target 8% to 10% as a medium-term target corridor.

The medium-term target ROE level of NFPE is between 1% and 2% and is in line with the role within the Group and the underlying transfer pricing mechanisms. The company continues to maintain a strong market position with robust customer relationships, making a significant contribution to the Group's global operations and overarching ROE targets.

As the Institution has only limited influence on consolidated equity and its allocation, the Management Board focuses on the profit contribution to this metric in the form of net income for the year. As a result of its direct correlation with capital, the net income for the year as reported in the financial statements prepared according to the German Commercial Code is used as a basis.

(Administrative) expense/income ratio: The company exclusively operates businesses that are attributable to the Wholesale division. For this, the (administrative) expense/income ratio was defined as a performance indicator at group level. In this case, the company's entire administrative expenses are compared with the total net income consisting of the net income from trading portfolio, net interest income, net commission income and other operating income. In accordance with its role in the Group, the company can influence these factors through its expenses and commission income.

Trading assets and total assets: These are indicators derived directly from financial reporting and need to be closely monitored and managed in order to comply with all regulatory requirements and facilitate business activities within the scope of planning.

Capital adequacy: NFPE conducts comprehensive monitoring of its core capital ratio, the total capital ratio and the leverage ratio. A strategic approach to organic capital growth has been implemented by fully retaining annual profits, with no profit distributions planned. This reinvestment of earnings is aimed at further strengthening the capital base and supporting future business growth through internal capital generation.

The development of these indicators in the financial year is described below.

ASSETS, LIABILITIES, FINANCIAL POSITION AND FINANCIAL PERFORMANCE

The company is maintaining its profitability in the current economic environment described above. The company's robust balance sheet structure and risk transfer mechanisms within the Group have successfully mitigated significant effects of market volatility, interest rate fluctuations and currency movements.

The company's financial resources and sources of liquidity have not changed significantly. The company's financial resources and liquidity position remain stable and robust. The primary financing structure is mainly supported by equity and Tier 2 capital, which includes a subordinated shareholder loan of EUR 185 million, and is additionally supported by intra-group loans. The company continues to expand its Tier 1 capital by retaining profits from the previous fiscal year.

The institution's financial ratios were within the capital and liquidity limits at all times and were considered appropriate.

The company's key financial figures developed as follows during the year:

	2025/2026 in EUR thousand	2024/2025 in EUR thousand
Net income	180,547	191,136
- of which net income from trading inventory	22,943	76,272
- of which net interest income	-5,836	-33,386

- of which net commission income	106,829	107,156
- of which other operating income	56,611	41,094
General administrative expenses	-164,698	-171,437
(Administrative)expense/income ratio	91%	89%
Earnings before taxes	13,740	17,941
Net income	4,166	6,657
Total assets	16,935,718	17,756,700
Trading assets	16,041,757	16,044,047
Total liabilities	16,225,460	17,050,608
Equity	710,258	706,092

Profit and loss statement:

The company recorded a profit before tax of EUR 13.7 million for the financial year (previous year: EUR 17.9 million). Net income for the year is attributable to treasury gains due to the year-round positive interest rate environment, commission and trading income as well as other operating income, mainly from the global transfer pricing arrangements and reimbursement schemes.

Overall, the company's revenues decreased year-on-year, mainly due to lower transfer pricing revenues. Transfer pricing revenues result from Global Market Sales Credits, Global Markets Trading Income Royalties, Investment Banking Income and Reimbursements within the Nomura Group.
Transfer pricing revenues were lower year-on-year, due to a change in Group-wide sales credit allocation in line with industry benchmarking. The change was already factored into the target at the beginning of the year. Furthermore, the challenging market environment in flow rates resulted in lower Global Markets trading income shares. The development of net interest income is mainly due to lower derivative margins and collateral costs. Countervailing income in the Business Resource Management Desk (BRM) as part of Funding Valuation Adjustment Management (FVA) is reflected in the net income of the trading portfolio. Net income from treasury activities remained stable year-on-year, reflecting the positive return on the company's own funds.

General administrative expenses are mainly based on personnel and material costs incurred at the head office and in the branches. The decrease in expenses during the financial year is primarily due to one-off costs in the previous year, which were not repeated in the financial year.

The (administrative) expense/income ratio reached 91% in the financial year (previous year: 89%) and was thus slightly above the budgeted target of 89%. The deviation is mainly due to lower revenues due to reduced transfer pricing revenues and trading revenue shares.

In the completed financial year, the company achieved an ROE of 0.6% (previous year: 1%) based on profit after tax attributable to shareholders. ROE was below expectations, mainly due to one-off costs incurred during the year that were not included in the budget, as well as lower earnings contributions in Global Markets Trading and Investment Banking.

Balance sheet:

As at 31 March 2026, the company's total assets amounted to EUR 16.9 billion (previous year: EUR 17.8 billion) and thus showed no significant change year-on-year. The balance sheet structure is mainly determined by repurchase agreements (reverse repos and repos) in trading portfolios and treasury assets, consisting of reverse repos and margin holdings. The derivatives trading business makes a relatively small contribution to the balance sheet due to extensive balancing rules in accordance with the German Commercial Code accounting regulations. Trading assets amounted to EUR 16.0 billion at the end of the financial year, within the budgeted target corridor of EUR 15-16 billion. Total assets of EUR 16.9 billion were also in line with expectations and remained at the lower end within the planned range of EUR 17-18 billion, reflecting stable business activities in a volatile market environment. As at 31 March 2026, the company's equity amounted to EUR 710.3 million (previous year: EUR 706.1 million) and is made up of subscribed capital, capital reserves, retained earnings and retained profit.

Regulatory ratios:

The company's key regulatory indicators developed as follows during the year:

	2025/2026 Regulatory Minimum Requirement	2025/2026 in EUR thousand/ Ratio	2024/2025 Regulatory Minimum Requirement	2024/2025 in EUR thousand/ Ratio
Equity capital[1]	-	866,303	-	903,344
Total capital ratio[1]	13.3%	26.5%	16.2%	27.3%
Core capital (Tier 1 capital) [1]	-	711,394	-	718,344
Core capital ratio (Tier 1 capital ratio) [1]	11.0%	21.7%	13.1%	21.7%
Common Equity Tier 1 (CET1) capital [1]	-	711,394	-	718,344
Common Equity Tier 1 capital ratio (CET1 capital ratio) [1]	9.3%	21.7%	10.8%	21.7%
Risk-weighted assets (RWA)[1]	-	3,273,901	-	3,314,101
Leverage ratio [1]	3.0%	8.5%	3.0%	4.5%
Liquid assets	-	1,414,142	-	1,655,874
Net liquidity outflows	-	609,416	-	602,351
LCR	100%	232%	100%	275%
NSFR ratio	100%	188%	100%	296%

As at 31 March 2026, the company had equity totalling EUR 866.3 million (previous year: EUR 903.3 million) and risk-weighted assets (RWA) of EUR 3,273.9 million (previous year: EUR 3,314.1 million), resulting in a total capital ratio of 26.5% (previous year: 27.3%). The Institution's risk-weighted assets are primarily shaped by operational risk and counterparty credit risk. The year-on-year change in RWA is mainly due to an increase in customer-related trading activity and market volatility.

The core capital ratio reached 21.7% (previous year: 21.7%) and exceeded the budgeted minimum target of 18%. The total capital ratio of 26.5% (previous year: 27.3%) also significantly exceeded the expected requirements. The slight year-on-year decline was in line with expectations and is due to the moderate increase in risk-weighted assets due to increased trading activity. The leverage ratio of 8.5% (previous year: 4.5%) was well above the target of 5.0% and underlines the company's solid capital base.

The company's cash and cash equivalents consist mainly of reverse repo transactions with highly liquid government bonds and, at EUR 1,414 million, are slightly below the previous year's level (previous year: EUR 1,656 million). At the same time, net outflow in the LCR rose to EUR 609 million (previous year: EUR 602 million). This increase in net outflow is the result of changes in ordinary trading activity. Both the LCR ratio of 232% (previous year: 275%) and the NSFR (structural liquidity ratio) of 188% (previous year: 296%) are well above the regulatory and internal minimum values.

The company's earnings, financial position and assets are in order. Until the preparation of the annual financial statements, there had been no impact on the earnings, financial position or net assets of the institution as a result of events after the balance sheet date.

FORECAST AND OPPORTUNITY REPORT

Forecast for the development of the business environment

[1] The previous year's figures are shown after they have been determined.

The longer the conflict in the Middle East continues, the more likely it is that there will be a negative impact on consumer and business confidence, posing downside risks to growth in the coming quarters. However, we expect events to unfold in such a way that energy futures curves fall to levels similar to before the conflict, and therefore will only have a limited impact on the real economy. We expect inflation to slow again in 2027 and expect the unemployment rate in the euro area to fall further.

Forecast for the development of earnings, financial position, capital position and net assets

As expected, the company's result was lower than in the previous financial year, due to the change in transfer pricing in the Global Markets division. For the future, the company's development will be determined by the contributions from the business objectives in the Global Markets and Investment Banking divisions. The transfer pricing framework is expected to remain stable in the coming financial year. A 10% improvement in the investment banking contribution is expected in line with the EMEA regional revenue target for Investment Banking. Global Markets sales revenues are expected to remain at the level of the past financial year. Likewise, flow rates trading is expected to continue to be characterised by a challenging market environment and to generate revenues comparable to those in the previous financial year. Based on the budget, ROE for the 2026/2027 financial year is expected to be around 1%, subject to the achievement of business budget targets in Global Markets and Investment Banking. The (administrative) expense/income ratio is expected to be 92% in the coming financial year, which is at a similar level to the previous financial year. Ongoing administrative expenses are expected to remain at a steady level.

While derivatives and bond trading activities are projected to grow by 11%, this increase will not be directly reflected in trading asset growth due to the applicable accounting rules and the back-to-back model. Total assets are expected to remain in the range of EUR 17 billion to EUR 18 billion, which is in line with the business plan. Trading assets will continue to account for 90% of the expected balance sheet total and will range between EUR 15 billion and EUR 16 billion.

The development of the Tier 1 capital ratio is analysed as part of the annual capital planning process. Based on the planned development of trading activities, there is a moderate increase in risk-weighted assets. Tier 1 capital will also increase moderately due to retained profits. Overall, a slight decline in the core capital ratio and the total capital ratio is expected in the coming financial year. The leverage ratio is still expected to be above 5.0%.

Outlook

The strategic positioning of the company's treasury activities has made it possible to benefit from the positive interest rate environment and thus effectively mitigate the effects of the challenging market conditions in the core business areas. Management will implement measures to increase the company's earnings performance in the future, including strict cost discipline and review of the respective business activities, improved risk monitoring systems, dynamic adjustment of trading limits and diversification of income streams across different asset classes. The current uncertainties in the markets (trade conflicts, inflation expectations and fears of recession in the most important markets for NFPE) as well as the significant geopolitical risks that continue to exist may lead to increasingly cautious behaviour on the part of market participants, with corresponding additional negative effects on the profitability of the company. Nevertheless, the company is expected to remain profitable in the coming financial year.

With the goal of offering customers an expanded range of products, NFPE plans to register as a swap dealer with the Commodity Futures Trading Commission (CFTC) by the end of 2026. This is expected to result in additional Global Markets trading income in the future. No changes to the existing back-to-back model are expected from this.

The company has appropriate risk appetite limits in place to ensure resilience during market stress events and is focused on strengthening key client relationships through tailored solutions and advisory services. Repurchase agreements (repos and reverse repos) remain an essential part of the balance sheet and are volatile and cyclical in nature in terms of their volume. This underlines the company's goal of pursuing a balanced approach to growth while ensuring regulatory compliance and efficient use of capital.

Comprehensive capital, risk and liquidity management strategy

The use of the company's financial resources is dynamically managed in line with the developing business activities and monitored in terms of compliance with risk appetite.

In terms of liquidity management, the company continuously monitors the liquidity coverage ratio (LCR) and other key liquidity indicators. The liquidity pool is expected to remain stable year-on-year, providing sufficient resources to support planned business growth, while ensuring compliance with regulatory requirements and maintaining adequate buffers for stress scenarios. This stable liquidity profile is designed to efficiently meet customer requirements while complying with regulatory requirements throughout.

The comprehensive planning tools, which include the ICAAP process, budget projections, liquidity planning and capital forecasts, confirm the sufficient availability of resources to support the underlying business activities. The focus on sustainable capital strengthening through profit retention and organic growth ensures that the company maintains a resilient financial position while supporting its strategic growth goals. This conservative approach to capital and liquidity management demonstrates the company's commitment to maintaining strong financial fundamentals while pursuing sustainable business growth opportunities.

Outlook and opportunities for Global Markets

The goal of the Global Markets division is to consolidate trading activities with European clients and to provide the Nomura Group with access to the EEA. The focus of the division is on developing business with existing clients and winning a moderate number of new clients. Despite the existing uncertainties, we expect business volumes to expand moderately for 2026/2027 as well. NFPE will continue to focus on its core products, Flow Rates and DCM, as well as further strengthen the structured fixed-income securities business. We also expect the equity business to stabilise in line with our global strategy. In addition to the planned business growth in these products, we expect margin pressure in some product categories. Client activity in sustainable financial instruments (e.g. green bonds) is expected to increase moderately, as in previous years.

Outlook and opportunities for Investment Banking

The Investment Banking division aims to continuously develop its Merger & Acquisition advisory activities, equity advisory business and broker financing solutions for European clients. We expect business activities to be comparable to those in the previous financial year across all segments.

Regulatory changes

European banking reforms

The regulatory requirements for investment institutions continue to be largely determined by the regulations of the Investment Firm Regulation (IFR) and the Investment Firm Directive (IFD), which have been implemented in Germany by the German Securities Institutions Act (WpIG). Since the company is classified as a potentially systemically important institution within the meaning of Section 4 of the German Securities Institutions Act (WpIG) in conjunction with Section 12 sentence 2 no. 3 of the German Banking Act, the company has taken into account the legal consequences associated with the classification as a significant institution pursuant to Section 4 WpIG in conjunction with Section 1 (3c) sentence 2 no. 2 KWG and can no longer be applied to the simplified requirements for restructuring planning pursuant to the Restructuring and Resolution Act (SAG).

In addition to the regulations that apply specifically to securities institutions, developments in the banking regulatory framework are therefore also important for the company. These include, in particular, the requirements of the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD). The national implementation of the CRD requirements in Germany is carried out, among other things, by the German Banking Act (KWG). There were no fundamental structural changes in the capital requirements during the reporting period.

Furthermore, the company monitors and accompanies all regulatory innovations with regard to environmental, social and governance (ESG) risks, which play an increasingly important role in a large number of regulatory requirements. The changes due to the ESG regulations do not only affect a large number of existing processes, such as product governance, investment advice and disclosure requirements, but also create additional risks in existing risk categories such as financial, reputational and operational risks.

RISK REPORT

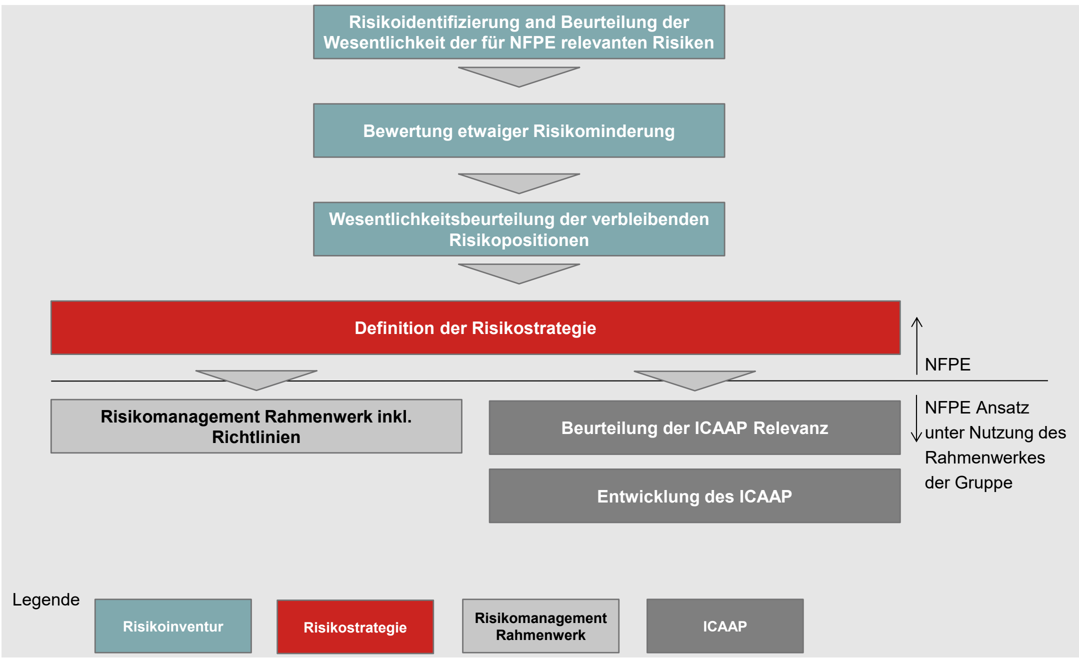
Strategic risk management approach

NFPE's risk strategy is composed of the NFPE Risk Appetite Statement and the NFPE Risk Management Policy. In compliance with the MaRisk, the risk strategy sets out NFPE's strategic approach to risk management and defines its risk appetite in keeping with its business strategy. It is reviewed and approved by the Management Board of NFPE at least annually and submitted to the Supervisory Board of NFPE.

The Institution's approach to risk management is interwoven with that of the rest of the Nomura Group, whose infrastructure it uses under outsourcing agreements. However, the Institution is governed locally and therefore defines, where it deems necessary, specific risk management controls, policies and procedures and formulates its risk appetite, i.e., the maximum amount and types of risks the Institution is willing to take.

The overarching goal of NFPE's risk management process is to identify, quantify (wherever possible), monitor and control risks and risk concentrations to which NFPE is exposed. NFPE's risk management process starts with the identification of risks, which is followed by a materiality assessment of the identified risk. This risk assessment is documented in the NFPE risk inventory. The risk strategy defines the strategic risk management approach to be taken for all risks which have been assessed as being material.

The following chart outlines the NFPE risk management approach:



All risks to which NFPE is exposed are potentially material. The following risks were identified as material for NFPE in the last risk inventory:

- Market risk
- Credit risk (including country risk)
- Liquidity risk

- Model risk
- Non-financial risk (operational risk and reputational risk)
- Strategic risk

In addition, the Institution has identified risk drivers that affect multiple risk types: cross-border risk, electronic and algorithmic trading risk, and environmental, social and governance (ESG) risks. These are not considered separately, but as part of the above risk types.

Internal Capital Adequacy Assessment Process

NFPE has implemented an Internal Capital Adequacy Assessment Process (ICAAP) in accordance with the requirements of MaRisk and the Bundesbank's and BaFin's supplementary guideline to the ICAAP. The ICAAP forms a governance framework for a detailed capital plan, an internal capital adequacy calculation and appropriate stress tests. In order to assess internal capital adequacy, NFPE has developed and implemented a normative and an economic perspective.

The **normative perspective** considers the requirements for minimum regulatory capital ratios, including the combined buffer requirement, the SREP requirement and the target equity ratio. It comprises a scenario-based test of compliance with Pillar 1 requirements in a baseline scenario and several adverse scenarios, at least one of which is severe, for a three-year horizon. Stress calculations are carried out for both capital and risks. From a normative perspective, risk coverage potential is equal to the regulatory equity. The capital requirements are calculated in accordance with the internal model approaches prescribed or approved by the regulator.

The **economic perspective** is designed to protect creditors from losses. Economic risk capital is calculated on the basis of a 99.9% confidence interval and a one-year holding period. The risk capital is then compared with the economic risk coverage potential (RCP). Internal capital is adequate if the risk capital is equal to or less than the RCP. In addition, stress testing is carried out using the same stress scenarios as in the normative perspective. Here too, internal capital is adequate if the risk capital is equal to or less than the RCP.

The internal capital adequacy plan and stress tests are updated annually on the basis of current insights from the risk inventory. When selecting scenarios, NFPE takes into account institution-specific vulnerabilities to ensure that the scenarios are appropriate for society. An ESG scenario was also taken into account.

The Institution’s internal capital adequacy was ensured at every quarterly reporting date during the financial year, The table below provides an overview of economic internal capital adequacy at the end of the financial year and the previous year.

Financial year	Baseline			Stress		
Risk type	Risk (EUR m)	Action limit (EUR m)	Limit utilisation	Risk (EUR m)	Action limit (EUR m)	Limit utilisation
Credit risk	85	265	32%	163	301	54%
Market risk	11	54	21%	14	53	27%
Operational risk	78	129	60%	85	154	55%
Model risk	0	18	1%	0	27	1%
Total	**175**	**466**	**37%**	**262**	**466**	**49%**
Available capital	**717**			**668**		

Previous year	Baseline			Stress		
Risk type	Risk (EUR m)	Action limit (EUR m)	Limit utilisation	Risk (EUR m)	Action limit (EUR m)	Limit utilisation
Credit risk	37	266	14%	188	297	63%
Market risk	13	54	24%	15	53	29%
Operational risk	65	129	50%	71	152	47%
Model risk	1	18	5%	1	26	4%

Total	115	467	25%	275	528	52%
Available capital	719			659		

Stress testing is an integral part of the Nomura Group and NFPE's risk management and is used to complement ICAAP and internal risk models to identify specific risks to portfolios at different levels that are affected by specific shocks. Stress tests are designed to be economically coherent, exacting and comprehensive in terms of business and risk coverage, taking difficult yet conceivable scenarios into consideration.

Reverse stress tests are also performed annually. They examine which events would cause the original business model to be no longer feasible or viable. The last observation took place at the end of December 2025. As a result, some of the scenarios considered lead to an impairment of the risk-bearing capacity, but from today's perspective there is no need for action, as the shocks considered were assessed as incredibly strong.

Risk appetite

Risk appetite defines the type and quantum of risk that the Institution is willing to assume in pursuit of its strategic objectives and business plan.

The Institution's Risk Appetite Statement is approved by NFPE's Management Board and the utilisation of the various limits, e.g., for regulatory capital, internal capital adequacy and liquidity requirements, is regularly reported to the Risk Management Committee (RMC) and the ICAAP Committee. For each type of risk and the respective risk appetite indicators, clear responsibilities are defined with regard to monitoring and further development. As part of the risk strategy, the Risk Appetite Statement must be reviewed and adapted if necessary, at least once a year or following any significant changes in business strategy.

Risk organisation and structure

The Risk Management department was established as an independent risk control function to monitor and report on financial risks to which the Institution is exposed. In organisational terms it is separate from the front office departments and reports to the Chief Risk Officer of NFPE ("NFPE CRO"), who is a member of NFPE's Management Board.

In addition, there are committees devoted to monitoring other significant risks to the Institution. Other departments or functions within the Institution contribute to the Institution's global risk management as described below:

Through its liquidity management department, the Finance division is responsible for managing the Institution's liquidity requirements and for conducting liquidity stress tests to ensure compliance with the liquidity risk appetite and limits approved by the Management Board. The liquidity stress tests are regularly validated by the Model Validation Group and critically scrutinized by Treasury Risk Management.
Additionally, the Finance function bears overall responsibility for the ICAAP, which is carried out in close cooperation with the Risk Management department.

Monitoring, reporting and data integrity

Development, consolidation, control 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 departments are responsible for preparing regular risk MI, although most aspects of operational risk reporting are outsourced within the Group. This includes regular reporting on the utilisation of risk appetite as well as granular information on the respective risk situation. The risk MI encompasses information about all significant risk types and is regularly enhanced to accommodate current developments. The relevant departments are responsible for implementing appropriate reports and controls over data quality for the various elements of risk MI.

Adequacy of risk management

NFPE's Management Board is responsible for reviewing the adequacy of NFPE's risk management arrangements.

Risk categories

Market risk

Market risk is the risk of incurring losses due to a change in the value of financial assets and liabilities (including off-balance sheet items) resulting from movements in market risk factors, such as interest rates, exchange rates and securities prices. The Institution allocates its exposures to either trading portfolios or non-trading portfolios. The value at risk ("VaR") is determined daily for all trading book positions and compliance with the relevant limits is monitored

As NFPE enters into back-to-back transactions for the majority of transactions concluded with other Nomura Group subsidiaries to hedge against the market risk in client transactions, the Institution is primarily exposed to market risks in the form of the credit valuation adjustment ("CVA") and funding valuation adjustment ("FVA") alongside the hedging activities of the trading desks and market risks from treasury activities. In addition, the company allows market risk positions for so-called "approved strategies" within the framework of limits defined for this purpose, for which no back-to-back is necessary. These risks are managed by the trading desks in the Institution's books. No hedge accounting is performed.
Due to the business model, interest rate risks in the trading book and credit spread risks in the trading book were classified as non-material.

Risk assessment

NPFE was granted permission by BaFin to use the internal models approach to calculate own funds requirements for market risk as of 1 July 2022. The regulatory VaR scope covers the general and specific risk arising from debt instruments and currency risk, thereby expanding on the previous scope, which was limited by certain valuation models. BaFin initially set the multiplication factors mc and ms, in accordance with Art. 366 (2) sentence 1 CRR, to 3 after approval.

The standard rules for calculating the regulatory capital requirements for market risk are applied to trading positions which do not fall within the scope of the internal models approach. Such positions, however, are also captured in the VaR for internal management purposes.

Market risk is managed by market risk limits which are defined in accordance with the Nomura Group's market risk limit management system and NFPE's risk appetite Market risk limits are set at various levels in NFPE, from institution level to trading desk level.

Value-at-Risk

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

The Institution uses a VaR model that has been implemented group-wide to determine the total trading VaR. A historical simulation is implemented, where historical market movements over a two-year window are applied to the Institution's current exposure in order to structure a profit and loss distribution. Potential losses can be estimated at required confidence intervals or probabilities.

Depending on the posting system, product and risk factor, the profit and loss distribution is generated by means of a full revaluation using spot-volatility grids or methods based on sensitivities ("Greeks"). The full revaluation method is applied to the primary risk factors of interest and credit products (interest rate and credit rating), whereas market value volatility grids are used for the primary risk factors of equity and currency products (spot price and stock market or exchange rate volatility). For some products and for secondary risk factors of all products (e.g., currency risk for interest rate, credit and equity instruments), the sensitivities-based method is used (the relevant metrics are multiplied by appropriate historical yields).

The Institution uses a VaR model for both internal risk management purposes and for regulatory reporting. For regulatory capital, the Institution uses a confidence interval of 99% and a 10-day time horizon calculated using actual 10-day historical market movements. For internal risk management purposes, VaR is calculated at the same confidence interval using both the one-day and 10-day time horizon. sVaR is calculated using the 10-day time horizon in both cases. The one-year stress window used for sVaR for internal risk management purposes is defined at group level (NHI), whereas it is NFPE-specific for regulatory reporting.

The sVaR is calculated for a severe financial stress using a one-year time window. Both VaR and sVaR are based on a single model that diversifies general and specific risks. Both VaR and sVaR are calculated daily using 10-day historical market moves. The historical two-year window for VaR is updated at least every other business day, while the optimal one-year window for sVaR is calibrated daily. SVaR maximizes the stress phase used in the SVaR model over a rolling one-year window between the beginning of 2008 and the reporting date.

The Institution's VaR model is monitored continuously to ensure that it is fit for purpose. The main way of validating VaR is to compare one-day trading losses with the corresponding VaR estimate (backtesting). The Institution's VaR model is backtested at different levels. During the financial year ended 31 March 2023,
31 March 2025, the VaR estimate at the 99% confidence level on a trading day, which means that the Company currently does not have to apply a corresponding multiplier mark-up m_c in $m_s$accordance with the CRR . From the bank's point of view, the exceedance is caused by special market movements and is not a sign of a model weakness.

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. 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.

The table below provides an overview of the market risk situation at the end of the financial year, which remains at a low level after reduction:

Market risk according to COREP in EUR	31/03/2026	31/03/2025
10-day VaR 99%	700,867	1,468,519
10-day stress VaR 99%	1,827,909	2,547,581

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 with a 99.9% confidence interval The IRC is calculated in a Monte Carlo simulation of correlated migration and default events. A three-factor copula model is employed, which implies an inter-asset (cross-regional and cross-sectoral) correlation, an inter-regional correlation and an intra-asset (intra-sectoral) correlation. These correlations are calibrated to empirically-observed 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 determining factor of IRC on a position is the credit rating of the obligor, which is based on Nomura Group's Internal Rating system that is also used for the internal ratings-based approach at the Nomura Group and has been approved by the Japanese regulator. The IRC scope covers all debt securities. All positions in the IRC model are assumed to have a one-year liquidity horizon. At the end of the financial year, IRC amounted to EUR 2,105,086 (EUR 3,997,409 at the end of the previous year).

Credit risk

Credit risk is the of loss arising from an obligor's default which results in the obligor's failure to meet its contractual obligations in accordance with agreed terms. This includes both on and off-balance sheet exposures. It is also the risk of loss arising through a credit valuation adjustment ("CVA") associated with deterioration in the creditworthiness of a counterparty. The Institution applies the Nomura Group's credit risk management policies for its credit risk management ("CRM"), with due consideration being given to specific local factors. The Institution's credit risk profile is shaped by counterparty credit risk as NFPE does not engage in traditional lending business. All credit risk management processes and methods described below refer to counterparty credit risk and not to lending business in the narrower sense.

The process for managing credit risk at the Institution includes:

- Evaluation of likelihood that a counterparty defaults on its payments and obligations
- Assignment of internal ratings to all active counterparties
- An approval process for lending and renewals and setting credit limits;
- Measurement and monitoring of the Institution's current and potential future credit exposures
- Consideration of credit risk management in legal documentation
- Use of appropriate credit risk mitigants including netting, collateral and hedging

Daily monitoring of credit exposure against approved credit limits and ongoing monitoring of the creditworthiness of counterparties take place. Any change in circumstance that alters the Institution's risk appetite for any particular counterparty, sector, industry or country is reflected in changes to the internal rating and credit limit as appropriate. Close monitoring of all borrowers has been carried out during the COVID-19 crisis and upon the onset of the war in Ukraine, but there are currently no indications of a significant deterioration in credit quality in the portfolio.

Internal ratings are an integral part of the assignment of credit limits to counterparties in order to ensure that the risk appetite is not exceeded. Global credit policies and NFPE-specific policies define the delegated authorities that establish the maximum aggregated limit amounts and granular limits that may be set for any single counterparty group based on their internal rating.

The Institution utilises financial instruments and netting agreements to manage credit risk. Given the potential for loss resulting from unsecured exposures, as a general rule, all extensions of credit by the Institution should be collateralised. In certain cases, however, where there is sufficient risk appetite, an unsecured exposure may be approved by the relevant credit risk managers.

Legal agreements should ensure that margin agreements and collateral accepted from clients provide the best possible protection for the Institution. 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. 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 market risk of the asset. The amount of the haircuts is determined by quantitative and historical analyses and reviewed at regular intervals.

Risk assessment

As described above, counterparty credit risk relating to derivatives and securities financing transactions is the key determinant for the Institution's credit risk. The Institution has been granted permission by BaFin to use the internal model method ("IMM") in combination with the standardised approach in the calculation of the counterparty credit risk requirements for certain derivative and securities financing transactions. In the calculation of risk-weighted exposure amounts under the standardised approach to credit and counterparty risk, the ratings of Fitch, Moody's and Standard and Poor's are used for all applicable exposure classes.

For derivatives and securities financing transactions, the Institution measures credit risk primarily using a Monte Carlo-based simulation model that determines a potential exposure profile.

As of 2025, the company has switched to the basic approach (BA-CVA) due to regulatory changes.

The following table provides an overview of the credit risk according to the credit risk standard approach for the individual risk exposure classes as at 31/03/2026.

Exposure class	RWA (in EUR thousand) 31/03/2026	RWA (in EUR thousand) 31/03/2025
Credit risk	**1,908,581**	**1,800,092**
Credit risk standardised approach	**1.892273**	**1,782,174**
Central governments or central banks	10,429	40,488
Regional governments or local authorities	0	0
Administrative bodies and non-commercial undertakings	16,644	16,647
Multilateral development banks	0	0
International organisations	0	0
Institutions	469,287	379,716
Corporates	1,391,079	1,341,315
Retail	0	0
Secured by real estate property	0	0
Past due items	0	0
Items belonging to regulatory high-risk categories	0	0
Covered bonds	0	0
Securitisation positions	0	0
Short-term claims on institutions and corporates	0	0
Collective investment undertakings (CIU)	0	0
Equity	132	132
Other items	4,702	3,876
Exposure value for contributions to the default fund of a CCP	**16,308**	**17,917**

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 Nomura Group has established policies that govern the management of any WWR exposures, which also apply to the Institution. Stress testing is used to support the assessment of any WWR embedded within existing portfolios of NFPE and adjustments are made to credit exposures and regulatory capital, as appropriate.

WWR analysis is performed by the Risk Management department. The analysis is provided to assist the Management Board in determining whether the level of wrong way risk is a concern and action should be taken to reduce it. For strongly correlated WWR, the Institution backs transactions with additional capital.

Concentration of credit risks

Concentrations of credit risks can arise from the Institution's trading in derivatives, the financing of securities and exposures to central counterparties and clearing houses and are affected by changes in political or economic factors. At the Institution, concentrations of credit risks typically occur with highly rated credit institutions and affiliates in the Nomura Group. Such concentrations are considered by the models for quantifying credit risk in the economic perspective of the ICAAP.

Liquidity risk

The Institution defines liquidity risk as the risk of failing to meet financial obligations as and when they become due. This risk can arise due to either a credit rating downgrade or market-driven negative events. The Institution's prime goal in liquidity risk management is to preserve liquidity at all times and in all stress scenarios and to ensure that the Institution is able to meet all financial obligations which fall due within the survival period defined by the Management Board.

Liquidity risk is managed by the liquidity risk limits set in accordance with NFPE's risk appetite. The Institution manages liquidity risk independently using the internal stress model, maximum cash outflow and regulatory ratios such as the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR).

The Institution's internal stress model quantifies the liquidity buffer necessary to survive the defined stress scenarios in the defined periods of time. The liquidity portfolio, which comprises highly liquid, unencumbered securities and central bank deposits, acts as a liquidity buffer and ensures that sufficient liquidity is available to satisfy the modelled requirements.

From a normative perspective, liquidity is managed through the LCR and NSFR. The LCR measures the ability to meet short-term liquidity requirements, while the NSFR ensures that non-current assets are financed through suitable stable sources of funding.

NFPE's total liquidity exposure is made up of capital, loans from legal entities within the Nomura Group, and business-generated collateral received. NFPE's resulting liquidity remained consistently above its risk appetite in the reporting year.

During the financial year, the liquidity requirement remained at a stable, moderate level. Changes in the key figures in the normative perspectives were mainly due to the usual business activities. The liquidity available to NFPE was sufficient for this. Existing buffers were not used in the financial year.

The monthly Asset and Liability Committee ("ALCO") decides on all decisions relating to the level and design of liquidity capacity, taking into account medium and long-term projections.

For the 2025/2026 financial year, the company had sufficient liquidity at its disposal to support the fulfilment of the business plan as well as to meet the minimum liquidity requirements at all times. The Institution expects the liquidity requirement to remain constant over the coming financial year.

Liquidity risk	(in EUR thousand) 31/03/2026	(in EUR thousand) 31/03/2025
Liquid assets	1,414,142	1,655,874
Net liquidity outflows	609,416	602,351
LCR	232%	275%

Model risk

Model risk is the risk of loss arising from model errors or incorrect or inappropriate model application. Errors can occur at any point from model assumptions through to implementation. In addition, the quality of model outputs depends on the quality of model parameters and any input data Even a fundamentally sound model producing accurate outputs consistent with the design objective of the model may exhibit high model risk if it is misapplied or misused.

NFPE has adapted the Nomura Group's model risk management policy, which defines the requirements for model validation when implementing new or modified valuation and risk models, and for their regular review. Furthermore, a process has been established to monitor model performance in order to identify and evaluate specific events which suggest that a model is not functioning as it should or could be unsuitable and to identify which measures could be necessary to remedy any model deficiencies. For changes with an impact above a specific predefined materiality threshold, change approval is required. The Model Validation department defines these limits in a formal process and controls their application.

Non-financial risk

Operational risk

Operational risk refers to the risk of incurring financial and non-financial losses due to inadequate or faulty internal processes, systems as well as man-made or external events. Strategic risks or reputational risks are not part of operational risk, although the latter are closely linked to them, as these can be triggered by operational risks.

NFPE is inevitably exposed to operational risks as a result of its business activities. The Management Board therefore ensures the existence of an adequate operational framework to ensure the appropriate identification, assessment, monitoring, governance and reporting (risk management circuit) through the following operational risk instruments:

- *Collecting information on the incident*: Incidents that occur are systematically recorded, analysed, counteracted by measures and reported.
- *Risk Control and Self-Assessment ("RCSA"):* All organisational areas of NFPE identify and evaluate the inherent and residual risks arising from their respective areas of responsibility. The effectiveness of controls related to risk avoidance is examined and taken into account when assessing residual risk.
- *Scenario analysis:* In the scenario analysis, the probability of occurrence and potential loss amounts of rare yet plausible loss events that may cause serious damage are estimated. In addition to incident data, scenarios are used as an input for determining the economic capital requirement for operational risks.
- *Key Risk Indicators ("KRI"):* KRIs are metrics that serve as an early warning and monitoring system for operational risks. The aim is to be able to take measures in good time to counteract them before they occur.

The operational risk profile of NFPE is defined by its locations and its business model. NFPE is part of the Nomura Group and outsources parts of its business operations within the Group. This results in third-party risks, which form a significant part of the operational risk profile. One of these risks includes IT operations, which are exposed to IT security and cyber risks.
In the course of the NFPE's business, transaction risks also arise from trading activities (including risks arising from electronic trading). As a result of the back-to-back agreement with other companies of the Nomura Group, market price risks that have become significant due to operational risks are largely transferred to them (see Market Risk). However, risks arising from the violation of regulatory upfront levies and applicable law remain with NFPE and represent a significant part of the operational risk profile.

In addition to global market developments, the success of the NFPE primarily depends on its qualified employees. A growing business model coupled with a competitive market environment for hiring talent has led to additional personnel risks for NFPE.

Reputational risk

Reputational risk is one of the main risks faced by NFPE and can arise from a variety of causes. Reputational risk describes the risk of potential damage to NFPE's reputation and associated risk to earnings, capital, or liquidity resulting from an association, act, or omission that may be perceived by stakeholders as inappropriate, unethical, or inconsistent with NFPE's values and beliefs.

NFPE may also be affected by reputational risk events throughout the Nomura Group. Corresponding incidents within the Group have the power to affect the reputation of the Nomura brand and, as a result, the business performance of NFPE.

NFPE has rolled out training in accordance with Nomura Group standards to ensure that all employees are aware of the reputational risks associated with their daily work. For operational reasons, controls have been set up and processes are closely monitored to minimise any negative impact on NFPE's broker ranking.

Strategic risk

Strategic risk is defined as the risk to current or forecast earnings, capital, liquidity, enterprise value or the reputation of the Nomura Group resulting from adverse business decisions, poor implementation of business decisions or a lack of responsiveness to changes in the industry or external environment. Strategic risk is managed by NFPE's Management Board and wholesale front office.

Internal audit

NFPE Internal Audit is responsible for performing internal audit work at NFPE and its branches. This includes the risk-based and process-independent audit and assessment of the design and operating effectiveness of the risk management system in general and specifically the internal control system It encompasses all activities and processes carried out by NFPE in performing its business activities, regardless of whether or not they have been outsourced. Internal Audit follows a global methodology and is guided by the standards issued by the Institute of Internal Auditors ("IIA") and Information Systems Audit and Control Association ("ISACA") and by the guidelines and recommendations of other relevant organisations such as the Basel Committee on Banking Supervision. Quality control tests are performed by a global team which is independent of the internal audit employees who are responsible for the audit to ensure that the audits by Internal Audit meet the requirements of the IA methodology and other applicable standards. An annual risk assessment is performed that covers all activities of NFPE and its branches. The results are used to develop the internal audit plan which requires the approval of the NFPE Management Board and the Audit and Risk Committee.

The Nomura Group's Internal Audit is responsible for auditing and assessing the adequacy and operating effectiveness of internal control over all business and operational activities within the Group. The Global Head of Internal Audit is on an independent reporting level with the Internal Controls Committee and the Chairman of the Audit Committee of Nomura Holdings, Inc. The Head of Global Wholesale Division Audit & EMEA Audit Head reports to the Chair of the Audit Committee of NEHS and the Global Head of Internal Audit. NFPE is fully covered by the activities of Internal Audit of the Nomura Group, to which a Frankfurt-based internal audit team belongs. The Head of NFPE Internal Audit reports to the local management and supervisory board of NFPE and also to the functional head of internal audit of the Global Wholesale business unit.

Audits are performed using a risk-based method. Key controls are determined, and numerous techniques are employed to assess the appropriate design and operating effectiveness of the controls. These include identifying and observing controls, sample testing and, in some cases, substantive testing. NFPE Internal Audit reports in accordance with the requirements of Nomura's internal audit methodology. A complete audit report will be prepared and brought to the attention of the Management Board, the Supervisory Board and the department heads concerned. The status of open points is reviewed regularly and reported to the Management Board and the Supervisory Board, as well as to the department heads who are responsible for remedying the points in question. Internal Audit performs work to test and confirm problematic points which have been resolved, according to management.

NOMURA FINANCIAL PRODUCTS EUROPE GmbH

Financial statements
1 April 2025 – 31 March 2026

BALANCE SHEET AS AT 31 MARCH 2026

Assets	EUR	EUR	March 2026 EUR	March 2025 EUR
Cash reserve			55,874	56,629
a) Cash		5,002		5,757
b) Balances at central banks		50,872		50,872
thereof: at the Deutsche Bundesbank	*50,872*			*50,872*
Receivables from credit institutions			110,933,842	85,287,487
a) payable on demand		108,352,096		82,550,160
b) Other receivables		2,581,746		2,737,327
Receivables from customers			617,696,306	1,130,236,363
thereof: secured by mortgages			-	-
thereof: municipal loans			-	-
Trading stock			16,041,756,933	16,044,047,272
Investments			131,920	131,920
thereof: to credit institutions			-	-
thereof: to financial services institutions			*131,920*	*131,920*
Property and equipment			5,569,356	5,654,442
Other assets			158,300,268	490,190,547
Prepaid expenses			1,273,451	1,095,816
Total assets			**16,935,717,950**	**17,756,700,476**

BALANCE SHEET AS AT 31 MARCH 2026

Liabilities and equity	EUR	March 2026 EUR	March 2025 EUR
Liabilities to banks		279	239
a) payable on demand		279	239
b) With an agreed term or period notice	-	-	-
Liabilities to customers		258,002,602	386,663,882
a) Other liabilities			
aa) payable on demand	-	-	-
ab) with an agreed term or notice period	*258,002,602*		*386,663,882*
Trading stock		15,360,755,233	16,033,665,281
Other liabilities		298,869,040	329,132,748
Provisions		95,231,506	88,544,674
a) Provisions for pensions and similar obligations		22,779,976	23,497,563
b) Tax provisions		5,713,823	11,969,314
c) Other provisions		66,737,707	53,077,797
Subordinated liabilities		185,000,000	185,000,000
Fund for general bank risks		27,601,572	27,601,572
thereof special item pursuant to Sec. 340e (4) HGB		*27,601,572*	*27,601,572*
Equity			
a) Subscribed capital		50,000,000	50,000,000
b) Capital reserves		490,000,000	490,000,000
c) Revenue reserves		166,092,080	159,435,387
ca) other retained earnings	*166,092,080*		*159,435,387*
d) Retained profit		4,165,638	6,656,693
Total equity		**710,257,718**	**706,092,080**
Total liabilities and equity		**16,935,717,950**	**17,756,700,476**
Contingent liabilities		4,520	4,520
Guarantees		4,520	4,520
Other obligations		1,455,026,662	720,866,380
Irrevocable loan commitments		1,455,026,662	720,866,380

NOMURA

PROFIT AND LOSS STATEMENT FOR THE FINANCIAL YEAR 1 APRIL 2025 – 31 MARCH 2026

			April 2025-March 2026		2024-2025
	EUR	EUR	EUR	EUR	EUR
Interest income from					
a) lending and money market business		672,921			954,031
b) Fixed-income securities and debt register receivables		75,264,931			89,442,144
Total interest income			75,937,852		90,396,175
Interest expense			81,774,207		123,782,614
Net interest income/expense				-5,836,355	-33,386,439
Commission income				106,828,673	107,156,417
Net income from trading book positions				22,942,907	76,271,780
thereof: Expenses from allocation to the special item pursuant to Section 340e (4) of the German Commercial Code (HGB)			*0*		*8,159,000*
Other operating income				56,610,673	41,093,885
General administrative expenses				164,698,009	171,436,546
a) Personnel expenses			120,148,788		119,518,410
aa) Wages and salaries		103,416,401			97,388,631
bb) Social security contributions and expenses for pensions and other benefits		16,732,387			22,129,779
thereof: for Pensions	*2,823,927*				*3,157,162*
b) Other administrative expenses			44,549,221		51,918,136
Amortisation, depreciation and impairment of intangible assets and property and equipment				2,107,437	1,758,452

PROFIT AND LOSS STATEMENT FOR THE FINANCIAL YEAR 1 APRIL 2025 - 31 MARCH 2026

	April 2025-March 2026	2024-2025
	EUR	EUR
Result from ordinary activities	**13,740,452**	**17,940,645**
Income taxes	9,574,814	11,283,952
Net income	**4,165,638**	**6,656,693**
Profit carried forward from the previous year	6,656,693	13,100,877
Allocations to revenue reserves		
a) To other revenue reserves	6,656,693	13,100,877
Retained profit	**4,165,638**	**6,656,693**

NOTES FOR THE FINANCIAL YEAR 1 APRIL 2025 - 31 MARCH 2026

1. BASIS OF FINANCIAL REPORTING

Nomura Financial Products Europe GmbH (NFPE), with registered office in Frankfurt am Main, is listed in the Commercial Register B of the Frankfurt am Main District Court under number 110223. The annual financial statements as at 31 March 2026 are prepared in accordance with the requirements of the German Commercial Code (HGB) and the RechKredV [“Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute”: German Bank Accounting Directive] and the GmbHG [“Gesetz betreffend die Gesellschaften mit beschränkter Haftung”: German Limited Liability Companies Act].

2. ACCOUNTING POLICIES

The accounting policies were unaltered from the previous year.

Cash reserve

The cash reserve is carried at nominal value.

Receivables from banks and customers

Loans, credit balances and other receivables are valued at amortised cost less impairment.

Trading stock

All financial instruments classified as held for trading purposes, including derivatives, loans, debt instruments and securities, are recognised through profit or loss at fair value less the risk discount pursuant to Section 340e (3) of the German Commercial Code (HGB). At the time of first-time recognition, the Institution classifies its financial assets according to the purpose for which the financial instruments were acquired and their features. The financial instruments of the trading book are valued at their fair value plus deferred interest.

Fair value of financial instruments

The fair value is the market price. If there is no active market on which to determine the market price, the fair value is determined using generally accepted valuation methods.

Trading assets are generally valued at the (lower) bid price and trading liabilities at the (higher) ask price. For convenience, however, valuations at average rates are also permitted. When using an average measurement, a fair value adjustment is made for significant back-to-back cash positions to account for the bid-ask spread.

Valuation models take into account contract terms, position size, prices of the underlying assets or obligations, interest rates, dividend rates, fair value, volatility and other statistical measures for the relevant instruments or for instruments with similar characteristics. These models also include adjustments with regard to the credit risk of counterparties and the Institution’s own credit risk, administrative expenses for the servicing of future cash flows and market liquidity adjustments. These adjustments are key components of the process used to determine fair value. The valuation method applied maximises the use of market data and minimises the use of institution-specific data not observable on the market.

Valuation models and their underlying assumptions influence the amount and timing of the unrealised profits and losses recorded. The use of different valuation models or underlying assumptions could lead to different results. The Institution’s fair value estimates or valuation parameters entail a greater measure of subjectivity if they lack transparent market data.

2. ACCOUNTING POLICIES (CONTINUED)

For OTC derivatives held in the trading portfolio, the counterparty credit risk is managed by taking into account credit valuation adjustments (CVAs), while Nomura's non-performance risk is covered by taking into account debt value adjustments (DVAs). In case of a funding valuation adjustment (FVA), the refinancing costs or benefits of unsecured derivatives and partly secured derivatives, which are only covered by a partial hedge or the hedge cannot be used for refinancing purposes, are accounted for at fair value. The FVA takes into account the Nomura Group's funding risk. To determine fair value, CVAs, DVAs and FVAs are based on available observable market data (e.g., credit default swap spreads). NFPE's own credit spread is also used for liabilities in the trading portfolio. Changes in fair value in the trading portfolio are netted and disclosed in the net trading result. Fair value adjustments due to changes in NFPE's own creditworthiness are also recognised in the income statement.

NFPE nets positive and negative fair values of trading book derivatives and the related margin payments (cash collateral) of OTC derivatives, both with central counterparties and with non-central counterparties. Offsetting with non-central counterparties can be carried out provided that there is an agreement with an enforceable master agreement (ISDA or DRV) and there is a daily exchange of cash collateral. In a first step, the bank offsets positive fair values from derivative financial instruments with negative fair values. In a second step, compensation payments received, the repayment obligations of which are recognised in other liabilities, are offset against positive fair values from derivative financial instruments. Moreover, security payments with refund claims recognised in other assets are netted with the negative fair values from derivative financial instruments. The amounts derived from netting compensation payments with fair values in this way are recognised in trading assets or liabilities as a net figure.

Certain central counterparties offer a "settlement-to-market" model for certain derivatives, under which daily settlement payments are made that do not legally lead to collateralisation but to settlement of the outstanding receivables/liabilities. These compensation payments made and received are also presented in the balance sheet as a reduction of the item in this amount.

Repo transactions in the trading book are measured at fair value. Receivables and liabilities from and to customers under repo and reverse repo agreements are recognised as gross amounts. Securities borrowed or lent to third parties are not recorded on NFPE's balance sheet as additions or disposals because there is no transfer of economic attribution.

Interest-based financial instruments not held in the trading book are checked cumulatively using an approach based on the net present value for surplus liabilities on an annual basis. This valuation within the meaning of the IDW RS BFA 3 did not result in the need to make a provision for imminent losses in the year under review.

2. ACCOUNTING POLICIES (CONTINUED)

Risk discount

The risk discount for financial instruments in the trading portfolio measured at fair value is calculated at each balance sheet date on the basis of the internal value-at-risk method (VaR) used for internal risk management purposes.

The calculation is based on

- a 99% confidence level;
- a 10-day holding period and
- a minimum observation period of one year.

The adjustments are recognised in the income statement as a reduction of trading profit and as a single amount in an offsetting item for the higher amount of trading assets or trading liabilities.

Investments

Investments are recognised at amortised cost. In the event of expected permanent impairments, unscheduled depreciation is recognised. If the reasons that led to the depreciation no longer exist, a write-up is made up to a maximum of the amount of the acquisition cost.

Property and equipment

Property and equipment held for use are valued at acquisition cost less planned depreciation. Property and equipment are depreciated on a straight line basis over their estimated useful lives, generally on the basis of the depreciation tables published by the tax authorities. Low-value assets with an individual net value not exceeding EUR 800 are depreciated in full in the year of acquisition.

Unscheduled depreciation is recognised if there are indications that the asset may be permanently impaired. The impairment loss on property, plant and equipment is the difference between the book value and the lower replacement cost or its market value. If the difference is considered to be permanent, the impairment loss is recognised in the income statement.

2. ACCOUNTING POLICIES (CONTINUED)

Other assets

Other assets are reported at nominal value.

Liabilities to banks and customers

Liabilities are recognised at their settlement value plus accrued interest and only derecognised if they are repaid, i.e., when the contractually specified obligations have been discharged, cancelled or have expired.

Other liabilities

Other liabilities are stated at their settlement value.

Provisions

Provisions are only recognised if they meet all of the following criteria:

- There is an existing or likely present obligation to third parties
- The obligation is based on legal or contractual provisions
- The cash outflow from the obligation is predictable (i.e., reasonably certain)
- The cash outflow cannot be recognised as an asset
- The recognition of a provision is not prohibited

Provisions with an expected remaining maturity of more than one year are discounted at the interest rate announced by the Deutsche Bundesbank.
Unrealised losses from financial derivatives positions in the banking book are reported under Other Provisions.

Subordinated liabilities

Subordinated liabilities are recorded at the settlement value.

2. ACCOUNTING POLICIES (CONTINUED)

Equity

Equity is stated at nominal value.

Other

Intragroup sales credits and profit shares from trades with NFPE clients are recognised as trading income. Income in connection with NFPE's investment banking activities and in connection with NFPE's trading activities with Nomura Group clients is recognised under commission income.

Fund for general bank risks

An allocation pursuant to Section 340e (4) of the German Commercial Code (HGB) was not required as at 31 March 2026.

Contingent liabilities/irrevocable loan commitments

Contingent off-balance sheet liabilities and irrevocable loan commitments are disclosed at nominal value. The irrevocable loan commitments are essentially newly concluded reverse repo transactions on the cut-off date, the start date of which is after the cut-off date.

Foreign currencies

All foreign currency transactions are initially valued in EUR at the actual exchange rate on the transaction date, with the income or expense item being recognised either at the actual rate or the average rate.

The subsequent revaluation of property, plant and equipment is carried out at historical prices, while other items are revalued at the current average closing price at the balance sheet date.

Held-for-trading financial instruments which are measured at fair value are revalued at the current mean market closing rate.

Exchange gains and losses from the revaluation of non-trading balances at the mean spot rate are recognised separately as part of other income or other expenses. Due to the currency position management processes used, the banking book is subject to special coverage in accordance with Section 340h of the German Commercial Code (HGB).

3. Foreign currency translation

Amounts in foreign currencies are translated in accordance with the provisions of Sec. 256a HGB. Assets and liabilities as well as income and expenses denominated in foreign currency are translated as at the reporting date at the exchange rates used by the Group. The resulting gains and losses are recognised in the profit and loss statement.

Assets and liabilities denominated in foreign currency:

	31March 2026 EUR thousand	31March 2025 EUR thousand
- Assets	3,474,977	5,460,998
- Liabilities	3,605,357	4,325,437

4. Maturity profile

	31March 2026 EUR thousand	31March 2025 EUR thousand
Receivables from banks due in		
- payable on demand	108,352	82,550
- up to 3 months	2,582	2,737
- more than 3 months up to 1 year	-	-
- more than 1 year up to 5 years	-	-
- more than 5 years	-	-
Receivables from customers due in		
- payable on demand	578,637	1,097,342
- up to 3 months	39,059	32,894
- more than 3 months up to 1 year	-	-
- more than 1 year up to 5 years	-	-
- more than 5 years	-	-

4. Maturity profile (continued)

	31March 2026 EUR thousand	31March 2025 EUR thousand
Liabilities to banks due in		
- payable on demand	0	0
- up to 3 months	-	-
- more than 3 months up to 1 year	-	-
- more than 1 year up to 5 years	-	-
- more than 5 years	-	-
Liabilities to customers with an agreed term or period of notice of		
- payable on demand	-	-
- up to 3 months	36,860	150,797
- more than 3 months up to 1 year	-	235,867
- more than 1 year up to 5 years	221,143	-
- more than 5 years	-	-

5. Relationships with other Nomura Group companies

	31March 2026 EUR thousand	31March 2025 EUR thousand
- Receivables from customers	611,434	1,121,160
- Other assets	12,590	18,684
- Liabilities to customers	254,241	382,744
- Other liabilities	127,541	131,701
- Subordinated liabilities	185,000	185,000

NFPE has loans from and deposits at entities within the Nomura Group, These mainly include the reverse repo balances with Nomura International plc, London (NIP) in the amount of EUR 301,456 thousand (previous year: EUR 963,814 thousand) and with Nomura Securities International Inc (NSI) in the amount of EUR 277,541 thousand (previous year: EUR 133,847 thousand) as part of the management of the liquidity pool.

The amounts from reverse repo transactions with NIP and NSI are related to treasury activities and trading activities and represent loans to board members. The market conformity checks performed for these transactions did not give rise to any indications of conditions that were not in line with the market.

NFPE has liabilities to group companies in the United Kingdom, Singapore and Japan, which are reported in liabilities to customers and other liabilities. This mainly includes unsecured borrowings from Nomura International Funding PTE Ltd. in the amount of EUR 222,617 thousand (previous year: EUR 236,408 thousand). In the previous year, there were also unsecured borrowings from NIP in the amount of EUR 138,859 thousand. There are also cash collateral in the amount of EUR 62,950 thousand (previous year: EUR 63,142 thousand) received from NFPS, based in Tokyo, and EUR 60,950 thousand (previous year: EUR 61,137 thousand), received from NIP, based in London.

6. Receivables from credit institutions

The balance of receivables from banks is mainly made up of balances on nostro accounts of EUR 108,352 thousand (previous year: EUR 82,550 thousand).

7. Receivables from customers

Receivables from customers mainly result from intra-group reverse repo transactions of EUR 578,997 thousand (previous year: EUR 1,097,662 thousand).

8. Trading stock

The trading portfolio as at 31 March 2026 is mainly attributable to the Global Markets division's trading activities in derivatives and repo (repo and reverse repo) transactions with EU clients and related market risk transfer transactions with Nomura Group companies. The market risk is transferred to companies belonging to the Nomura Group on the basis of back-to-back transactions. As a result, the trading activities do not contribute significantly to the income of NFPE. NFPE mainly generates income from sales credits from Global Markets. The spot bond positions at year-end arose from timing differences in the settlement of securities that were purchased shortly before the reporting date and resold simultaneously.

The financial instruments in the trading book break down as follows:

	March 2026		March 2025	
	Trading assets	Trading liabilities	Trading assets	Trading liabilities
	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Financial derivatives	641,265	654,293	718,240	633,256
Reverse repos/repos	15,351,031	14,631,453	15,302,391	15,252,688
Spot bond positions	24,891	479	19,338	415
Other assets/liabilities	25,254	74,530	4,872	147,306
Risk discount	-684	-	-794	-
	16,041,757	**15,360,755**	**16,044,047**	**16,033,665**

8. Trading book (continued)

Breakdown of the remaining maturity of financial instruments by product at the end of March 2026:

	Derivatives Assets EUR thousand	Derivative liabilities EUR thousand	Nominal value EUR thousand
Interest swaps maturing in			
- less than one year	198,935	279,848	1,797,665,508
- more than one year up to five years	560,946	720,124	1,476,676,203
- more than five years	3,709,263	2,617,248	671,622,184
Currency products maturing in			
- less than one year	381,918	348,828	93,495,612
- more than one year up to five years	34,797	59,451	3,208,907
- more than five years	22,469	53,123	1,861,923
Credit default swaps and other instruments maturing in			
- less than one year	91,361	91,440	55,949
- more than one year up to five years	90,825	91,197	875,380
- more than five years	25,355	25,777	178,420
Equity derivatives and other options due in			
- less than one year	47,033	70,333	749,601
- more than one year up to five years	444,864	433,221	2,045,606
- more than five years	48,286	1,268	1,273,957
Total	5,656,052	4,791,858	4,049,709,250
Bilateral and variation margin netting	-5,014,787	-4,137,565	-
	641,265	**654,293**	**4,049,709,250**

8. Trading book (continued)

Breakdown of the remaining maturity of financial instruments by product at the end of March 2025:

	Derivatives Assets EUR thousand	Derivative liabilities EUR thousand	Nominal value EUR thousand
Interest swaps maturing in			
- less than one year	193,900	324,692	1,860,564,319
- more than one year up to five years	696,428	656,775	1,255,272,484
- more than five years	3,164,055	2,003,243	633,900,213
Currency products maturing in			
- less than one year	340,965	366,971	24,288,083
- more than one year up to five years	49,221	59,834	3,183,940
- more than five years	24,739	43,396	657,299
Credit default swaps and other instruments maturing in			
- less than one year	104,264	104,266	116,572
- more than one year up to five years	2,819	3,328	614,119
- more than five years	12,220	12,334	315,416
Equity derivatives and other options due in			
- less than one year	276	276	270,893
- more than one year up to five years	179,052	173,647	1,483,522
- more than five years	9,135	1,688	623,311
Total	4,777,074	3,750,450	3,781,290,172
Bilateral and variation margin netting	-4,058,834	-3,117,194	-
	718,240	**633,256**	**3,781,290,172**

9. Property and equipment

Property and equipment are used by the headquarters and its branches.

Acquisition and production cost	Assets under construction	Furniture, fixtures and Office equipment	Total
	EUR thousand	EUR thousand	EUR thousand
as at 1 April 2025	-	11,162	11,162
Additions	434	1,588	2,022
Disposals	-	-131	131
Transfers	-	-	-
as at 31 March 2026	434	12,619	13,053
Depreciation and impairment			
as at 1 April 2025	-	5,508	5,508
Additions	-	2,107	2,107
Disposals	-	-131	-131
Transfers	-	-	-
as at 31 March 2026	-	7,484	7,484
Book values			
as at 31 March 2025	0	5,654	5,654
as at 31 March 2026	434	5,135	5,569

10. Other assets

Other assets mainly comprise cash collateral paid that is not suitable for offsetting against the negative market value of trading positions in the amount of EUR 115,198 thousand (previous year: EUR 451,721 thousand), intra-group receivables in the amount of EUR 14,971 thousand (previous year: EUR 11,033 thousand) and tax advance payments in the amount of EUR 10,630 thousand (previous year: EUR 12,181 thousand).

11. Subordinated liabilities

Subordinated liabilities include only a loan of EUR 185,000 thousand taken out by the shareholder NEHS in the 2021/22 financial year, for which subordination to senior liabilities and equal ranking with other subordinated liabilities was contractually agreed. The loan has a remaining term of less than five years and can be repaid early by the borrower under certain conditions. On the basis of the agreed interest rates (3-month Euro short-term rate + 205 bp), EUR 7,606 thousand (previous year: EUR 10,273 thousand) in interest expense was incurred for this in the financial year.

12. Liabilities to customers/other liabilities

Liabilities to customers mainly comprise intra-Group loans of EUR 223,067 thousand (previous year: EUR 375,819 thousand).

Other liabilities include cash collateral received of EUR 293,655 thousand (previous year: EUR 311,644 thousand) as well as short-term payment obligations to suppliers and tax liabilities of EUR 5,214 thousand (previous year: EUR 17,489 thousand).

13. Provisions for pensions and similar obligations

Pension obligations were valued according to actuarial principles using the projected unit credit method (PUC method). The provision amount factored in trend-based assumptions regarding the future benefit entitlements and pension increases as well as turnover probabilities. The assumptions used in the valuation were as follows:

For pension obligations arising from the head office in Germany:

	Assumptions
Actuarial interest rate p.a	2.11% p.a.
Salary trend p.a.	2.00% p.a.
Increase in the income threshold p.a	3.00% p.a.
Increase in pensions p.a.	2.00% p.a.

Mortality tables used: Heubeck mortality tables (2018 G)
Turnover probabilities based on age and sex were used to account for employee turnover.
The difference in accordance with Section 253 (6) of the German Commercial Code (HGB) using an average interest rate of 2.30% over 7 years amounts to EUR -813 thousand.

For pension obligations arising from the branch in Switzerland:

	Assumptions
Actuarial interest rate p.a	2.11% p.a.
Salary trend p.a.	2.30% p.a.

The difference in accordance with Section 253 (6) of the German Commercial Code (HGB), applying an average interest rate of 2.30% over 7 years, amounts to EUR -88 thousand.
To take into account fluctuation and the probability of death and disability, the BVG 2020 biometric assumptions were applied.

14. Other provisions

The other provisions of EUR 66,738 thousand (previous year: EUR 53,078 thousand) mainly comprise provisions for outstanding bonus payments in the amount of EUR 29,437 thousand (previous year: EUR 20,291 thousand), provisions for services and supplies in the amount of EUR 26,112 thousand (previous year: EUR 15,650 thousand), severance costs of EUR 2,498 thousand (previous year: EUR 2,165 thousand) and costs for the audit of the annual financial statements in the amount of EUR 1,050 thousand (previous year: EUR 1,012 thousand).

15. Equity

NEHS holds 47,541,970 shares carrying equal rights and NIP holds 2,458,030 shares also carrying equal rights in the capital stock of the Institution, which has the legal form of a German limited liability company ["Gesellschaft mit beschränkter Haftung": GmbH]. Its capital stock of EUR 50,000,000 is divided into 50,000,000 shares.

	2025/2026 Subscribed capital EUR thousand	2024/2025 Subscribed capital EUR thousand
As at 1 April	50,000	50,000
Issued during the year:	-	-
As at 31 March	50,000	50,000

16. Net interest income/expense

The Institution's interest result mainly relates to interest on borrowings and cash collateral for derivatives.

	2025/2026 EUR thousand	2024/2025 EUR thousand
Interest on intragroup loans	-21,256	-27,363
Interest on deposits at the Deutsche Bundesbank	-	-
Interest on collateral provided for CCPs for derivative transactions	-10,795	-54,946
Interest on money market deposits	454	417
Interest on receivables from reverse repo transactions	25,761	48,506
Total	**-5,836**	**-33,386**

17. Net commission income

The commission income consists of the revenue share of the Nomura Group's Investment Banking in the amount of EUR 65,972 thousand (previous year: EUR 69,126 thousand) and income from global market sales activities that lead to the conclusion of business with other companies of the Nomura Group in the amount of EUR 40,857 thousand (previous year: EUR 38,030 thousand). Commission income from Global Markets and Investment Banking is calculated using the Nomura Group's global transfer pricing agreements

18. Net income/net expense from trading book positions

Net trading income includes commission income from trading activities with clients and exchange gains and losses from transactions to manage CVA/FVA risks. This item also includes the VaR discount and allocation to the special item through profit and loss in accordance with Sec. 340e (4) HGB. As at 31 March 2026, no trading income has been allocated to the General Banking Risk Fund, as the minimum allocation of 50% of the average of the last five annual net returns of the trading portfolio has been reached. In the previous year, trading income of EUR 8,159 thousand was transferred to the fund for general banking risks. Also, part of the trading result are the valuation adjustments for CVA/DVA risks.

19. Other operating income

Here, expense reimbursements, including financing costs, are mainly reported in the amount of EUR 56,611 thousand (previous year: EUR 41,094 thousand) in the context of agreements on recharging with NIP and other affiliated companies.

20. General administrative expenses

Personnel expenses mainly consist of wages and salaries of EUR 103,416 thousand (previous year: EUR 97,389 thousand) for employees at the head office and in the branches as well as social security and pension expenses of EUR 16,732 thousand (previous year: EUR 22,130 thousand). Other administrative expenses of EUR 44,550 thousand (previous year: EUR 51,918 thousand) mainly include fees due to a service level agreement with NIP and other agreements, rents, consulting and technical costs.

21. Income taxes

	Financial year 2025/2026 EUR thousand	Financial year 2024/2025 EUR thousand
Corporation tax	5,681	7,937
Trade tax	3,718	3,184
Solidarity surcharge	176	163
Total	**9,575**	**11,284**

None of the jurisdictions in which the company has a permanent establishment incurred minimum tax expense in the past fiscal year. The company also does not expect a minimum tax in the following years.

22. Auditor's fees

The auditors' fees recognised as at 31 March 2026 are made up as follows:

	Financial year 2025/2026 EUR thousand	Financial year 2024/2025 EUR thousand
Audit services	1,513	1,362
Audit-related services	185	201
Tax consultancy services	-	-
Other services	-	-

23. Appropriation of profit/loss

It is proposed that the retained profit for the 2025/26 financial year be transferred in full to retained earnings.

24. Employees, Management Board and Supervisory Board

The average number of employees was 300 (previous year: 287). The number of employees at the end of the financial year was 301 (previous year: 287). working in the following areas:

	Financial year ended 31 March 2026	Financial year ended 31 March 2025
Investment Banking	110	94
Global Markets	88	74
Administration	103	119
Total	**301**	**287**

24. Employees, Management Board and Supervisory Board (CONTINUED)

During the financial year and at the time when the financial statements were prepared, the Management Board was composed of the following members:

Name	Function	Further activities
Shogo Ohira	Chief Executive Officer (until 31 March 2026) Deputy Chief Executive Officer (from 1 April 2026 to 10 May 2026)	Supervisor of Chado Urasenke Tankokai Frankfurt Association
Christoph Heins	Chief Financial and Administrative Officer and Deputy Chief Executive Officer (until 31 March 2026) Chief Executive Officer (from 1 April 2026)	Member of the Supervisory Board: Nomura Asset Management Europe KVG mbH
John Gousias	Chief Trading Officer	-
Hiroki Kanazawa	Deputy Chief Executive Officer (from 11 May 2026)	COMITÉ D'ÉCHANGES FRANCO-JAPONAIS, trésorier (until 29/05/2026) Institut Culturel Franco-Japonais, auditeur (until 29/05/2026) Chambre de Commerce et d'Industrie Japonaise en France, administrateur (until 29/05/2026)
Markus Möbius	Chief Risk Officer	Non-Executive Director: Nomura Reinsurance ICC Limited Nomura Reinsurance 1 IC Limited Nomura Reinsurance 5 IC Limited US CB Reinsurance 1 IC Limited (until 11/04/2025) Nomura Alternative Investment Management France S.A.S.
Martin Sura	Chief Compliance Officer	-

The remuneration paid to the members of the company's Management Board amounted to EUR 2,584 thousand in the course of the year (previous year: EUR 2,398 thousand). There was no change in pension commitments in the reporting period (previous year: reversal of EUR 8 thousand).

24. Employees, Management Board and Supervisory Board (CONTINUED)

During the financial year and at the time of preparing the annual financial statements, the Supervisory Board was composed of the following persons:

Supervisory board	Further activities	Function
Jonathan Lewis (Chairman)	Instinet Europe Limited	Chairman
Occupation: Managing Director	Instinet International Limited	Director
	NIH 1 (Guernsey) Limited	Director
	Nomura Reinsurance 5 IC Limited	Director
	Nomura Reinsurance 1 IC Limited	Director
	Nomura Reinsurance ICC Limited	Director
	US CB Reinsurance 1 IC Limited	Director
	The Outward Bound Trust	Chairman
	Outward Bound Global	Director
	Craven Arms Development Ltd	Director
	Lewis Estates (Wolverhampton) Ltd	Chairman
	Hay on Wye Developments (from 01/04/2025)	Director
Dr Gabriele Apfelbacher Position: Lawyer	Kroll Bond Rating Agency Europe Limited	Non-Executive Director
Neeta Atkar	Nomura Europe Holdings plc	Non-Executive Director
Position: Member of the Management Board	Nomura Bank International plc	Non-Executive Director
	Quilter plc	Non-Executive Director
	Quilter Life & Pension Limited	Director
	Quilter Investment Platform Limited	Director
	Quilter Financial Planning Limited	Director
	British Business Bank (until 30/06/2025)	Non-Executive Director
	Nomura International Plc	Non-Executive Director
Christopher Barlow	Nomura Asset Management U.K. Ltd.	Non-Executive Director
Occupation: Managing Director		
Masahiro Goto	Nomura Holding America Inc.	Chairman
(since 17/06/2025)	Nomura Securities Co., Ltd	Representative Director, Deputy President
Occupation: Managing Director		
Masato Kohno	Nomura Asset Management Co., Ltd. (until 31/03/2025)	Non-Executive Director
Occupation: Managing Director	The Nomura Trust and Banking Co., Ltd. (until 31/03/2025)	Non-Executive Director
(until 17/06/2025)	Nomura Institute of Capital Markets Research (until 31/03/2025)	Non-Executive Director
	Nomura Properties, Inc. (until 31/03/2025)	Non-Executive Director
	Nomura Asia Pacific Holdings Co., Ltd (until 31/03/2025)	Representative Director

The remuneration to be paid to the members of the company's Supervisory Board for their work amounted to EUR 101 thousand (including VAT) in the course of the year (previous year: EUR 101 thousand). No pension commitments were made to the members of the Supervisory Board.

25. Subsequent events

No further significant events that would have an impact on the Institution’s assets, liabilities, financial performance and financial position occurred after the close of the financial year.

26. Intercompany relationships

The ultimate parent company and controlling entity that heads the largest group of companies for which consolidated financial statements are prepared is Nomura Holdings, Inc. (NHI), registered in Japan. A copy of the consolidated financial statements of Nomura Holdings, Inc. is available at 13-1, Nihonbashi 1-Chome, Chuo-ku, Tokyo 103-8645, Japan.

The parent company presiding over the smallest group of companies is Nomura Europe Holdings plc (NEHS), a company registered at 1 Angel Lane in London, EC4R 3AB, United Kingdom.

Frankfurt am Main, 22/06/2026

Nomura Financial Products Europe GmbH

The Management Board

Christoph Heins

Hiroki Kanazawa

John Gousias

Markus Möbius

Martin Sura