Nomura Europe Holdings plc Group

Annual Pillar 3 Disclosures
31st March 2022

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Introduction

Background

Nomura Europe Holdings plc ("NEHS") is a Prudential Regulation Authority ("PRA") approved parent financial holding company. NEHS along with its subsidiaries form the NEHS Group (the "Group"). The Group is subject to regulation on a consolidated basis. The regulatory consolidation is produced in accordance with the UK's regulations as set out in the onshored Capital Requirements Regulation ("CRR") and PRA Rules and standards. These requirements are largely based on the Basel Committee's final capital framework for strengthening international capital standards ("Basel III").

Scope of Application

The Pillar 3 disclosures as at 31st March 2022 are prepared on the basis of the consolidated situation of the Group. In addition, Nomura International Plc ("NIP") is reported as a large non-listed subsidiary within the Group. NIP is authorised by the PRA and regulated by the PRA and the FCA.

Other regulated subsidiaries included in the Group are Nomura Bank International Plc ("NBI"), Nomura Financial Products Europe GmbH ("NFPE"), Nomura Bank Luxembourg S.A.("NBL"), Banque Nomura France S.A. ("BNF"), Nomura Alternative Investment Management France S.A.S and Nomura Bank Switzerland Ltd. NBI and NFPE were previously considered "significant subsidiaries" and previously disclosed. However, along with the other regulated subsidiaries, they are not considered to be large subsidiaries as at 31st March 2022 and are therefore not disclosed in this document.

NBL discloses its Pillar 3 disclosure separately in accordance with its local regulatory requirements which can be found here. NBL disclosures have not been included in this document.

Scope of Consolidation

The Group's regulatory consolidation includes UK and non-UK regulated entities; Article 6 of the CRR provides guidance on capital calculations and consolidation of subsidiary undertakings. The regulatory consolidation includes certain entities which have been consolidated using the equity method while full consolidation has been applied for accounting consolidation under UK GAAP. Refer to template UK LI3 for further details.

All companies within the Group are limited by ordinary shares. Apart from the requirements to hold regulatory capital, subject to regulatory approval by the relevant local authority, there is no practical or legal impediment to the prompt transfer of capital between entities within the Group. The Group is a 100% owned subsidiary of Nomura Holdings Inc. ("NHI") (incorporated in Japan), the ultimate parent of the Group. NHI publishes separate Pillar 3 disclosures (NHI Pillar 3). NHI, together with the Group and NHI's other subsidiary undertakings, form the "Nomura Group".

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

Bank Recovery and Resolution Directive

Article 26 of the Bank Recovery and Resolution Directive ("BRRD") states that information pertaining to any group financial support agreement pursuant to Article 19 of the BRRD needs to be made public. Pursuant to this disclosure requirement, the Group has not entered into any group financial support agreement.

Regulatory Framework for Disclosures

The Group has minimum capital adequacy requirements imposed by the PRA and is in compliance with these requirements.

The Basel committee's framework is structured around three 'pillars':

- Pillar 1: minimum capital requirements
- Pillar 2: supervisory review and evaluation process ("SREP")
- Pillar 3: market discipline

The aim of the Pillar 3 disclosures is to allow market participants to assess the Group's capital condition, risk exposures and risk management practices. Pillar 3 requires all significant risks to be disclosed in order to provide stakeholders with a comprehensive view of the Group's risk profile and capital adequacy.

Pillar 3 Disclosures

Pillar 3 disclosures have been prepared in accordance with Part 8 of the CRR and associated PRA supervisory rules and regulatory standards. A table has been included in Appendix 1 summarising the relevant articles and associated disclosures.

The disclosures made in this document do not constitute financial statements and are not required to be subjected to an external audit. The disclosures are approved by the Group's Board and NEHS Audit Committee before being made publically available.

In addition to the qualitative disclosures in this document further details applicable to the Group as required under Pillar 3 are considered and made within NIP's Annual Reports, the NHI Quarterly Basel III Pillar 3 disclosures and NHI Securities and Exchange Commission 20F Filings.

The full Pillar 3 disclosure document is prepared on an annual basis with limited disclosures made on a quarterly and semi-annual basis. Any historic comparatives presented in the disclosure are calculated according to the regulation in force at the relevant date.

This document is available either online within the 'Investor Relations' section under the Nomura corporate website (the Group Pillar 3) or by application in writing to the EMEA Financial Controller at Nomura International Plc, 1 Angel Lane, London, EC4R 3AB.

Directors Responsibility Statement

I confirm that I have taken reasonable steps to ensure that the information included in this disclosure complies to the best of my knowledge with the CRR disclosure requirements and has been prepared in accordance with relevant formal policies and internal processes, systems and controls of the Group.

Stephen Fuggle

CFO Nomura Europe Holdings plc

Regulation and Regulatory Changes

Regulations

During the year, the Directors of NIP have noted, amongst other items, the following key Regulatory updates and confirm the establishment of regulatory programs as appropriate to ensure compliance:

- On 14 October 2021 the PRA published final rules on implementation of Basel standards in PS22/21 with respect to key developments including the introduction of a binding minimum net stable funding ratio, changes to the capital requirements for counterparty credit risk of derivatives and a tightening of large exposures limits. These were implemented with effect from 1 January 2022 with related reporting and disclosure changes becoming effective from the first quarterly reporting reference date of 31 March 2022. Additionally the PRA also published PS21/21 on the UK leverage framework to introduce an updated exposure calculation effective from 1 January 2022 and for firms with at least £10bn of non-UK assets a binding minimum leverage ratio effective from 1 January 2023. Although the binding minimum leverage ratio is not effective until 1 January 2023, the Board of NIP have early adopted their Leverage Risk Appetite from 1 January 2022. The firm has a regulatory change program which has been managing the implementation of these changes. Following the adoption of most of these changes at the start of 2022, the program will now move to look forward towards the introduction of the final Basel 3.1 reforms in the UK. These proposals include amendments to the capital requirements for credit risk, market risk, CVA risk, operational risk and the introduction of output floors for modelled exposures. On 21 March 2022, the PRA has confirmed its intention to publish a consultation on the implementation of these reforms in the fourth quarter of 2022, with the changes expected to become effective on 1 January 2025.
- In July 2010, the US enacted the Dodd-Frank Act. Under this Act, the CFTC requires swap dealers that exceed a de minimis threshold of swap dealing activity to register with the CFTC and subjects these registered entities to internal and external conduct requirements. Furthermore, on 22 July 2020 the CFTC adopted final capital and financial reporting rules for swap dealers with a compliance date of 6 October 2021. Similarly, during 2019 the SEC issued final rules including those governing capital, margin and segregation requirements for security-based swap dealers and in December 2019 they adopted final rule amendments addressing the cross-border application of relevant requirements. The SEC requires securities based swap dealers above the de minimis activity threshold to register and comply with final security based swap dealer rules no later than 1 November 2021. NIP registered as a security based swap dealer with the SEC on 1st November 2021. The SEC and CFTC granted substituted compliance to recognise the local UK regulations as being sufficient to satisfy the relevant requirements under the US regime. NIP has elected to rely on certain aspects of substituted compliance in areas including capital and margin, reporting and record keeping.
- The internal minimum requirement for eligible liabilities (“MREL”) became applicable in the UK for all UK incorporated institutions from 1 January 2019 for firms whose failure would have a significant impact on the UK financial system and for certain overseas firms where the Bank of England (“BOE”) would support a home resolution authority in carrying out a cross-border resolution. NIP was in full compliance with the final end-state MREL rules from 1 January 2022
- In July 2019, the BOE and UK PRA published a policy statement on the Resolvability Assessment Framework (“RAF”). The RAF sets out eight barriers to resolvability bringing together existing policies such as MREL and Operational Continuity in Resolution (“OCIR”) as well as other new resolution policies in order to follow the resolution principles set out by the Financial Stability Board. As a result of this policy, NIP has taken active steps since 2019 to ensure it has limited any barriers to resolution across the overarching pillars for resolvability through ensuring (1) NIP has adequate resources and appropriate liquidity to meet its obligations during resolution, (2) NIP is able to facilitate a smooth resolution by guaranteeing business services and operational process can continue to run and (3) the firm has clear oversight and governance available during resolution.
- The European Market Infrastructure Regulation (“EMIR”) became effective on 16 August 2012, and applies to any entity established in the EU that is a legal counterparty to a derivative contract, even when trading with non-EU firms. EMIR was created with the intention of stabilizing OTC markets found within EU member states. Although the majority of EMIR regulations have already been implemented, on 28 May 2019, Regulation (EU) 2019/834 (EMIR REFIT) was published in the EU’s Official Journal, with the aim of amending EMIR to make some of its requirements simpler and more proportionate. With a few exceptions, the majority of the provisions in the Regulation entered into force on 17 June 2019. EMIR was transposed into UK domestic law by means of the European Union (Withdrawal) Act 2018 (as amended), subject to certain transitional arrangements. EMIR was transposed into UK domestic law by means of the European Union (Withdrawal) Act 2018 (as amended), subject to certain transitional arrangements. Phase 6 represents the final stage of the phase-in of the rules and applies from 1 September 2022. NIP has initiated a project to document all in scope counterparties before 1 September 2022
- In November 2019, the EU Benchmark Regulation (“BMR”) was amended to include two new types of "climate benchmarks" - 'Paris-Aligned' Benchmarks (“PABs”) and Climate Transition Benchmarks (“CTBs”). The Low-Carbon Benchmarks Regulation introduced the requirement (under Article 13 of the BMR) that administrators of benchmarks (save interest rate and foreign exchange benchmarks) must provide an explanation of how the key elements of their benchmark methodologies reflect ESG factors. The requirements were to be complied with by 30 April 2020. However, since the draft regulatory technical standards were still subject to a public consultation and a number of important details were subject to these delegated acts, ESMA issued a ‘No Action Letter’ encouraging EU national regulators not to force these ‘Level 1’ requirements until these delegated acts are finalised. The Delegated Acts were finalised and published on 3 December 2020 and entered into force in 23 December 2020.
- Interest rate benchmarks including, among others, the London Interbank Offered Rate (“LIBOR”), the Euro Interbank Offered Rate (“EURIBOR”), the Euro Overnight Index Average (“EONIA”) and certain other Interbank Offered Rates (“IBORs”) are being reformed. The UK made the transition from GBP LIBOR, Yen LIBOR and CHF LIBOR to alternative risk free rates by the end of December 2021. More details on NIP's IBOR exposure, and the approach to risk management of the IBOR transition can be found in NIP’s Annual report.
- The EU Commission is required to evaluate the overall functioning of the MiFID II/ MiFIR regime, in particular, addressing those areas where challenges still exist. As part of this process, ESMA has launched a number of consultations on specific areas, which will feed into the Commission’s reports. Certain amendments to support economic recovery from the COVID-19 pandemic, including via relief from administrative requirements on firms, were published in the EU Official Journal on February 26, 2021 (MiFID ‘Quick-Fix’). EU Member States are required to transpose the quick fix amendments into their national frameworks by November 28, 2021 and apply them by February 28, 2022. Alongside this, the scheduled MiFID II

review continues, with the Commission expected to publish a further legislative proposal towards the end of 2021. Since Brexit, these amendments are not applicable in the UK and FCA has since set out changes to the conduct and organizational rules under the UK MiFID, including research unbundling and best execution reporting. On 1 July 2021 the UK HMT launched a Wholesale Market Review Consultation. The consultation is part of the Government's commitment to improving the competitiveness of the UK as a hub for capital markets, and is a central part of the Government's post-Brexit strategy for financial services. It has a wide ranging focus, including the regulatory framework for trading venues, systematic internalisers, market data, and fixed income, equity, derivative and commodity markets. It proposes a number of amendments to the UK's onshored MiFID regime and asks for industry input on a range of other topics. NIP is monitoring these developments and will implement any changes as relevant when the final rules are published.

- In the UK, on 23 June 2020, the Government confirmed that it will not implement the Central Securities Depositories Regulation ("CSDR") Settlement Discipline. UK firms will continue to apply the existing industry-led framework. On 8 February 2022, the EU Commission announced a decision to extend equivalence for UK Central Counterparties ("CCPs") until 30 June 2025. The equivalence will apply from 1 July 2022. At the same time, the EU Commission launched a targeted public consultation and a call for evidence on ways to expand central clearing activities in the EU and improve the attractiveness of EU CCPs in order to reduce the EU's over reliance on systemic third-country CCPs.
- On 6 July 2022 the EU Commission adopted the delegated act suspending the application of the provisions relating to the mandatory buy-in regime of the RTS on settlement discipline for three years from the date of entry into force. The declared intention of the EU is to relocate Euro derivatives clearing from London to the EU, however as NIP is a member of Eurex Exchange, it is positioned to avoid trade disruption in the event of mandated relocation. NIP is monitoring these developments.
- In response to heightened global focus on the issues of climate change, and a growing demand for standards associated with Environmental, Social and Governance ("ESG") factors and reporting, a number of global regulatory initiatives are being developed. These regulations cover both prudential frameworks including assessment and management of climate risks associated with Nomura businesses, such as the PRA SS3/19 regulations; and also labelling, disclosure and reporting regulations which includes, but is not limited to, the EU Taxonomy Regulation, the EU Sustainable Finance Disclosure Regulation, the EU Corporate Sustainability Reporting Directive and the proposed Sustainable Corporate Due Diligence Directive. The UK have introduced new mandatory Climate-related Financial Disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. These rules are effective for financial years starting on or after 6th April 2022 and introduce mandatory disclosures consistent with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). Whilst the requirements are applicable to NIP from 1 April 2023, certain disclosures have been made on a voluntary basis and can be found in the Strategic Report section in NIP's Annual report.
- The PRA released SS2/21 on Outsourcing and Third Party Risk management in March 2021 with a compliance deadline of 31 March 2022. The SS did not significantly diverge from the consultation paper published in 2019 but extended the scope as set out by the EBA in 2019. The EBA focus was on Outsourcing arrangements and the PRA requirements extended this to all critical third party arrangements. The SS set out explicit requirements with respect to risk assessments; contractual clauses and the management of critical third party arrangements (inclusive of group arrangements) throughout their lifecycle. The UK Regulators also issued Supervisory and Policy Statements on Operational Resilience in March 2021 (SS1/21 and PS21/3). These Operational Resilience SSs and PSs focused on the identification of Important Business Services with detailed mapping of dependencies and the setting of Impact Tolerances which are required to be validated across severe but plausible scenarios. The Regulators intended that both Operational Resilience and Third Party Risk Management requirements should be considered in conjunction with each other recognising that the firm's Important Business Services may have significant dependencies on third party arrangements. The overarching aim of these policies is to ensure appropriate governance and control over business services which if disrupted could cause harm to clients, the firm or to market stability. NIP has complied with the 31 March 2022 requirements of both policies.

Business Environment

The global economy experienced repeated slowdowns in the fiscal year ended March 31, 2022 in response to flare-ups in the COVID-19 pandemic. Despite this, economic activity resumed to a great extent, particularly in the countries that were at the forefront in administering COVID-19 vaccination programs. The pandemic had a lingering impact on emerging market economies, in particular, causing sluggishness in production and distribution that when combined with the pent-up demand caused by the economic recovery, led to increasingly severe supply constraints and rising inflation. As a result of rising inflation the central banks of major countries and regions around the world became more inclined to execute monetary policy tightening and this in turn led to greater concern over rising interest rates in financial markets. On January 31, 2020, the UK withdrew from the European Union ("EU") under the Withdrawal Agreement between the UK and the EU ("Brexit"). Although the UK and EU have entered into a trade and cooperation agreement governing their new relationship, such agreement does not comprehensively address the financial industry, and there continues to be uncertainty as to the longer term consequences that Brexit may have on NIP. In addition to the macro-economic uncertainties referenced above, NIP continues to proactively manage the continued challenges of industry digitalisation by prioritising collaboration across divisions and regions.

Russia and Ukraine war

Since the war in Ukraine began in February 2022, NIP has been actively monitoring the impact of the conflict on the Ukraine and Russian economies, as well as on other financial markets. As of March 31, 2022, the total direct exposure of NIP to Ukraine and Russia was not significant.

Risk Management

The Group's activities involve the assumption and transfer of certain risks, including market risk, credit risk, climate risk, operational risk, cross-border risk, model risk, liquidity and funding risks, and business risk. Further information on these risks and The Group risk management is provided in note 18 of the NIP Annual Report.

These risks are managed through sub-committees of the Group's Board. These include:

- the Board Risk Committee ("BRC"), which has oversight over the Group's risk profile, financial risk appetite, future risk strategy and maintenance of an appropriate risk control framework.
- cross-border risk committees in relation to non-Europe, Middle East and Africa ("non-EMEA") business booked into NIP.

The Group's risk management framework is closely aligned to NHI's risk management framework but, through its local governance, the Group determines, where deemed necessary, specific risk management controls, policies and procedures and articulates its risk appetite, which is the maximum level and types of risk that the Group is willing to assume. This is in line with the NHI risk appetite and in pursuit of its strategic objectives and business plan.

Risk Appetite

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

The risk appetite for the Group includes the following topics: capital adequacy, liquidity risk, market and credit risk, cross-border risk, model risk and non-financial risk.

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

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

The metrics include, but are not limited to:

- Capital adequacy metrics, such as Tier 1 capital headroom above capital buffers, regulatory P&L, stressed capital ratio and economic capital ratio;
- Liquidity risk metrics, such as Maximum Cumulative Outflow under different scenarios, Liquidity Coverage Ratio;
- Market and credit risk metrics, such as economic capital;
- Operational risk metrics, such as the aggregated operational risk losses as a percentage of gross revenue on a 12-month rolling basis; and
- Model risk metrics, such as model event risk.

The risk appetite statement for the Group, including NIP, is approved by the Board, and tracked and communicated to that forum on an ongoing basis. There is clear ownership and accountability for each category of risk and individual risk appetite measures. The risk appetite statement must be reviewed and updated at the beginning of each financial year in conjunction with the annual business planning process, and may also be reviewed and revised at any time in response to emerging risks or to significant changes in business and economic conditions, business strategy, competitive conditions or regulatory requirements.

Risk Requirement Methodologies

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

In December 2012, NIP was granted permission by the PRA to use the Internal Model Method ("IMM") in the calculation of counterparty credit risk exposures for certain derivative ("DRT") and securities financing transactions ("SFT").

In July 2013, NIP was granted permission by the PRA to use its internal Value at Risk ("VaR") model in the calculation of market risk capital requirements for certain positions.

Risk Management Committees

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

- BRC, formerly known as Prudential Risk Committee ("PRC"), has oversight of, and provides advice to, the Board on the Group's risk profile, risk appetite, future risk strategy and maintenance of an appropriate risk control framework. Eleven meetings were held during the year.
- The Risk Management Committee is established and chaired by the NEHS Chief Risk Officer ("CRO") and is primarily responsible for monitoring and controlling market risk and credit risk for the Group, including NIP. Operational Risk is monitored by the Non-Financial Risk Committee. Twelve meetings were held during the year.
- The Non-Financial Risk Committee is responsible for implementation and management of an effective Non-Financial Risk ("NFR") framework and for monitoring the consistent application of the NFR Framework by owners of NFRs for the Group.
- The Risk Management Division is responsible for establishing and operating risk management processes, establishing and enforcing risk management policies and regulations, verifying the effectiveness of risk management methods, as well as reporting to regulatory bodies where required, and handling regulatory applications concerning risk management methods and other items as necessary.

Directorships

The following table shows directorships held by members of the management body as at 31st March 2022 and complements disclosures made in NIP's Annual Report.

Directors	Internal Directorships	External Directorships
Takeo Aoki [(1)]	9	4
David Godfrey	3	1
John Tierney	4	0
Jonathan Britton	3	3
Jonathan Lewis	2	1
Neeta Atkar	4	4
Naoyuki Oguri [(2)]	4	0
Rosemary Murray	4	8

1. *Resigned 20 April 2022*
2. *Appointed 30 September 2021*

All internal directorships are held within the Nomura Group. All external directorships are either Executive or Non-Executive directorships or are positions within charitable companies/bodies.

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

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

All of the above directorships are compliant with CRR requirements.

Key Metrics

Template UK KM1 – Key metrics template for the Group

The below table shows the key metrics for the Group[1, 2, 3]

$m		The Group				
		a	b	c	d	e
		Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	5,466	5,568	5,630	5,708	5,710
2	Tier 1 capital	5,466	5,568	5,630	5,708	5,710
3	Total capital	7,626	7,728	7,790	7,868	7,870
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	34,823	30,953	33,976	33,544	33,291
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	15.70%	17.99%	16.57%	17.02%	17.15%
6	Tier 1 ratio (%)	15.70%	17.99%	16.57%	17.02%	17.15%
7	Total capital ratio (%)	21.90%	24.97%	22.93%	23.45%	23.64%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a	Additional CET1 SREP requirements (%)	2.26%				
UK 7b	Additional AT1 SREP requirements (%)	0.75%				
UK 7c	Additional T2 SREP requirements (%)	1.00%				
UK 7d	Total SREP own funds requirements (%)	12.02%				
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%				
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-				
9	Institution specific countercyclical capital buffer (%)	0.06%				
UK 9a	Systemic risk buffer (%)	-				
10	Global Systemically Important Institution buffer (%)	-				
UK 10a	Other Systemically Important Institution buffer	-				
11	Combined buffer requirement (%)	2.56%				
UK 11a	Overall capital requirements (%)	14.58%				
12	CET1 available after meeting the total SREP own funds requirements (%)	6.68%				
	Leverage ratio					
13	Total exposure measure excluding claims on central banks	131,273	156,272	164,931	161,959	154,099
14	Leverage ratio excluding claims on central banks (%)	4.18%	3.56%	3.41%	3.52%	3.71%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	22,557				23,429
UK 16a	Cash outflows - Total weighted value	34,664				38,873
UK 16b	Cash inflows - Total weighted value	27,375				30,054
16	Total net cash outflows (adjusted value)	8,670				10,001
17	Liquidity coverage ratio (%)	261.92%				237.42%

1. *As a Leverage Ratio Requirements ("LREQ") entity, the Group shall be subject to additional leverage ratio disclosure requirements beginning 1 January 2023. Template rows 14a to 14e have therefore been removed.*
2. *The Group shall be subject to Net Stable Funding Ratio ("NSFR") disclosure requirements beginning 1 January 2023. Template rows 18 to 20 have therefore been removed.*
3. *The Group is required to maintain a minimum ratio of Own Funds to Risk Weighted Assets ("RWAs"). As at 31st March 2022, the Group is in compliance with the PRA capital requirements.*

Decrease in Tier 1 ratio is primarily driven by losses and increase in Counterparty Credit Risk ("CCR") requirement over the quarter mainly due to introduction of Standardised Approach for Counterparty Credit Risk ("SA-CCR") for derivative exposure calculation.

Leverage ratio has improved during the quarter due to reduction in derivative add-on under SA-CCR and exemption of deposit placed with Central bank.

Liquidity Coverage ratio has improved during the year mainly due to lower business utilisation of liquidity resources observed in the current market environment.

Template UK KM1 – Key metrics template for NIP

The below table shows the key metrics for NIP[1, 2, 3]

	$m	NIP		
		a	c	e
		Mar-22	Sep-21	Mar-21
	Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	5,025	5,222	5,349
2	Tier 1 capital	5,025	5,222	5,349
3	Total capital	6,285	6,482	6,609
	Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	31,201	32,321	31,686
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	16.10%	16.16%	16.88%
6	Tier 1 ratio (%)	16.10%	16.16%	16.88%
7	Total capital ratio (%)	20.14%	20.05%	20.84%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)			
UK 7a	Additional CET1 SREP requirements (%)	2.62%		
UK 7b	Additional AT1 SREP requirements (%)	0.87%		
UK 7c	Additional T2 SREP requirements (%)	1.16%		
UK 7d	Total SREP own funds requirements (%)	12.66%		
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.50%		
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)			
9	Institution specific countercyclical capital buffer (%)	0.06%		
UK 9a	Systemic risk buffer (%)			
10	Global Systemically Important Institution buffer (%)			
UK 10a	Other Systemically Important Institution buffer			
11	Combined buffer requirement (%)	2.56%		
UK 11a	Overall capital requirements (%)	15.21%		
12	CET1 available after meeting the total SREP own funds requirements (%)	6.61%		
	Leverage ratio			
13	Total exposure measure excluding claims on central banks	123,460	156,018	148,038
14	Leverage ratio excluding claims on central banks (%)	4.07%	3.35%	3.61%
	Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	19,150		
UK 16a	Cash outflows - Total weighted value	32,375		
UK 16b	Cash inflows - Total weighted value	25,039		
16	Total net cash outflows (adjusted value)	8,098		
17	Liquidity coverage ratio (%)	238.50%		

1. *As an LREQ entity, NIP shall be subject to additional leverage ratio disclosure requirements beginning 1 January 2023. Template rows 14a to 14e have therefore been removed.*
2. *NIP shall be subject to NSFR disclosure requirements beginning 1 January 2023. Template rows 18 to 20 have therefore been removed.*
3. *NIP is required to maintain a minimum ratio of Own Funds to Risk Weighted Assets ("RWAs"). As at 31st March 2022, NIP is in compliance with the PRA capital requirements.*

Decrease in Tier 1 capital ratio compared to 30th September 2021 is primarily driven by losses during the period. Leverage ratio has improved due to reduction in derivative add-on under SA-CCR and the exemption of Central bank exposures.

Liquidity Coverage ratio has improved during the year mainly due to lower business utilisation of liquidity resources observed in the current market environment.

Own Funds Disclosures

Template UK CC1 – Composition of regulatory own funds for the Group and NIP

The below shows the composition of regulatory own funds for the Group and NIP as at 31st March 2022:

$m		The Group (a) Amounts	The Group (b) References[1]	NIP (a) Amounts
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	3,399	A	3,269
	of which: Ordinary Share Capital	3,399		3,269
2	Retained earnings	1,342		876
3	Accumulated other comprehensive income (and other reserves)	1,227	C	1,452
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	5,967		5,597
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount) [2]	(120)		(117)
8	Intangible assets (net of related tax liability) (negative amount) [3]	(16)	D	(9)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(1)		-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	1		-
28	**Total regulatory adjustments**	(501)		(572)
29	**Common Equity Tier 1 (CET1) capital**	5,466		5,025
Additional Tier 1 (AT1) capital: instruments				
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-		-
Additional Tier 1 (AT1) capital: regulatory adjustments				
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-		-
44	**Additional Tier 1 (AT1) capital**	-		-
45	**Tier 1 capital (T1 = CET1 + AT1)**	-		-
Tier 2 (T2) capital: instruments				
46	Capital instruments and the related share premium accounts	2,160		1,260
51	**Tier 2 (T2) capital before regulatory adjustments**	2,160		1,260
Tier 2 (T2) capital: regulatory adjustments				
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-		-
58	**Tier 2 (T2) capital**	2,160		1,260
59	**Total capital (TC = T1 + T2)**	7,626		6,285
60	**Total Risk exposure amount**	34,823		31,201
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	15.70%		16.10%
62	Tier 1 (as a percentage of total risk exposure amount)	15.70%		16.10%
63	Total capital (as a percentage of total risk exposure amount)	21.90%		20.14%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	9.32%		9.68%

65	of which: capital conservation buffer requirement	2.50%		2.50%
66	of which: countercyclical buffer requirement	0.06%		0.06%
67	of which: systemic risk buffer requirement			
UK-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer			
UK-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	2.26%		2.62%
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)**	6.68%		6.61%
Amounts below the thresholds for deduction (before risk weighting)				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	16		29
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-		-
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-		-

1. *References provide the mapping of regulatory balance sheet items used to calculate regulatory capital as reflected in the column "References" in UK CC2*
2. *Additional value adjustments in accordance with CRR Article 34 and Article 105*
3. *In accordance with point (b) of Article 36(1) and CRR Article 37*

Tier 1 capital of the Group consists of share capital and reserves. In the year to March 2022 Nomura reduced its issued Share Capital by $8bn, with a corresponding $8bn increase in distributable reserves. This action has increased retained earnings in the period.

Regulatory adjustments to CET1 are predominantly driven by Prudential Valuation adjustments and losses incurred in the year. The losses in FY22 were $(279)m which compares with the previous year's profit of $264m. This drop in profitability was driven by challenging market conditions and subdued client activity.

Other regulatory adjustments are predominantly driven by fair value losses arising from own credit risk related to derivatives, but also includes other transitional adjustments to CET1 capital, including IFRS 9 transitional arrangements related to Expected Credit Loss ("ECL") provisioning.

The Group and NIP made no changes to the notional of Tier 2 subordinated debt in the period.

At 31 March 2022, there was no applicable Systemic Risk or Other Systemically Important Institution ("OSII") buffers.

No restrictions have been applied to the calculation of Common Equity Tier 1 or the prudential filters to Common Equity Tier 1.

Template UK CC2 – Reconciliation of Regulatory Own funds to Balance Sheet in the audited Financial Statements for the Group

	$m	The Group		
		a	b	c
		Balance sheet as in published financial statements[1]	Under regulatory scope of consolidation	References
		As at 31st March 2022	As at 31st March 2022	
Assets - *Breakdown by asset class according to the balance sheet in the published financial statements*				
1	Cash and cash equivalent	-	7,532	
2	Financial assets held for trading	21	152,920	
3	Investments - time deposits	-	2,057	
4	Current tax receivable	-	60	
5	Collateral posted for securities purchased under agreements to resell	-	58,074	
6	Collateral posted for securities borrowed	-	8,902	
7	Other debtors	4,101	18,691	
8	Financial investments	-	23	
9	Deferred tax assets	-	1	
10	Tangible fixed assets	-	63	
11	Intangible fixed assets	-	16	D
12	Investment in subsidiaries under cost method	436	-	
13	Investment in subsidiaries under Equity method	6,451	16	
14	**Total Assets**	**11,009**	**248,355**	
Liabilities - *Breakdown by liability class according to the balance sheet in the published financial statements*				
1	Financial liabilities held for trading	7	146,391	
2	Commercial papers issued	-	794	
3	Current tax payable	-	42	
4	Other creditors	6	23,181	
5	Collateral received for securities sold under agreements to repurchase	-	43,058	
6	Collateral received for securities loaned	-	7,521	
7	Provisions	-	264	
8	Deferred tax liability	-	-	
9	Creditors (amounts falling due after more than one year)	5,183	21,418	
10	**Total Liabilities**	**5,196**	**242,669**	
Shareholders' Equity				
1	Called up share capital	3,391	3,391	A
2	Share premium	7	7	A
3	Share-based payment reserve	-	1,268	C
4	Translation reserve	(184)	(41)	C
5	Own Credit Reserve	-	(0)	C
6	Profit and loss account	2,599	1,061	
7	**Total Shareholders' Equity**	**5,813**	**5,686**	

1. *Nomura Europe Holdings plc company balance sheet reported as Nomura Europe Holdings Plc Group does not publish consolidated financial statements*

Template UK CC2 – Reconciliation of Regulatory Own funds to Balance Sheet in the audited Financial Statements for NIP

$m		NIP	
		a	c
		Balance sheet as in published financial statements and under regulatory scope of consolidation	**References**
		As at 31st March 2022	
Assets - *Breakdown by asset class according to the balance sheet in the published financial statements*			
1	Cash and cash equivalent	5,487	
2	Financial assets held for trading	136,337	
3	Investments time deposits	121	
4	Current tax receivable	37	
5	Collateral posted for securities purchased under agreements to resell	57,573	
6	Collateral posted for securities borrowed	8,902	
7	Other debtors	16,892	
8	Financial investments	20	
9	Tangible fixed assets	25	
10	Intangible fixed assets	9	D
11	Investments in subsidiaries	0	
12	Investments in group companies	13	
13	**Total Assets**	**225,416**	
Liabilities - *Breakdown by liability class according to the balance sheet in the published financial statements*			
1	Financial liabilities held for trading	131,152	
2	Other creditors	19,177	
3	Collateral received for securities sold under agreements to repurchase	46,222	
4	Collateral received for securities loaned	7,521	
5	Provisions	246	
6	Creditors (amounts falling due after more than one year)	15,874	
7	**Total Liabilities**	**220,192**	
Shareholders' Equity			
1	Called up share capital	3,241	A
2	Share premium	27	A
3	Capital redemption reserve	184	C
4	Other reserve	0	C
5	Share-based payment reserve	1,268	C
6	Retained Earnings	504	
7	**Total Shareholders' Equity**	**5,224**	

Template UK LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories for the Group

		The Group						
		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements[1]	Carrying values under scope of regulatory consolidation	Carrying values of items				
	$m			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
	Breakdown by asset class according to the balance sheet in the published financial statements							
1	Cash and cash equivalent	-	7,532	7,532	-	-	-	-
2	Financial assets held for trading	21	152,920	1,485	140,692	-	151,435	-
3	Investments - time deposits	-	2,057	1,715	342	-	2	-
4	Current tax receivable	-	60	60	-	-	-	-
5	Collateral posted for securities purchased under agreements to resell	-	58,074	-	58,074	-	58,074	-
6	Collateral posted for securities borrowed	-	8,902	-	8,902	-	8,902	-
7	Other debtors	4,101	18,691	1,270	17,421	-	16,997	-
8	Financial investments	-	23	23	-	-	-	-
9	Deferred tax assets	-	1	1	-	-	-	-
10	Tangible fixed assets	-	63	63	-	-	-	-
11	Intangible fixed assets	-	16	-	-	-	-	16
12	Investment in subsidiaries under cost method	436	-	-	-	-	-	-
13	Investment in subsidiaries under Equity method	6,451	16	16	-	-	-	-
14	**Total Assets**	**11,009**	**248,355**	**12,165**	**225,431**	**-**	**235,410**	**16**
	Breakdown by liability classes according to the balance sheet in the published financial statements							
1	Financial liabilities held for trading	7	146,391	-	140,594	-	146,391	-
2	Commercial papers issued	-	794	-	-	-	-	794
3	Current tax payable	-	42	-	-	-	-	42
4	Other creditors	6	23,181	-	17,533	-	17,533	5,648
5	Collateral received for securities sold under agreements to repurchase	-	43,058	-	43,058	-	43,058	-
6	Collateral received for securities loaned	-	7,521	-	7,521	-	7,521	-
7	Provisions	-	264	-	-	-	-	264
8	Deferred tax liability	-	-	-	-	-	-	-
9	Creditors (amounts falling due after more than one year)	5,183	21,417	-	10,393	-	10,393	11,025
10	**Total Liabilities**	**5,196**	**242,668**	**-**	**219,099**	**-**	**224,896**	**17,773**

1. Nomura Europe Holdings plc company balance sheet reported as Nomura Europe Holdings Plc Group does not publish consolidated financial statements

The amounts showing in the column 'carrying values under scope of regulatory consolidation' do not equal the sum of the columns to the right as items may be subject to more than one risk framework. Items which relate to derivative or secured financing transactions have been categorised under the CCR and market risk frameworks. Other items considered as on and off balance sheet, are covered under the credit risk framework.

Template UK LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements for the Group

	$m	The Group				
		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	**Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)**	**248,339**	**12,165**	**-**	**225,431**	**235,410**
2	**Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)**	**224,896**	**-**	**-**	**219,099**	**224,896**
3	**Total net amount under the regulatory scope of consolidation**	**23,443**	**12,165**	**-**	**6,332**	**10,514**
4	**Off-balance-sheet amounts**	**2,535**	**2,301**	**-**	**-**	
5	*Differences in valuations*	-	-	**-**	**-**	
6	*Differences due to different netting rules, other than those already included in row 2* [1]	488,835	-	**-**	488,835	
7	*Differences due to consideration of provisions*	-	-	**-**	-	
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	(454,695)	-	**-**	(454,695)	
9	*Differences due to credit conversion factors* [2]	(1,572)	(1,572)	**-**	**-**	
10	*Differences due to Securitisation with risk transfer*	-	-	**-**	**-**	
11	*Other differences*	-	-	**-**	**-**	
12	**Exposure amounts considered for regulatory purposes**	**53,366**	**12,894**	**-**	**40,472**	

1. *Includes effects due to differences in exposure modelling applying the Effective Expected Positive Exposure ("EEPE") as well as SA-CCR for derivatives and financial collateral comprehensive method for SFT including differences as a result of application of regulatory netting rules.*
2. *Off balance sheet items subject to credit risk framework may include undrawn facilities which have Credit Conversion Factors ("CCF").*

Template UK LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the Entity	Method of Accounting Consolidation	Method of Regulatory Consolidation		Description of Entity
		Full Consolidation	Equity Method	
Nomura Europe Holdings Plc	Full Consolidation	✓		Financial Holding Company
Nomura International Plc	Full Consolidation	✓		PRA Designated Investment Firm
Nomura Financial Products Europe GmbH	Full Consolidation	✓		Investment Firm
Nomura Bank International Plc	Full Consolidation	✓		Credit Institution
Nomura Bank (Luxembourg) Sa	Full Consolidation	✓		Credit Institution
Banque Nomura France, S.A.	Full Consolidation	✓		Credit Institution
Nomura Bank (Switzerland) Ltd	Full Consolidation	✓		Credit Institution
Nomura Alternative Investment Management France S.A.S	Full Consolidation	✓		Asset Management Company
Global Funds Trust Company	Full Consolidation	✓		Management Company
Master Trust Company	Full Consolidation	✓		Management Company
Global Funds Management S.A.	Full Consolidation	✓		Management Company
Bailey Repackaging Trust	Full Consolidation	✓		Financial Services Trust Company
Nomura Investment Solutions PLC - Nomura Fixed INC Risk	Full Consolidation		✓	Funds
Nomura Cross Asset Momentum UCITS Fund	Full Consolidation		✓	Funds
Nomura Global High Yield Dynamic Duration UCITS Fund	Full Consolidation		✓	Funds
Sylph Ltd Series 1012,1014,1686,1687,1738,1811,1855,1881,1922,2001	Full Consolidation		✓	Special Purpose Entity
Nomura Nominees Limited	Full Consolidation		✓	Custodian
Nomura D1 Nominee Limited	Full Consolidation		✓	Custodian
Nomura Clearance and Settlement Nominees Limited	Full Consolidation		✓	Custodian
Nomura PB Nominees Limited	Full Consolidation		✓	Custodian
Nomura Custody Nominees Limited	Full Consolidation		✓	Custodian
Nomura London Retirement Benefits Plan Trustee Limited	Full Consolidation		✓	Corporate Trustee
Nomura.com Limited	Full Consolidation		✓	Dormant Company
Nomura Saudi Arabia	Full Consolidation		✓	Entity in Liquidation
Nomura Private Equity Investment GP Limited	Full Consolidation		✓	Entity in Liquidation
Nomura Alternative Investment Management (Europe) Limited	Full Consolidation		✓	Entity in Liquidation
Nomura Employment Services (Isle of Man) Limited	Full Consolidation		✓	Entity in Liquidation
Nomura RPS Limited	Full Consolidation		✓	Entity in Liquidation
IBJ Nomura Financial Products (UK) plc	Full Consolidation		✓	Entity in Liquidation

There are no subsidiaries that are excluded from the prudential scope of consolidation

Transitional Provisions

CRR Article 473a

On adopting IFRS 9 on 1 April 2018 the Group now applies the ECL model which replaces the incurred loss model under IAS 39. The table provides a comparison of own funds, capital and leverage ratios with and without the application of transitional arrangements for IFRS 9.

The Group has adopted the transitional arrangements prescribed in CRR article 473a for IFRS 9 Financial Instruments which permit institutions to add back to their capital base a proportion of the impact that IFRS 9 has upon their expected credit loss allowances during the first five years of use. The proportion that institutions may add back started at 95% from April 2018 and reduces to 25% by March 2023.

Template IFRS 9-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs for the Group

	The Group				
$m	**Mar-22**	**Dec-21**	**Sep-21**	**Jun-21**	**Mar-21**
Available Capital					
Common Equity Tier 1 (CET1) capital	5,466	5,568	5,630	5,708	5,710
Common Equity Tier 1 (CET1) capital as if IFRS 9 ECL transitional arrangements had not been applied	5,463	5,566	5,629	5,705	5,707
Tier 1 capital	5,466	5,568	5,630	5,708	5,710
Tier 1 capital as if IFRS 9 ECL transitional arrangements had not been applied	5,463	5,566	5,629	5,705	5,707
Total capital	7,626	7,728	7,790	7,868	7,870
Total capital as if IFRS 9 ECL transitional arrangements had not been applied	7,623	7,726	7,789	7,865	7,867
Risk Weighted Assets					
Total risk-weighted assets	34,823	30,953	33,976	33,544	33,291
Capital Ratios					
Common Equity Tier 1 (as a percentage of risk exposure amount)	15.70%	17.99%	16.57%	17.02%	17.15%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	15.69%	17.98%	16.57%	17.01%	17.14%
Tier 1 (as a percentage of risk exposure amount)	15.70%	17.99%	16.57%	17.02%	17.15%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	15.69%	17.98%	16.57%	17.01%	17.14%
Total capital (as a percentage of risk exposure amount)	21.90%	24.97%	22.93%	23.45%	23.64%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	21.89%	24.96%	22.92%	23.45%	23.63%
Leverage Ratio					
Leverage ratio total exposure measure	131,273	156,272	164,931	161,959	154,099
Leverage ratio	4.18%	3.56%	3.41%	3.52%	3.71%
Leverage ratio as if IFRS 9 ECL transitional arrangements had not been applied	4.18%	3.56%	3.41%	3.52%	3.70%

NOMURA

Template IFRS 9-FL: Comparison of institutions’ own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs for NIP

	NIP				
$m	**Mar-22**	**Dec-21**	**Sep-21**	**Jun-21**	**Mar-21**
Available Capital					
Common Equity Tier 1 (CET1) capital	5,025	5,140	5,222	5,324	5,349
Common Equity Tier 1 (CET1) capital as if IFRS 9 ECL transitional arrangements had not been applied	5,022	5,138	5,220	5,321	5,345
Tier 1 capital	5,025	5,140	5,222	5,324	5,349
Tier 1 capital as if IFRS 9 ECL transitional arrangements had not been applied	5,022	5,138	5,220	5,321	5,345
Total capital	6,285	6,400	6,482	6,584	6,609
Total capital as if IFRS 9 ECL transitional arrangements had not been applied	6,282	6,398	6,480	6,581	6,605
Risk Weighted Assets					
Total risk-weighted assets	31,201	29,072	32,321	32,469	31,686
Capital Ratios					
Common Equity Tier 1 (as a percentage of risk exposure amount)	16.10%	17.68%	16.16%	16.40%	16.88%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	16.10%	17.67%	16.15%	16.39%	16.87%
Tier 1 (as a percentage of risk exposure amount)	16.10%	17.68%	16.16%	16.40%	16.88%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	16.10%	17.67%	16.15%	16.39%	16.87%
Total capital (as a percentage of risk exposure amount)	20.14%	22.01%	20.06%	20.28%	20.86%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	20.13%	22.01%	20.05%	20.27%	20.84%
Leverage Ratio					
Leverage ratio total exposure measure	123,460	146,467	156,018	154,523	148,038
Leverage ratio	4.07%	3.51%	3.35%	3.45%	3.61%
Leverage ratio as if IFRS 9 ECL transitional arrangements had not been applied	4.07%	3.51%	3.35%	3.44%	3.61%

Capital Requirements

Template UK OV1 – Overview of risk weighted exposure amounts for the Group

RWEAs and own funds requirements for the Group as at 31st March:

	$m	The Group		
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		Mar-22	Dec-21	Mar-22
1	**Credit risk (excluding CCR)**	**3,387**	**2,702**	**271**
2	Of which the standardised approach	3,387	2,702	271
3	Of which the foundation IRB (FIRB) approach	-	-	-
4	Of which slotting approach	-	-	-
UK 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the advanced IRB (AIRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	**21,539**	**18,527**	**1,723**
7	Of which the standardised approach	6,307	3,742	505
8	Of which internal model method (IMM)	8,619	8,668	690
UK 8a	Of which exposures to a CCP	254	282	20
UK 8b	Of which credit valuation adjustment - CVA	3,527	2,225	282
9	Of which other CCR	2,832	3,610	227
15	**Settlement risk**	**63**	**143**	**5**
16	**Securitisation exposures in the non-trading book (after the cap)**	**-**	**-**	**-**
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
UK 19a	Of which 1250%/ deduction	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**6,619**	**6,364**	**530**
21	Of which the standardised approach	2,028	1,809	162
22	Of which IMA	4,591	4,555	367
UK 22a	**Large exposures**	**79**	**-**	**6**
23	**Operational risk**	**3,136**	**3,217**	**251**
UK 23a	Of which basic indicator approach	-	-	-
UK 23b	Of which standardised approach	3,136	3,217	251
UK 23c	Of which advanced measurement approach	-	-	-
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)**	-	-	-
29	**Total**	**34,823**	**30,953**	**2,786**

Template UK OV1 – Overview of risk weighted exposure amounts for NIP

RWEAs and own funds requirements for NIP as at 31st March:

$m		NIP		
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		Mar-22	Dec-21	Mar-22
1	**Credit risk (excluding CCR)**	**2,084**	**2,053**	**167**
2	Of which the standardised approach	2,084	2,053	167
3	Of which the foundation IRB (FIRB) approach	-	-	-
4	Of which slotting approach	-	-	-
UK 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the advanced IRB (AIRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	**19,877**	**17,817**	**1,590**
7	Of which the standardised approach	5,643	3,688	451
8	Of which internal model method (IMM)	8,004	8,226	640
UK 8a	Of which exposures to a CCP	228	235	18
UK 8b	Of which credit valuation adjustment - CVA	3,212	2,087	257
9	Of which other CCR	2,790	3,581	224
15	**Settlement risk**	**63**	**146**	**5**
16	**Securitisation exposures in the non-trading book (after the cap)**	**-**	**-**	**-**
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
UK 19a	Of which 1250%/ deduction	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**6,228**	**6,016**	**498**
21	Of which the standardised approach	2,023	1,808	162
22	Of which IMA	4,206	4,208	336
UK 22a	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**2,949**	**3,040**	**236**
UK 23a	Of which basic indicator approach	-	-	-
UK 23b	Of which standardised approach	2,949	3,040	236
UK 23c	Of which advanced measurement approach	-	-	-
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)**	-	-	-
29	**Total**	**31,201**	**29,072**	**2,496**

Movements in RWA over the period

NIP

CCR and CVA increased over the quarter mainly due to the introduction of SA-CCR for derivative exposures.

The Group

The Group's RWA movements over the period are materially in line with NIP with additional derivative exposures under SA-CCR and increased credit risk on other Group subsidiaries.

Capital Buffers

Countercyclical Capital Buffer

The countercyclical capital buffer (“CCyB”) was established to protect the banking sector against excess aggregate credit growth in specific countries that has often been associated with the build-up of system-wide risk.

The CCyB requirement is calculated as the weighted average of the buffer in effect in the jurisdictions in which the Group has credit exposure. The CCyB requirement therefore changes depending on the nature of current trading positions and the CCyB rates set in each jurisdiction.

The CCyB must be met with CET1 capital.

Template UK CCyB2 – Amount of institution-specific countercyclical capital buffer for the Group and NIP

The below table shows the CCyB requirement for the Group and NIP as at 31st March 2022:

	$m	The Group	NIP
1	Total risk exposure amount	34,823	31,201
2	Institution specific countercyclical capital buffer rate	0.06%	0.06%
3	Institution specific countercyclical capital buffer requirement	20	18

The CCyB requirement for NIP is materially in line with the Group. A geographic distribution of own funds requirements has been included on the next page.

Capital Conservation Buffer

The capital conservation buffer (“CCB”) is a CRR buffer requirement equal to 2.5% of total risk exposure amount. It must be met by CET1 capital and can be used to absorb losses during periods of stress.

Pillar 2A and ICAAP

The Group conducts an Internal Capital Adequacy Assessment Process (“ICAAP”) exercise annually to ensure the Group is adequately capitalised to meet its overall business plan and withstand any potential severe but plausible stress that it might encounter over a three-year forecast horizon. The exercise incorporates the Group’s risk management processes and governance framework and is reviewed and approved by the NEHS Board before being submitted to the PRA.

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

The PRA conducts a SREP periodically after reviewing the Group’s ICAAP. The SREP process enables the regulator to define firm specific minimum total capital requirements (“TCR”) through the setting of Pillar 2A capital requirements. As part of the SREP review, the PRA may also prescribe Pillar 2B capital requirements; a firm specific amount of capital that should be held in the form of a PRA buffer. The PRA buffer requirement is over and above the level of capital required to meet the TCR and over and above the Combined buffer.

The PRA prescribed Pillar 2A capital add-on was $1.40bn for the Group and $1.45bn for NIP as at 31st March 2022.

Capital Management

The objectives of the Group’s capital management policies are to ensure that the Group complies with externally imposed capital requirements, enhance shareholder value and maintains sufficient capital according to its risk appetite to support current and future business requirements. To achieve these goals, sufficient capital is maintained to support the Group's business and to withstand losses due to extreme market movements.

The Group reviews the appropriate level of capital sufficiency, with senior management responsible for implementing and enforcing capital policies. The determination of statement of financial position size and level of capital take into consideration regulatory requirements, economic risks inherent in its business and maintenance of a debt rating appropriate to a global financial institution. The allocation of available capital resource across the business is then based upon factors such as return on capital and regulatory requirements.

The Group is subject to and has complied with the regulatory requirements imposed by the PRA under the CRR.

Template UK CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer for the Group

The table shows the geographical breakdown of CCyB exposures for the Group as at 31st March 2022:

	The Group													
	$m	a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
	Breakdown by Country:	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
1	CAYMAN ISLANDS	2,980	-	5	0	-	2,985	238	0	-	239	2,985	19.70%	0.00%
2	UNITED KINGDOM	2,521	-	19	166	-	2,705	186	3	-	189	2,366	15.61%	0.00%
3	LUXEMBOURG	1,472	-	0	11	-	1,483	122	0	-	123	1,532	10.11%	0.50%
4	UNITED STATES	1,443	-	5	2	-	1,450	111	2	-	112	1,406	9.28%	0.00%
5	NETHERLANDS	1,052	-	10	17	-	1,079	82	2	-	85	1,057	6.98%	0.00%
6	TAIWAN	945	-	2	0	-	946	73	0	-	73	917	6.05%	0.00%
7	FRANCE	873	-	3	90	-	966	62	1	-	64	796	5.25%	0.00%
8	IRELAND	535	-	6	6	-	547	43	1	-	44	545	3.60%	0.00%
9	JAPAN	602	-	8	0	-	611	34	1	-	35	436	2.87%	0.00%
10	GUERNSEY	412	-	0	-	-	412	33	0	-	33	412	2.72%	0.00%
11	BERMUDA	300	-	0	0	-	300	24	0	-	24	300	1.98%	0.00%
12	GERMANY	296	-	1	21	-	318	23	0	-	24	295	1.95%	0.00%
13	ITALY	300	-	0	4	-	304	23	0	-	23	291	1.92%	0.00%
14	JERSEY, CHANNEL ISLANDS	470	-	0	-	-	470	20	0	-	20	250	1.65%	0.00%
15	SPAIN	219	-	0	7	-	226	18	0	-	18	221	1.46%	0.00%
16	SINGAPORE	184	-	6	0	-	189	15	1	-	15	190	1.26%	0.00%
17	BRITISH VIRGIN ISLANDS	133	-	0	-	-	133	11	0	-	11	133	0.88%	0.00%
18	SWITZERLAND	155	-	1	16	-	172	10	0	-	11	132	0.87%	0.00%
19	HONG KONG	111	-	7	0	-	119	9	1	-	9	118	0.78%	1.00%
20	BELGIUM	109	-	0	2	-	110	8	0	-	8	98	0.64%	0.00%
21	DENMARK	124	-	0	1	-	125	8	0	-	8	98	0.64%	0.00%
22	SWEDEN	68	-	0	11	-	79	7	0	-	7	93	0.62%	0.00%

23	CANADA	63	-	0	0	-	64	5	0	-	5	67	0.44%	0.00%
24	AUSTRALIA	41	-	18	21	-	79	3	2	-	5	66	0.43%	0.00%
25	KOREA (SOUTH) REP	53	-	158	0	-	211	4	0	-	4	55	0.36%	0.00%
26	UNITED ARAB EMIRATES	84	-	0	0	-	84	3	0	-	3	43	0.29%	0.00%
27	FINLAND	42	-	0	2	-	44	3	0	-	3	42	0.28%	0.00%
28	MALAYSIA	49	-	0	0	-	49	2	0	-	3	32	0.21%	0.00%
29	BAHRAIN	24	-	-	-	-	24	2	-	-	2	28	0.18%	0.00%
30	THAILAND	25	-	3	0	-	28	2	0	-	2	28	0.18%	0.00%
31	ISRAEL	50	-	0	0	-	50	2	0	-	2	27	0.18%	0.00%
32	CYPRUS	18	-	-	-	-	18	1	-	-	1	18	0.12%	0.00%
33	CHINA	9	-	4	0	-	13	1	0	-	1	14	0.10%	0.00%
34	CZECH REPUBLIC	8	-	0	6	-	14	1	0	-	1	8	0.05%	0.50%
35	QATAR	9	-	0	0	-	9	1	0	-	1	8	0.05%	0.00%
36	INDONESIA	6	-	0	0	-	7	1	0	-	1	7	0.04%	0.00%
37	POLAND	6	-	0	-	-	6	0	0	-	0	6	0.04%	0.00%
38	PORTUGAL	5	-	0	1	-	6	0	0	-	0	5	0.03%	0.00%
39	NEW ZEALAND	0	-	1	2	-	2	0	0	-	0	4	0.03%	0.00%
40	GREECE	4	-	0	0	-	4	0	0	-	0	4	0.03%	0.00%
41	BAHAMAS	3	-	-	-	-	3	0	-	-	0	3	0.02%	0.00%
42	MAURITIUS	3	-	-	-	-	3	0	0	-	0	3	0.02%	0.00%
43	ANDORRA	3	-	-	-	-	3	0	-	-	0	3	0.02%	0.00%
44	CHILE	3	-	0	-	-	3	0	0	-	0	1	0.01%	0.00%
45	VENEZUELA	-	-	0	0	-	0	-	0	-	0	1	0.01%	0.00%
46	PHILIPPINES	0	-	0	-	-	1	0	0	-	0	1	0.00%	0.00%
47	MOROCCO	1	-	0	-	-	1	0	0	-	0	1	0.00%	0.00%
48	MALTA	3	-	-	-	-	3	0	-	-	0	1	0.00%	0.00%
49	BRAZIL	0	-	0	2	-	2	0	0	-	0	0	0.00%	0.00%
50	INDIA	0	-	0	0	-	0	0	0	-	0	0	0.00%	0.00%
51	AUSTRIA	0	-	0	1	-	1	0	0	-	0	0	0.00%	0.00%
52	NORWAY	-	-	0	2	-	2	-	0	-	0	0	0.00%	1.00%
53	MEXICO	0	-	0	0	-	0	0	0	-	0	0	0.00%	0.00%
54	COLOMBIA	0	-	0	-	-	0	0	0	-	0	0	0.00%	0.00%
55	KENYA	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
56	TURKEY	0	-	0	0	-	0	0	0	-	0	0	0.00%	0.00%
57	SOUTH AFRICA	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
58	ARGENTINA	0	-	0	-	-	0	0	0	-	0	0	0.00%	0.00%
59	RUSSIAN FEDERATION	0	-	0	0	-	0	0	0	-	0	0	0.00%	0.00%

NOMURA

60	IVORY COAST	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
61	URUGUAY	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
62	SAUDI ARABIA	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
63	TANZANIA	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
64	BOTSWANA	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
65	PERU	0	-	0	-	-	0	0	0	-	0	0	0.00%	0.00%
66	AZERBAIJAN	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
67	KUWAIT	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
68	DOMINICAN REPUBLIC	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
69	KAZAKHSTAN	0	-	0	-	-	0	0	0	-	0	0	0.00%	0.00%
70	ZAMBIA	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
71	HUNGARY	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
72	EGYPT	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
73	VATICAN CITY	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
74	MACAU/MACAO	0	-	-	0	-	0	0	0	-	0	0	0.00%	0.00%
75	ROMANIA	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
76	VIETNAM	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
77	JORDAN	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
78	NIGERIA	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
79	ISLE OF MAN	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
80	OTHER	9	-	-	-	-	9	1	-	-	1	9	0.06%	0.00%
	Total	**15,825**	**-**	**258**	**388**	**-**	**16,471**	**1,196**	**16**	**-**	**1,212**	**15,155**		

Template UK CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer for NIP

The table shows the geographical breakdown of CCyB exposures for NIP as at 31st March 2022:

	NIP													
	$m	a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
	Breakdown by Country:	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
1	CAYMAN ISLANDS	2,631	-	5	0	-	2,636	210	0	-	211	2,636	19.95%	0.00%
2	UNITED KINGDOM	2,516	-	19	166	-	2,701	185	3	-	188	2,352	17.80%	0.00%
3	UNITED STATES	1,273	-	5	2	-	1,280	102	2	-	104	1,296	9.80%	0.00%
4	LUXEMBOURG	1,226	-	0	11	-	1,236	102	0	-	103	1,282	9.70%	0.50%
5	TAIWAN	945	-	2	0	-	946	73	0	-	73	917	6.94%	0.00%
6	NETHERLANDS	648	-	10	14	-	672	50	2	-	52	652	4.93%	0.00%
7	IRELAND	534	-	6	6	-	546	43	1	-	44	544	4.12%	0.00%
8	JAPAN	602	-	8	0	-	611	34	1	-	35	436	3.30%	0.00%
9	GUERNSEY	412	-	0	-	-	412	33	0	-	33	412	3.12%	0.00%
10	FRANCE	450	-	3	90	-	542	28	1	-	29	365	2.76%	0.00%
11	BERMUDA	298	-	0	0	-	298	24	0	-	24	298	2.26%	0.00%
12	JERSEY, CHANNEL ISLANDS	470	-	0	-	-	470	20	0	-	20	250	1.89%	0.00%
13	GERMANY	199	-	1	21	-	221	15	0	-	16	195	1.48%	0.00%
14	SINGAPORE	184	-	6	0	-	189	15	1	-	15	190	1.44%	0.00%
15	ITALY	186	-	0	4	-	189	14	0	-	14	177	1.34%	0.00%
16	SPAIN	177	-	0	4	-	181	14	0	-	14	176	1.33%	0.00%
17	BRITISH VIRGIN ISLANDS	133	-	0	-	-	133	11	0	-	11	133	1.01%	0.00%
18	HONG KONG	111	-	7	0	-	119	9	1	-	9	118	0.89%	1.00%
19	SWITZERLAND	126	-	1	16	-	143	8	0	-	8	104	0.78%	0.00%
20	DENMARK	124	-	0	1	-	125	8	0	-	8	98	0.74%	0.00%
21	SWEDEN	68	-	0	11	-	78	7	0	-	7	84	0.63%	0.00%
22	CANADA	63	-	0	0	-	63	5	0	-	5	66	0.50%	0.00%
23	AUSTRALIA	41	-	18	21	-	79	3	2	-	5	66	0.50%	0.00%

24	KOREA (SOUTH) REP	53	-	158	0	-	211	4	0	-	4	55	0.42%	0.00%
25	FINLAND	41	-	0	2	-	43	3	0	-	3	42	0.32%	0.00%
26	BELGIUM	48	-	0	2	-	49	3	0	-	3	37	0.28%	0.00%
27	UNITED ARAB EMIRATES	67	-	0	0	-	67	3	0	-	3	35	0.26%	0.00%
28	MALAYSIA	46	-	0	0	-	47	2	0	-	2	29	0.22%	0.00%
29	BAHRAIN	24	-	-	-	-	24	2	-	-	2	28	0.21%	0.00%
30	THAILAND	25	-	3	0	-	27	2	0	-	2	27	0.21%	0.00%
31	ISRAEL	50	-	0	0	-	50	2	0	-	2	27	0.20%	0.00%
32	CYPRUS	18	-	-	-	-	18	1	-	-	1	18	0.14%	0.00%
33	CHINA	9	-	4	0	-	13	1	0	-	1	14	0.11%	0.00%
34	CZECH REPUBLIC	8	-	0	6	-	14	1	0	-	1	8	0.06%	0.50%
35	QATAR	9	-	0	0	-	9	1	0	-	1	8	0.06%	0.00%
36	INDONESIA	6	-	0	0	-	7	1	0	-	1	7	0.05%	0.00%
37	POLAND	6	-	0	-	-	6	0	0	-	0	6	0.05%	0.00%
38	NEW ZEALAND	0	-	1	2	-	2	0	0	-	0	4	0.03%	0.00%
39	BAHAMAS	3	-	-	-	-	3	0	-	-	0	3	0.03%	0.00%
40	MAURITIUS	3	-	-	-	-	3	0	0	-	0	3	0.02%	0.00%
41	ANDORRA	3	-	-	-	-	3	0	-	-	0	3	0.02%	0.00%
42	PORTUGAL	1	-	0	1	-	2	0	0	-	0	1	0.01%	0.00%
43	CHILE	3	-	0	-	-	3	0	0	-	0	1	0.01%	0.00%
44	VENEZUELA	-	-	0	0	-	0	-	0	-	0	1	0.01%	0.00%
45	PHILIPPINES	0	-	0	-	-	1	0	0	-	0	1	0.00%	0.00%
46	MOROCCO	1	-	0	-	-	1	0	0	-	0	1	0.00%	0.00%
47	MALTA	3	-	-	-	-	3	0	-	-	0	1	0.00%	0.00%
48	BRAZIL	0	-	0	2	-	2	0	0	-	0	0	0.00%	0.00%
49	GREECE	0	-	0	0	-	0	0	0	-	0	0	0.00%	0.00%
50	INDIA	0	-	0	0	-	0	0	0	-	0	0	0.00%	0.00%
51	AUSTRIA	0	-	0	1	-	1	0	0	-	0	0	0.00%	0.00%
52	NORWAY	-	-	0	2	-	2	-	0	-	0	0	0.00%	1.00%
53	MEXICO	0	-	0	0	-	0	0	0	-	0	0	0.00%	0.00%
54	COLOMBIA	0	-	0	-	-	0	0	0	-	0	0	0.00%	0.00%
55	KENYA	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
56	TURKEY	0	-	0	0	-	0	0	0	-	0	0	0.00%	0.00%
57	SOUTH AFRICA	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
58	ARGENTINA	0	-	0	-	-	0	0	0	-	0	0	0.00%	0.00%
59	RUSSIAN FEDERATION	0	-	0	0	-	0	0	0	-	0	0	0.00%	0.00%
60	IVORY COAST	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%

61	URUGUAY	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
62	SAUDI ARABIA	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
63	TANZANIA	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
64	BOTSWANA	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
65	PERU	0	-	0	-	-	0	0	0	-	0	0	0.00%	0.00%
66	AZERBAIJAN	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
67	KUWAIT	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
68	DOMINICAN REPUBLIC	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
69	KAZAKHSTAN	0	-	0	-	-	0	0	0	-	0	0	0.00%	0.00%
70	ZAMBIA	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
71	HUNGARY	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
72	EGYPT	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
73	VATICAN CITY	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
74	MACAU/MACAO	0	-	-	0	-	0	0	0	-	0	0	0.00%	0.00%
75	ROMANIA	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
76	VIETNAM	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
77	JORDAN	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
78	NIGERIA	-	-	0	-	-	0	-	0	-	0	0	0.00%	0.00%
79	ISLE OF MAN	0	-	-	-	-	0	0	-	-	0	0	0.00%	0.00%
80	OTHER	9	-	-	-	-	9	1	-	-	1	9	0.07%	0.00%
	Total	**13,853**	**-**	**258**	**382**	**-**	**14,493**	**1,041**	**16**	**-**	**1,057**	**13,217**		

Counterparty Credit Risk and Credit Risk

Counterparty Credit Risk and Credit Risk Scope

Credit risk is the risk of loss arising from an obligor's default, insolvency or administrative proceeding 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 Group uses the NHI Credit Risk Management framework for managing credit risk, with some specific criteria applied to the Group where relevant.

The process for managing credit risk at the Group includes:

- Evaluation of likelihood that a counterparty defaults on its payments and obligations;
- Assignment of internal ratings to all active counterparties;
- Approval of extensions of credit and establishment of credit limits;
- Measurement, monitoring and management of the Group's current and potential future credit exposures;
- Setting credit terms in legal documentation; and
- Use of appropriate credit risk mitigants including netting, collateral and hedging.

The Group's main type of counterparty credit risk exposures arise from derivatives transactions, securities financing transactions and loans.

Internal Model Method

In December 2012, the Group was granted permission by the PRA to use IMM in combination with the standardised approach for the calculation of counterparty credit risk requirements for certain derivatives and securities financing transactions.

For derivatives and securities financing transactions, the Group measures credit risk primarily by way of a Monte Carlo-based simulation model that determines a potential exposure profile at a specified confidence level. The exposure calculation model used for counterparty credit risk management is also used for the IMM-based exposure calculation for regulatory capital reporting purposes since the end of December 2012. Loans and lending commitments are measured and monitored on both a funded and unfunded basis.

Credit Risk Mitigation

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

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

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

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

The Group utilises financial instruments, to assist in the management of counterparty credit risk. The Group enters into credit hedges in the form of single name credit default swaps, credit contingent CDS and credit index swaps to mitigate losses arising from deterioration in counterparty creditworthiness.

The Group actively monitors large exposures to collateralised counterparties and seeks to reduce exposures through trade compression and hedging with single name credit default swaps.

Standardised Derivative Calculation Method

In the calculation of risk-weighted exposure amounts under the standardised approach to credit and counterparty risk, the credit assessments provided by Fitch, Moody's and Standard and Poor's are used for all applicable exposure classes. The ratings are then mapped to credit quality steps to derive the relevant risk weight.

Credit Quality Step ("CQS")	Moody's	Standard & Poor's / Fitch's
1	Aaa to Aa3	AAA to AA-
2	A1 to A3	A+ to A1
3	Baa1 to Baa3	BBB+ to BBB-
4	Ba1 to Ba3	BB+ to BB-
5	B1 to B3	N+ to B-
6	Caa1 and below	CCC+ and below

Where credit assessments of counterparties are not available, risk weights are assigned in accordance with CRD requirements for unrated exposures. Securities which do not have a credit assessment are risk weighted based on the general credit assessment of their issuers if they satisfy the seniority conditions in article 139(2) of the CRR.

Non-trading book exposure to equities

The Group holds a small number of non-trading equity assets. These are designated at "fair value through the P&L" rather than "held for trading" due to the expectation the Group will hold them for the long term. They are treated in line with the requirements of CRR, but are not considered material for the purposes of these disclosures.

Template UK CCR1 – Analysis of CCR exposure by approach for the Group

The table provides Exposure at Default ("EAD") and CCR RWA by calculation method for the Group, with the exception of CVA charges or exposures cleared through a CCP:

		The Group							
$m		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
UK1	Original Exposure Method (for derivatives)								
UK2	Simplified SA-CCR (for derivatives)			-					
1	SA-CCR (for derivatives)	2,910	5,258		1.4	15,922	9,976	9,832	6,307
2	IMM (for derivatives and SFTs)			12,822	1.4	329,009	17,601	17,601	8,620
2a	*Of which securities financing transactions netting sets*			6,684		310,500	9,008	9,008	2,713
2b	*Of which derivatives and long settlement transactions netting sets*			6,138		18,509	8,593	8,593	5,907
2c	*Of which from contractual cross-product netting sets*								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					67,961	9,110	9,110	2,832
5	VaR for SFTs								
6	**Total**					**412,892**	**36,687**	**36,543**	**17,759**

Template UK CCR1 – Analysis of CCR exposure by approach for NIP

The table provides EAD and CCR RWA by calculation method for NIP, with the exception of CVA charges or exposures cleared through a CCP:

		NIP							
$m		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
UK1	Original Exposure Method (for derivatives)								
UK2	Simplified SA-CCR (for derivatives)								
1	SA-CCR (for derivatives)	2,923	3,538		1.4	10,486	9,391	9,256	5,643
2	IMM (for derivatives and SFTs)			11,441	1.4	328,417	15,992	15,992	8,004
2a	*Of which securities financing transactions netting sets*			5,784		312,172	8,072	8,072	2,641
2b	*Of which derivatives and long settlement transactions netting sets*			5,657		16,245	7,920	7,920	5,363
2c	*Of which from contractual cross-product netting sets*								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					70,368	10,076	10,076	2,791
5	VaR for SFTs								
6	**Total**					**409,271**	**35,459**	**35,324**	**16,438**

Template UK CCR2 – Transactions subject to own funds requirements for CVA risk for the Group and NIP

The table shows the EAD and RWA by standardised and advanced approaches for the Group and NIP:

$m		The Group		NIP	
		a	b	a	b
		Exposure value	RWEA	Exposure value	RWEA
1	Total transactions subject to the Advanced method	5,503	1,674	4,933	1,564
2	(i) VaR component (including the 3× multiplier)		978		915
3	(ii) stressed VaR component (including the 3× multiplier)		696		649
4	Transactions subject to the Standardised method	5,756	1,853	5,003	1,648
UK4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**11,259**	**3,527**	**9,936**	**3,212**

No material movement noted in CVA risk compared to 30th September 2021.

Template UK CCR7 – RWEA flow statements of CCR exposures under the IMM for the Group and NIP

The table shows how the RWA under IMM have changed over the prior quarter for the Group and NIP:

$m		The Group	NIP
		a	a
		RWEA	RWEA
1	**RWEA as at 31st December 2021**	**8,668**	**8,226**
2	Asset size	(109)	(284)
3	Credit quality of counterparties	29	31
4	Model updates (IMM only)	31	31
5	Methodology and policy (IMM only)	-	-
6	Acquisitions and disposals	-	-
7	Foreign exchange movements	-	-
8	Other	-	-
9	**RWEA as at 31st March 2022**	**8,619**	**8,004**

The decrease in RWAs for both the Group and NIP was due to changes in the composition of the portfolio.

Impact of a Credit Downgrade on Collateral Pledged

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

Two notch downgrade in the credit rating of NSC would trigger the pledge of a further $189m of collateral for the Group.

Template UK CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights for the Group

The table provides the counterparty credit risk exposures for the standardised approach broken down by risk weights and regulatory exposure classes, excluding RWEA derived from own funds requirements for CVA risk but includes exposures cleared through a CCP, for the Group as at 31st March 2022:

		The Group											
	Exposure classes $m	Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	4,274	-	-	-	640	5	-	-	57	-	-	4,976
2	Regional government or local authorities	28	-	-	-	1	-	-	-	-	-	-	29
3	Public sector entities	864	-	-	-	1,251	18	-	-	17	-	-	2,150
4	Multilateral development banks	193	-	-	-	26	-	-	-	-	-	-	219
5	International organisations	0	-	-	-	-	-	-	-	-	-	-	0
6	Institutions	-	3,396	4	-	10,204	5,886	-	-	170	0	-	19,660
7	Corporates	-	-	-	-	132	1,527	-	-	11,153	202	-	13,014
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**5,359**	**3,396**	**4**	**-**	**12,254**	**7,436**	**-**	**-**	**11,397**	**202**	**-**	**40,048**

Template UK CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights for NIP

The table provides the counterparty credit risk exposures for the standardised approach broken down by risk weights and regulatory exposure classes, excluding RWEA derived from own funds requirements for CVA risk but includes exposures cleared through a CCP, for NIP as at 31st March 2022:

		NIP											
	Exposure classes $m	Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	3,439	-	-	-	640	0	-	-	36	-	-	4,115
2	Regional government or local authorities	22	-	-	-	0	-	-	-	-	-	-	22
3	Public sector entities	730	-	-	-	1,181	0	-	-	17	-	-	1,928
4	Multilateral development banks	193	-	-	-	26	-	-	-	-	-	-	219
5	International organisations	0	-	-	-	-	-	-	-	-	-	-	0
6	Institutions	1,270	2,756	4	-	10,395	5,379	-	-	95	0	-	19,899
7	Corporates	-	-	-	-	128	1,485	-	-	10,190	202	-	12,005
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**5,654**	**2,756**	**4**	**-**	**12,370**	**6,864**	**-**	**-**	**10,338**	**202**	**-**	**38,188**

Template UK CCR5 – Composition of collateral for CCR exposures for the Group

The table presents information on composition of fair values of collateral used in counterparty credit risk exposure related to both derivative transactions and securities financing transactions for the Group as at 31st March 2022:

	$m	The Group					
		a	b	c	d	e	f
		Collateral used in derivatives transactions				Collateral used in securities financing transactions (SFTs)	
	Collateral type	Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash	-	25,408	-	14,782	182,007	197,904
2	Debt	77	2,426	-	626	249,870	230,349
3	Equity	-	442	-	-	4,847	3,279
4	Other	-	-	-	-	-	-
5	**Total**	**77**	**28,276**	**-**	**15,408**	**436,724**	**431,532**

Template UK CCR5 – Composition of collateral for CCR exposures for NIP

The table presents information on composition of fair values of collateral used in counterparty credit risk exposure related to both derivative transactions and securities financing transactions for NIP as at 31st March 2022:

	$m	NIP					
		a	b	c	d	e	f
		Collateral used in derivatives transactions				Collateral used in securities financing transactions (SFTs)	
	Collateral type	Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash	-	24,175	-	12,998	180,918	193,616
2	Debt	77	2,130	-	594	246,351	229,988
3	Equity	-	29	-	-	4,847	3,279
4	Other	-	-	-	-	-	-
5	**Total**	**77**	**26,334**	**-**	**13,592**	**432,116**	**426,883**

Template UK CCR6 – Credit derivatives exposures for the Group and NIP

The table shows the credit derivative hedges bought and sold as well as split into product types for the Group and NIP as at 31st March 2022:

		The Group		NIP	
		a	b	a	b
	$m	Protection bought	Protection sold	Protection bought	Protection sold
	Notionals				
1	Single-name credit default swaps	51,078	49,119	51,065	49,457
2	Index credit default swaps	119,780	119,043	119,952	119,070
3	Total return swaps	750	295	750	295
4	Credit options	1,106	945	1,106	1,139
5	Other credit derivatives	-	-	-	-
6	**Total notionals**	**172,714**	**169,402**	**172,873**	**169,961**
	Fair values				
7	Positive fair value (asset)	1,767	2,810	1,773	2,844
8	Negative fair value (liability)	(2,820)	(1,696)	(2,842)	(1,721)

Template UK CCR8: Exposures to CCPs for the Group and NIP

The table shows EAD and RWEA to qualifying central counterparties (“QCCP”) and non-qualifying central counterparties (“N-QCCP”) for the Group and NIP as at 31st March 2022:

	$m	The Group		NIP	
		a	b	a	b
		Exposure value	RWEA	Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**144**		**118**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	2,221	44	1,932	39
3	(i) OTC derivatives	1,407	28	1,113	23
4	(ii) Exchange-traded derivatives	268	5	268	5
5	(iii) SFTs	546	11	551	11
6	(iv) Netting sets where cross-product netting has been approved				
7	Segregated initial margin				
8	Non-segregated initial margin	1,185	24	824	16
9	Prefunded default fund contributions	424	76	389	63
10	Unfunded default fund contributions	1,229		1,132	-
11	**Exposures to non-QCCPs (total)**		**110**		**110**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	110	110	110	110
13	(i) OTC derivatives				
14	(ii) Exchange-traded derivatives				
15	(iii) SFTs	110	110	110	110
16	(iv) Netting sets where cross-product netting has been approved				
17	Segregated initial margin				
18	Non-segregated initial margin				
19	Prefunded default fund contributions				
20	Unfunded default fund contributions				

Credit Risk

Credit risk is concerned with the risk that a counterparty may default on its obligations before settlement; the difference between the two concepts is the calculation methodology. Credit risk is primarily driven by the non-trading book and covers exposures which are both on and off balance sheet.

Template UK CR4 – standardised approach – Credit risk exposure and CRM effects for the Group

The table below shows the effect of Credit risk mitigation ("CRM") and Credit conversion factors ("CCF") on credit risk exposures split by on balance sheet and off balance sheet as well as exposure classes for the Group as at 31st March 2022:

		The Group					
	Exposure classes $m	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	7,352	-	7,352	-	22	0.30%
2	Regional government or local authorities	-	-	-	-	-	0.00%
3	Public sector entities	7	-	7	-	0	2.71%
4	Multilateral development banks	-	-	-	-	-	0.00%
5	International organisations	-	-	-	-	-	0.00%
6	Institutions	2,733	145	2,733	66	625	22.34%
7	Corporates	2,011	2,157	2,011	664	2,568	96.05%
8	Retail	-	-	-	-	-	0.00%
9	Secured by mortgages on immovable property	-	-	-	-	-	0.00%
10	Exposures in default	-	-	-	-	-	0.00%
11	Exposures associated with particularly high risk	-	-	-	-	-	0.00%
12	Covered bonds	-	-	-	-	-	0.00%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0.00%
14	Collective investment undertakings	3	-	3	-	34	1250.00%
15	Equity	21	-	21	-	21	100.00%
16	Other items	117	-	117	-	117	99.99%
17	**Total**	**12,244**	**2,302**	**12,244**	**730**	**3,387**	**26.11%**

Template UK CR4 – standardised approach – Credit risk exposure and CRM effects for NIP

The table below shows the effect of CRM and CCFs on credit risk exposures split by on balance sheet and off balance sheet as well as exposure classes for NIP as at 31st March 2022:

		NIP					
	Exposure classes $m	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	4,905	-	4,905	-	22	0.45%
2	Regional government or local authorities	-	-	-	-	-	0.00%
3	Public sector entities	7	-	7	-	0	2.71%
4	Multilateral development banks	-	-	-	-	-	0.00%
5	International organisations	-	-	-	-	-	0.00%
6	Institutions	1,019	897	1,019	442	273	18.71%
7	Corporates	1,146	1,120	1,146	604	1,657	94.60%
8	Retail	-	-	-	-	-	0.00%
9	Secured by mortgages on immovable property	-	-	-	-	-	0.00%
10	Exposures in default	-	-	-	-	-	0.00%
11	Exposures associated with particularly high risk	-	-	-	-	-	0.00%
12	Covered bonds	-	-	-	-	-	0.00%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0.00%
14	Collective investment undertakings	3	-	3	-	34	1250.00%
15	Equity	33	-	33	-	33	100.00%
16	Other items	65	-	65	-	65	100.00%
17	**Total**	**7,178**	**2,017**	**7,178**	**1,046**	**2,084**	**25.33%**

Template UK CR5 – standardised approach for the Group

The table below shows the breakdown of credit risk exposures by risk weight and exposure classes for the Group.

Exposures are after CRM and CCF as at 31st March 2022:

		The Group																
	Exposure classes $m	**Risk weight**															**Total**	**Of which unrated**
		0%	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**		
		a	**b**	**c**	**d**	**e**	**f**	**g**	**h**	**i**	**j**	**k**	**l**	**m**	**n**	**o**	**p**	**q**
1	Central governments or central banks	7,329	-	-	-	0	-	1	-	-	22	-	-	-	-	-	7,352	1,763
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	7	-	-	-	0	-	0	-	-	0	-	-	-	-	-	7	0
4	Multilateral development banks	0	-	-	-	-	-	0	-	-	-	-	-	-	-	-	0	0
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	0	-	-	-	2,705	-	76	-	-	1	16	-	-	2	-	2,800	981
7	Corporates	-	-	-	-	1	-	254	-	-	2,375	44	-	-	0	-	2,674	1,790
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	3	3
15	Equity exposures	-	-	-	-	-	-	-	-	-	21	-	-	-	-	-	21	21
16	Other items	0	-	-	-	-	-	-	-	-	117	-	-	-	-	-	117	117
17	**TOTAL**	**7,336**	**-**	**-**	**-**	**2,706**	**-**	**331**	**-**	**-**	**2,536**	**60**	**-**	**-**	**5**	**-**	**12,977**	**4,675**

Template UK CR5 – standardised approach for NIP

The table below shows the breakdown of credit risk exposures by risk weight and exposure classes for NIP.

Exposures are after CRM and CCF as at 31st March 2022

		NIP																
	Exposure classes $m	**Risk weight**															**Total**	**Of which unrated**
		0%	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**		
		a	**b**	**c**	**d**	**e**	**f**	**g**	**h**	**i**	**j**	**k**	**l**	**m**	**n**	**o**	**p**	**q**
1	Central governments or central banks	4,883	-	-	-	0	-	0	-	-	22	-	-	-	-	-	4,905	30
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	7	-	-	-	0	-	0	-	-	0	-	-	-	-	-	7	0
4	Multilateral development banks	0	-	-	-	-	-	0	-	-	-	-	-	-	-	-	0	0
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	414	-	-	-	960	-	69	-	-	-	16	-	-	2	-	1,461	169
7	Corporates	-	-	-	-	1	-	218	-	-	1,501	30	-	-	0	-	1,750	1,235
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	3	3
15	Equity exposures	-	-	-	-	-	-	-	-	-	33	-	-	-	-	-	33	33
16	Other items	-	-	-	-	-	-	-	-	-	65	-	-	-	-	-	65	65
17	**TOTAL**	**5,304**	**-**	**-**	**-**	**961**	**-**	**287**	**-**	**-**	**1,621**	**46**	**-**	**-**	**5**	**-**	**8,224**	**1,535**

Movements in Credit risk over the period

The Group

Decrease in on-balance sheet exposure with Central Banks is mainly driven by a reduction in deposits by NBL and NFPE. Decrease in off-balance sheet exposure with corporates is mainly driven by a reduction in loan commitments during the period. Increase in on-balance sheet exposure with corporates are mainly driven by NBL.

NIP

Decrease in on-balance sheet exposure with institutions is mainly driven by a reduction in cash balances and loans. Decrease in off-balance sheet exposure with corporates is mainly driven by a reduction in loan commitments during the period.

Template UK CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques for the Group

The table below shows the carrying values of exposures for loans and debt securities for the Group as at 31st March 2022:

	$m	The Group				
		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	24,299	70,768	70,768	-	-
2	Debt securities	1,474	-	-	-	
3	**Total**	**25,773**	**70,768**	**70,768**	**-**	**-**
4	Of which: Non-performing exposures	-	-	-	-	-
5	Of which: Defaulted	-	-			

Template UK CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques for NIP

The table below shows the carrying values of exposures for loans and debt securities for NIP as at 31st March 2022:

	$m	NIP				
		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	13,677	69,629	69,629		
2	Debt securities	-	-	-	-	
3	**Total**	**13,677**	**69,629**	**69,629**	**-**	**-**
4	Of which: Non-performing exposures	-	-	-	-	-
5	Of which: Defaulted	-	-	-	-	-

Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people, and systems or from external events. It excludes strategic risk (the risk of loss as a result of poor strategic business decisions), but includes the risk of breach of legal and regulatory requirements, and the risk of damage to the Nomura Group's reputation if caused by an operational risk. The Group uses the NHI Operational Risk Management ("ORM") framework for managing operational risk.

The Three Lines of Defence

The Group adopts the industry standard "Three Lines of Defence" for the management of operational risk, comprising:

- 1st Line of Defence: The business which owns and manages its risks,
- 2nd Line of Defence: The ORM function, which defines and co-ordinates NHI's operational risk framework and its implementation, and provides challenge to the 1st Line of Defence,
- 3rd Line of Defence: Internal Audit, who provide independent assurance.

Operational risk Pillar 1 capital requirement for the Group is calculated using the standardised approach ("TSA"). This involves using a three year average of audited revenue allocated to business lines, which is multiplied by a fixed percentage ("Beta Factor") per article 317 of the CRR to establish the amount of required capital.

Template UK OR1 – Operational risk own funds requirements and risk-weighted exposure amounts for the Group

The below table shows the breakdown of Operational risk own funds requirements and risk-weighted exposure amounts for the Group as at 31st March 2022:

$m		The Group				
Banking activities		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk weighted exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	1,274	1,827	1,187	251	3,136
3	*Subject to TSA:*	1,274	1,827	1,187		
4	*Subject to ASA:*	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

Template UK OR1 – Operational risk own funds requirements and risk-weighted exposure amounts for NIP

The below table shows the breakdown of Operational risk own funds requirements and risk-weighted exposure amounts for NIP as at 31st March 2022:

$m		NIP				
Banking activities		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk weighted exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	1,100	1,755	1,076	236	2,949
3	*Subject to TSA:*	1,100	1,755	1,076		
4	*Subject to ASA:*	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

Valuation Practices

Valuation of Fair Value Instruments

The fair value of financial instruments is the value at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The best evidence of fair value is quoted prices in an active market. Therefore, the fair value of financial instruments, including exchange-traded securities and derivatives is based on quoted market prices on exchanges or other broker/dealer quotations.

Where quoted market prices or broker/dealer quotations are not available, prices for similar instruments or valuation pricing models are considered in the determination of fair value. Valuation pricing models consider contractual terms, underlying asset prices, interest rates, dividend rates, time value, volatility and other statistical measurements for the relevant instruments or for instruments with similar characteristics. These models also incorporate adjustments relating to counterparty and the Group's own credit risk and funding risk. These adjustments are fundamental components of the fair value calculation process. The valuation technique used maximises the use of market inputs and minimises the use of entity-specific inputs which are unobservable in the market.

Certain financial assets and liabilities are valued using valuation techniques which rely on parameters that are not observable in the market due to an absence of equivalent, current, market transactions or observable market data. These valuation techniques are based on assumptions. As a result, the fair value calculated using these valuation techniques will change if the underlying assumptions change.

Where the use of valuation techniques with significant unobservable parameters generates a gain or loss at inception this is deferred over the life of the contract, until the parameters become observable or the instrument is terminated.

Valuation Process

In order to ensure the appropriateness of any fair value measurement of a financial instrument, including those classified in Level 3 within the fair value hierarchy, the Group operates a governance framework which mandates determination or validation of a fair value measurement by control and support functions independent of the trading businesses assuming the risk of the financial instrument.

The Product Control Valuations Group ("PCVG") within the Group's Finance department has primary responsibility for determining and implementing valuation policies and procedures in connection with determination of fair value measurements. While it is the responsibility of market makers and investment professionals in our trading businesses to price our financial instruments, the MOVG are responsible for independently verifying or validating these prices. This group reports to the Global Head of Middle Office and ultimately to the Chief Financial Officer ("CFO");

The independent price verification processes aim to verify the fair value of all positions to external levels on a regular basis. The process will involve obtaining data such as trades, marks and prices from internal and external sources and examining the impact of marking the internal positions at the external prices. Margin disputes within the collateral process will also be investigated to determine if there is any impact on valuations.

Prudent Valuation Adjustment

The Group has documented policies and adequate systems and controls in place for the calculation and monitoring of Prudent Valuation Adjustment ("PVA"). The difference between the prudent value and the fair value, known as Additional Valuation Adjustment ("AVA") is directly deducted from CET1 capital. The Prudent value is an estimated conservative pricing with a 90% degree of certainty that would be received upon sale or transfer of an asset. The Group's methodology addresses fair value uncertainties for positions, such as market price uncertainty, concentration and non-performance risk. In compliance with CRR, PVA is calculated for all fair valued items in both the trading book and non-trading book.

Template UK PV1 – Prudent valuation adjustments (PVA) for the Group

Prudent valuation adjustments for the Group as at 31st March 2022:

$m		The Group									
		a	b	c	d	e	UK e1	UK e2	f	g	h
		Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
	Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
1	Market price uncertainty	4	16	10	15	-	59	17	61	61	-
3	Close-out cost	0	9	2	10	-	36	8	32	32	-
4	Concentrated positions	0	0	2	3	-			5	5	-
5	Early termination	-	-	-	-	-			-	-	-
6	Model risk	-	-	-	-	-	-	-	-	-	-
7	Operational risk	0	2	1	6	-			9	9	-
10	Future administrative costs	-	12	-	1	-			13	13	-
12	**Total Additional Valuation Adjustments (AVAs)**								120	120	-

Template UK PV1 – Prudent valuation adjustments (PVA) for NIP

Prudent valuation adjustments for NIP as at 31st March 2022:

$m		NIP									
		a	b	c	d	e	UK e1	UK e2	f	g	h
		Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
	Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
1	Market price uncertainty	4	16	10	14	-	55	18	59	59	-
3	Close-out cost	0	9	2	10	-	35	8	32	32	-
4	Concentrated positions	0	0	2	3	-	-	-	4	4	-
5	Early termination	-	-	-	-	-	-	-	-	-	-
6	Model risk	-	-	-	-	-	-	-	-	-	-
7	Operational risk	0	3	1	6	-	-	-	9	9	-
10	Future administrative costs	-	12	-	1	-	-	-	13	13	-
12	**Total Additional Valuation Adjustments (AVAs)**								117	117	-

Market Risk

Market risk is the risk of loss arising from fluctuations in values of financial assets and liabilities (including off-balance sheet items) due to fluctuations in market risk factors (interest rates, foreign exchange rates, prices of securities and others). The Group classifies exposures into either trading or non-trading portfolios. Trading portfolios are exposed to market risk and managed and monitored on a daily basis on a Value-at-Risk ("VaR") methodology. Non-trading positions are managed and monitored using other sensitivity analysis. The Group uses the NHI's Market Risk Management ("MRM") framework for the management of market risk, with some specific criteria applied to the Group where relevant.

In July 2013, the Group was granted permission by the PRA to use the internal model method, such as VaR, Stressed VaR ("SVaR"), and Incremental Risk Charge ("IRC"), to calculate market risk regulatory capital requirements for a range of trading positions. VaR scope covers certain credit and interest rates positions (e.g. bonds, credit default swaps, loans in the trading book and others), certain equity positions (e.g. cash equities, equity forwards, equity swaps and others) and certain foreign exchange positions (e.g. FX spot, FX futures, FX forwards, FX swaps, cross-currency swaps and others). For the relevant trading positions that are in scope under IMA, a Risk Not in VaR ("RNIV") is a risk factor that is not captured, or not captured adequately, by the VaR model. An additional capital charge is taken to reflect the materiality of the inadequacy. For trading positions that are not in scope under the internal model approach, the standard rules are applied to calculate their market risk regulatory capital requirements.

Effective management of market risk requires the ability to analyse a complex and evolving portfolio in a constantly changing global market environment, identify problematic trends and ensure that appropriate action is taken in a timely manner. The Group uses a variety of statistical measurement tools to assess and monitor market risk on an ongoing basis.

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 Group uses a single VaR model which has been implemented globally in order to determine the total trading VaR. A historical simulation is implemented, where historical market moves over a two-year window are applied to current exposure in order to construct a profit and loss distribution. Potential losses can be estimated at required confidence levels or probabilities. A scenario weighting scheme is employed to ensure that the VaR model responds to changing market volatility. For regulatory capital calculation and backtesting process, the higher of weighted and unweighted VaR is used, whereas for internal risk management purposes the weighted VaR is used.

To complement VaR under Basel 2.5 regulations, the Group also computes SVaR, which samples from a one-year window during a period of financial stress. Both VaR and SVaR are based on a single model that diversifies general and specific risk. Both VaR and SVaR are calculated daily using actual 10-day historical market moves. The historical two-year window for VaR is updated once every two days. The stress period used in SVaR model is the optimal one-year window, which is calibrated daily by maximising SVaR over rolling one-year window between start of 2008 and the reporting date.

IRC is a measure of the potential loss from credit migration and default events on debt securities over a one year time horizon and 99.9% confidence level. IRC is calculated by Monte Carlo simulation of correlated migration and default events.

There is also a formal process for the allocation and management of economic capital (Nomura Capital Allocation Target or "NCAT"), which is facilitated through the capital allocation agenda discussed at the BRC. The BRC recommends any changes to the Board, who must opine and approve, if appropriate. Day-to-day responsibility for the NCAT calculation and the monitoring of risk limits, within the risk control framework, rests with MRM.

NCAT is used for capital allocation, but not for capital adequacy and managing risk within the Board's risk appetite. In order to ensure capital adequacy, financial soundness is assessed under stressed conditions, i.e. worst-case risk factor moves. Stress testing is undertaken and results reviewed monthly.

Information on intragroup transactions and transactions with related parties that may have a material impact on the risk profile of the Group

The Group has a large number of intragroup transactions with entities across different jurisdictions. NIP, in particular given its role as Nomura's global booking entity, enters into intragroup transactions to support client facilitation and risk management across Nomura's global legal entities.

Intragroup credit limits are set to manage exposures, in line with the Inter-Affiliate Exposure Management Procedure. These limits are approved by the NEHS Head of Credit Risk and the Global Head of Credit Risk to ensure compliance with the Global Approval Authority framework. Risk mitigation can be achieved by a combination of different approaches, including but not limited to: (i) collateralisation (both VM and IA), (ii) eligible hedges, (iii) trade novations and (iv) limit management.

For Market risk the majority of the risk in Rates, Traded Credit & non-linear FX businesses are transferred to Nomura Financial Products and Services, Inc. ("NFPS") through inter entity trade bookings. NFPS is the entity used to warehouse and manage the market risk of derivatives and securities positions for the Nomura Group. The remaining market risks in the Group are mostly those which cannot be transferred out to other entities including primarily CVA and FVA risks, the lending portfolio and small positions in other desks.

Template UK MR1 – Market risk under the standardised approach for the Group and NIP

The table shows a breakdown of RWEA for market risk calculated under the standardised approach for the Group and NIP as at 31st March 2022:

$m		The Group	NIP
		a	a
		RWEAs	RWEAs
	Outright products		
1	Interest rate risk (general and specific)	1,276	1,276
2	Equity risk (general and specific)	94	94
3	Foreign exchange risk	657	653
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus approach	0	0
7	Scenario approach	-	-
8	Securitisation (specific risk)	-	-
9	**Total**	**2,027**	**2,023**

Total RWEAs increased compared to 30th September 2021 mainly driven by general interest rate risk on increased interest rate futures and interest rate swaps position during the period.

Template UK MR2-A – Market risk under the Internal Model Approach ("IMA") for the Group and NIP

The table shows a breakdown of RWEA and Own Funds requirements under IMA for the Group and NIP as at 31st March 2022:

$m		The Group		NIP	
		a	b	a	b
		RWAs	Own funds requirements[1]	RWAs	Own funds requirements
1	**VaR** (higher of values a and b)	576	46	549	44
(a)	Previous day's VaR (VaRt-1)		22		21
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		46		44
2	**SVaR** (higher of values a and b)	1,270	102	1,098	88
(a)	Latest available SVaR (SVaRt-1))		35		30
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		102		88
3	**IRC** (higher of values a and b)	302	24	301	24
(a)	Most recent IRC measure		24		24
(b)	12 weeks average IRC measure		24		24
4	**Comprehensive risk measure** (higher of values a, b and c)	-	-	-	-
(a)	Most recent risk measure of comprehensive risk measure		-		-
(b)	12 weeks average of comprehensive risk measure		-		-
(c)	Comprehensive risk measure Floor		-		-
5	Other	2,443	195	2,258	181
6	**Total**	**4,591**	**367**	**4,206**	**337**

1. *The Group's own funds requirement is calculated by aggregating the requirements for the individual entities. This includes the own funds requirement for NFPE*

Total internal model capital requirement decreased marginally compared to 30th September 2021 as a decrease in stressed risk not in VaR was offset by an increase in VaR and Risk not in VaR. Increase in VaR and Risk not in VaR was driven by an increase in market volatility in the first quarter of 2022 compared to the previous year. Decrease in stressed risk not in VaR was driven by decrease in market risk positions in EMEA FX business (from FX Swaps and IR products).

Template UK MR2-B – RWA flow statements of market risk exposures under the IMA for the Group

The table shows a breakdown of the changes in IMA market risk RWA for the Group between 31st December 2021 and 31st March 2022:

	$m	The Group						
		a	b	c	d	e	f	g
		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total own funds requirements[1]
1	**RWAs at 31st December 2021**	404	1,401	249	1	2,501	4,557	365
1a	*Regulatory adjustment[2]*	(246)	(983)	-	(1)	-	(1,230)	(99)
1b	*RWAs at 31st December 2021*	158	418	249	0	2,501	3,327	266
2	Movement in risk levels	110	28	39	0	(54)	123	10
3	Model updates/changes	6	(14)	14	-	(4)	3	0
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-	-
7	Other	-	-	-	-	-	-	-
8a	*RWAs at 31st March 2022*	274	432	302	0	2,443	3,453	276
8b	*Regulatory adjustment[3]*	301	838	-	0	-	1,139	91
8	**RWAs at 31st March 2022**	**575**	**1,270**	**302**	**0**	**2,443**	**4,592**	**367**

Template UK MR2-B – RWA flow statements of market risk exposures under the IMA for the Group

The table shows a breakdown of the changes in IMA market risk RWA for NIP between 31st December 2021 and 31st March 2022:

	$m	NIP						
		a	b	c	d	e	f	g
		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total own funds requirements[1]
1	**RWAs at 31st December 2021**	369	1,253	248	0	2,338	4,208	337
1a	*Regulatory adjustment[2]*	(217)	(888)	-	(0)	-	(1,106)	(88)
1b	*RWAs at 31st December 2021*	152	365	248	0	2,338	3,102	249
2	Movement in risk levels	100	27	39	0	(76)	90	7
3	Model updates/changes	6	(14)	14	-	(4)	3	0
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-	-
7	Other	-	-	-	-	-	-	-
8a	*RWAs at 31st March 2022*	258	378	301	0	2,258	3,195	256
8b	*Regulatory adjustment[3]*	290	720	-	-	-	1,011	81
8	**RWAs at 31st March 2022**	**548**	**1,098**	**301**	**0**	**2,258**	**4,206**	**337**

1. *The Group Capital Requirement is calculated by aggregating the requirements for the individual entities. This includes the own funds requirement for NFPE.*
2. *Indicates the difference between reported RWA (based on VaR/SVaR as of quarter end) and RWA (based on 60day average) at the beginning end of the period.*
3. *Indicates the difference between reported RWA (based on 60day average) and RWA (based on VaR/SVaR as of quarter end) at the end of the period.*

10d VaR increase comes from increase in market volatility. The risk is driven by long EUR outright, GBP SONIA Rates Delta and partially from long UK Retail inflation Delta. No significant change in Optimal SVaR.

Template UK MR3 – IMA values for trading portfolios for the Group and NIP

The table shows the internal model regulatory measures used for capital calculations for the Group and NIP at 31st March 2022:

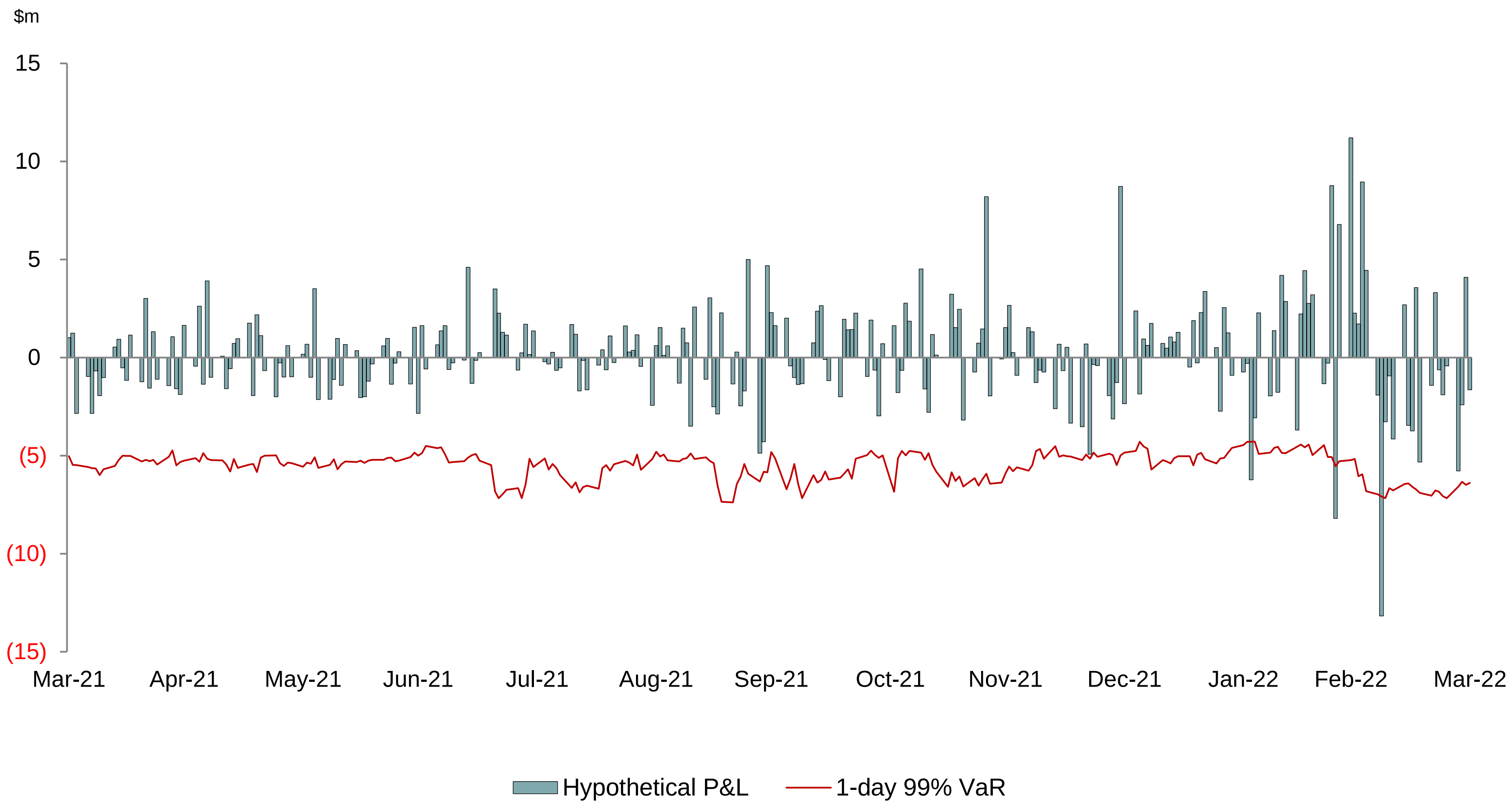
$m		The Group	NIP
VaR (10 day 99%)			
1	Maximum value	23	22
2	Average value	13	12
3	Minimum value	8	7
4	Period end	22	21
SVaR (10 day 99%)			
5	Maximum value	61	57
6	Average value	34	31
7	Minimum value	22	20
8	Period end	35	30
IRC (99.9%)			
9	Maximum value	34	33
10	Average value	20	20
11	Minimum value	16	16
12	Period end	24	24
Comprehensive risk measure (99.9%)			
13	Maximum value	2	2
14	Average value	0	0
15	Minimum value	0	0
16	Period end	0	0

Maximum and period end VaR was higher compared to 30th September 2021 due to higher market volatility and credit spreads widening over the period.

Maximum and period end SVaR was higher compared to 30th September 2021 due to increased positions (from FX Forwards, IR Futures) from EMEA FX desk. IRC increased due increased position on Italy.

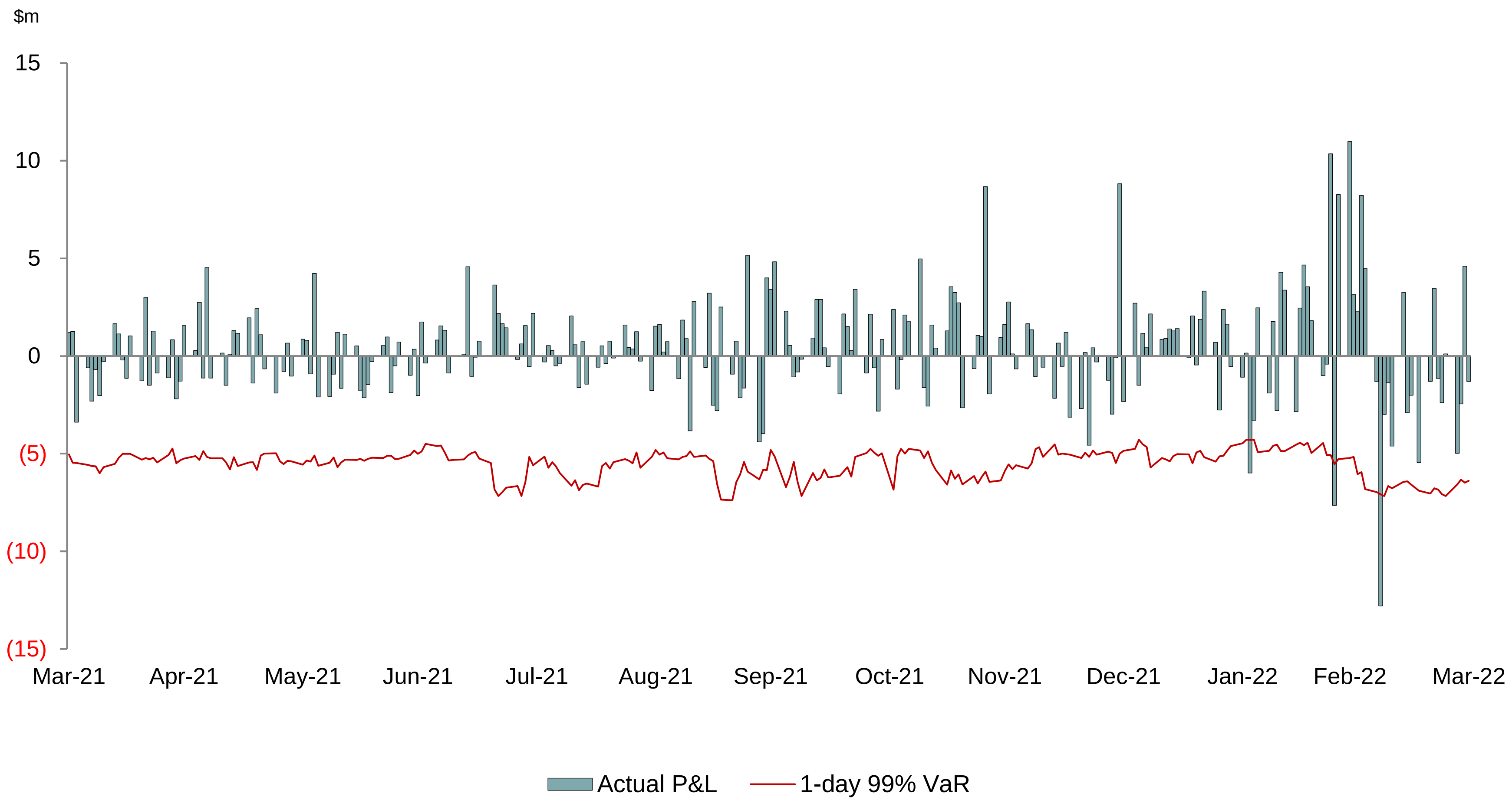
MR4: Comparison of VaR Estimates with Hypothetical Gains / Losses for NIP

The chart below provides a comparison of VaR to the hypothetical profit and loss on a daily basis over the fiscal year ended 31st March 2022 for NIP's PRA approved internal model approach.



MR4: Comparison of VaR Estimates with Actual Gains / Losses for NIP

The chart below provides a comparison of VaR to the actual profit and loss on a daily basis over the fiscal year ended 31st March 2022 for NIP's PRA approved internal model approach.



1-day trading losses exceeded the 99% VaR estimate on three occasions for NIP for the year ended 31 March 2022.

Electronic and Algorithmic Trading Risk

Risks associated with Electronic and Algorithmic trading activities arise across risk types within both Financial and Non-Financial Risks and are indirectly captured under each risk category. However, the speed and autonomy with which these transactions can be executed presents unique risks that can disrupt markets, lead to the build-up of significant intraday exposures as well as regulatory censure. A framework been established which looks at these unique risk scenarios more holistically. Key areas of focus include:

- System Runaway and Failure: Where Algorithmic Trading Strategies malfunction or generate duplicative or erroneous orders
- Flash Crash: Risk of overreaction to market events by Algorithmic Trading strategies
- Misconduct: Risk of Algorithmic Trading strategies deliberately or inadvertently causing disadvantage to clients, market abuse or market disruption
- Model Risk: The design or incorrect use of Algorithmic Trading Strategies resulting in poor trading and business decisions being made

Securitisations

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

Further information about securitisation policies can be found in the NHI Securities and Exchange Commission 20F filing at the following Link: NHI 20-F

Other Risk Types

Liquidity Risk

Liquidity risk is the risk that a firm may be unable to meet all contractual and contingent liabilities (both on and off balance sheet) as they fall due, including during periods of market and/or idiosyncratic stress. The Group maintains sufficient sources of funding for business-as-usual unsecured funding demand and contingent liquidity needs, informed by stress modelling, as well as the business strategy and budgeting process.

Cross-Border Risk

Cross-border risk in the Group is the risk of loss arising from business generated outside EMEA but booked into the Group.

The Group's Risk Appetite to cross-border risk is set at a level which allows the Group to comply with regulations and maintain a strong financial base in continuing to conduct both EMEA and non-EMEA business booked into the Group, under various economic conditions.

Model Risk

Models are mathematical representations describing a causal relationship between observable information and future events.

The Group uses the output of models for a number of reasons, including to value financial products, measure the firm's market, counterparty, credit, and liquidity risk, and to support independent price verification.

Model limitations, incorrect use of a model, or changes in the market environment may introduce additional uncertainty to a model's outputs, regarded as model risk. Model risk can ultimately lead to financial loss, incorrect decision making, or damage to the firm's credibility. NHI established a risk management approach to mitigate model risk, which the Group has adopted.

Non-Financial Risk

The Group is exposed to non-financial risk as a consequence of conducting business and ensures relevant control frameworks are in place to prevent, minimize and manage these risks appropriately. The Group categorizes non-financial risks into a number of categories like reputational, legal, compliance, tax, etc. and these are defined in the Risk Appetite Statement.

Sensitivity of the Banking Book to Changes in Interest Rates

Trading Book and Banking Book

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

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

IRRBB risk management objectives and policies

Interest Rate Risk in the Banking Book ("IRRBB") refers to the current or prospective risk to a bank's capital and to its earnings, arising from the impact of adverse movements in interest rates on its banking book. The Group IRRBB Policy set out the basic principles for IRRBB, including the scope, measurement, roles and responsibilities and how IRRBB should be reported and escalated.

In the Group, Banking Book is not used presently for any mainstream or strategic business offering nor is this envisaged. It is primarily related to funding, liquidity, associated hedges and a small portion of Global Market lending trades which are not qualified as Trading Book. Group IRRBB risk appetite is set by the NEHS Board in line with this strategy.

A range of stress scenarios are used including (not limited to) the six latest currency and tenor specific regulatory scenarios and +/-200bps historical shocks.

Both Economic Value of Equity ("EVE") and Net Interest Income ("NII") sensitivities are analysed and monitored monthly against risk appetite and the worst case EVE decline is also monitored for Supervisory Outlier Test. Breaches of risk appetite are escalated to heads of Market Risk, Treasury and ultimately the NEHS Risk Management Committee.

Given the business strategy and the banking book composition, the Group banking book portfolio does not have material retail and commercial exposures subject to behavioural assumptions that affect the timing and/ or amount of the contractual interest cash flows such as behaviour re-pricing for non-maturing deposits, prepayment of customer loans is not applicable for Group banking book in general.

The majority of Group banking book positions are floating rate instruments. Where possible and necessary, Interest Rate ("IR") positions are managed via asset and liability matching and/or hedged with IR derivatives such as IR swaps and Basis Swaps, hence at modest IRRBB Economic Value level. Commercial margins and funding spreads are included in the forecast cash flows; credit spread considerations are also included in discounting for external positions such as lending and issuances in the EVE model.

The ∆NII disclosure here is strictly based on the regulatory prescribed constant balance sheet, i.e. 'where maturing or repricing cash flows are replaced by new cash flows with identical features with regard to the amount, repricing period and spread components', which does not include the effect of active balance sheet management and dynamic assumptions.

Template UK IRRBB1 – Quantitative information on IRRBB for the Group

As of 31st March 2022 for the Group, ∆EVE worst case decline among the six latest regulatory scenarios is $(18)m, ∆NII worst decline among parallel shock up and down scenario is $(110)m.

	$m	a	c	E
		∆EVE	**∆NII**	**Tier 1 capital**
company	**Period**	**Mar-22**	**Mar-22**	**Mar-22**
010	Parallel shock up	10	110	
020	Parallel shock down	(18)	(110)	
030	Steepener shock	(8)		
040	Flattener shock	(4)		
050	Short rates shock up	0		
060	Short rates shock down	(11)		
070	**Maximum**	**(18)**	**(110)**	
080	**Tier 1 capital**			**5,466**

Template UK IRRBB1 – Quantitative information on IRRBB for NIP

As of 31st March 2022 for NIP, ∆EVE worst case decline among the six latest regulatory scenarios is $(10)m, ∆NII worst decline among parallel shock up and down scenario is $(114)m.

	$m	a	c	e
		∆EVE	**∆NII**	**Tier 1 capital**
	Period	**Mar-22**	**Mar-22**	**Mar-22**
010	Parallel shock up	1	114	
020	Parallel shock down	(9)	(114)	
030	Steepener shock	(4)		
040	Flattener shock	(10)		
050	Short rates shock up	(9)		
060	Short rates shock down	(7)		
070	**Maximum**	**(10)**	**(114)**	
080	**Tier 1 capital**			**5,025**

Additional Qualitative Disclosures

Equivalent Pillar 3 disclosures

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

As an integrated part of NHI, disclosures contained in the Securities and Exchange Commission 20F Filing are relevant to the Group. These documents can be found at the following Link: NHI 20-F

The NHI Basel III Pillar 3 disclosures for 31st March 2022 can be found at the following link: NHI Pillar 3

Further detailed qualitative disclosures relevant to Pillar 3 are contained in the NIP Annual Report

The table below represents a summary of where these qualitative disclosures can be located:

Title and number of the disclosure requirements	Document	Title reference in the document	Page(s)
Risk management, objectives and policies			
Institution risk management approach (Table EU OVA) Articles 435(1)(a), 435(1)(b), 435(1)(c), 435(1)(f), 435(2)(e)	NIP Annual Report	RISK MANAGEMENT	Page 4
		Risk management strategy	Page 84
		Risk management structure	Pages 84-87
		Risk Appetite	Page 88
		Risk Policy Framework	Page 89
		Monitoring, Reporting and Data Integrity	Page 89
		Liquidity Risk	Page 100-104
		Operational Risk	Page 106-107
		Model Risk	Page 107
		Business Risk	Page 107
	NHI 20-F	Stress testing (Market Risk)	Page 108
		Stress testing (Credit Risk)	Page 136
		Stress Testing	Page 139
Credit risk, counterparty credit risk and credit risk mitigation techniques			
General qualitative information about credit risk (Table EU CRA) Articles 435(1)(a), 435(1)(b), 435(1)(d), 435(1)(f)	NIP Annual Report	Risk management structure	Pages 84-87
		Credit Risk	Page 94
		Credit Risk Management Process	Page 94 (A)
		Credit Risk Measures	Page 94 (B)
		Credit Limits	Page 94 (C)
Qualitative information about counterparty credit risk (Table EU CCRA) Articles 435(1)(a), 439(a), 439(b), 439(c)	NIP Annual Report	Financial guarantees	Page 53 (K)
		Credit Limits (re: Credit NCAT)	Page 94 (C)
		Wrong Way Risk	Page 95 (D)
		Risk Mitigation	Page 95 (E)
Qualitative information about credit risk mitigation techniques (Table EU CRC) Articles 435(1)(a), 453(a), 453(b), 453(c), 453(d), 453(e)	NIP Annual Report	Collateral and other credit enhancements	Page 53 (L)
		Risk Mitigation	Page 95 (E)
		Credit Risk Exposure / Concentration of Credit Risk	Page 97
		Note 20. Offsetting Disclosures	Pages 125-126
Market Risk and Internal Model Approach (IMA)			
Qualitative disclosure requirements related to market risk (Table EU MRA) Articles 435(1)(a), 435(1)(b), 435(1)(d), 455(c) re: Art. 104	NIP Annual Report	Risk management structure	Pages 84-87
		Market Risk	Page 89
		Market Risk: Trading	Page 90 (A)
		Market Risk: Non-Trading	Page 93 (D)

Qualitative disclosure requirements for institutions using the IMA (Table EU MRB) Articles 455(a)(i), 455(a)(ii), 455(a)(iii), 455(a)(iv) and 455(b)	NIP Annual Report	Use of the Internal Models for Market Risk	Page 90
		Value at Risk	Page 90
		VaR Methodology Assumptions	Page 90-91
		VaR Backtesting	Page 91
		Limitations and Advantages of VaR	Page 91
		Incremental Risk Charge (“IRC”)	Page 93 (B)
		Stress testing of internal risk models	Page 93 (C)

Leverage Ratio

Leverage disclosures have been prepared in accordance with the requirements of the PRA Rulebook: CRR Firms: Leverage Ratio.

Calculation Overview

The leverage ratio is calculated by dividing a capital measure by an exposure measure and typically reported as a percentage amount. The capital measure is calculated as Tier 1 Capital as determined for the purposes of risk-based capital framework.

The exposure measure ensures broad and adequate capture of both the on and off-balance sheet sources of banks and investment firms.

Leverage Exposure Management

Management of exposure to leverage forms a key part of the Group's overall strategy and business plan.

Nomura Group have set the escalation limits in line with NIP and Group capacity to ensure that leverage exposure falls within the risk appetite.

Template UK LR1 – LRSum: Leverage Reconciliation of Accounting Assets and Leverage Ratio Exposure for the Group and NIP

The table shows the reconciliation of Accounting assets and Leverage ratio exposures for the Group and NIP as at 31st March 2022:

$m		The Group	NIP
		Applicable amount	Applicable amount
1	Total assets as per published financial statements[1]	11,009	225,417
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation[2]	237,346	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)		-
4	(Adjustment for exemption of exposures to central banks)	(5,994)	(4,306)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustment for derivative financial instruments	(108,586)	(95,895)
9	Adjustment for securities financing transactions (SFTs)	7,597	7,992
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	1,079	1,388
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	-	-
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)[3]	-	(1,413)
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	-	-
12	Other adjustments	(11,178)	(9,723)
13	**Total exposure measure**	**131,273**	**123,460**

1. *Total assets per the Nomura Europe Holdings plc standalone company financial statements and NIP's annual report. Nomura Europe Holdings Plc Group does not publish consolidated financial statements.*
2. *This represents consolidation adjustments for the Group*
3. *This represents NIP exposures to NBI*

Template UK LR2 – LRCom: Leverage Ratio Common Disclosure for the Group and NIP

The table shows the Leverage ratio exposures for the Group and NIP as at 31st March 2022:

$m		Leverage ratio exposures[1]			
		The Group		NIP	
		a	b	a	b
		Mar-22	Sep-21	Mar-22	Sep-21
On-balance sheet exposures (excluding derivatives and SFTs)					
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	40,209	39,735	33,142	34,321
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(11,477)	(10,321)	(10,030)	(9,901)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-	-	-
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(16)	(21)	(9)	(11)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**28,716**	**29,393**	**23,103**	**24,409**
Derivative exposures					
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	9,306	3,933	8,339	3,680
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	21,954	49,858	20,533	48,579
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-	-	-
UK-9b	Exposure determined under the original exposure method	-	-	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(450)	(833)	(450)	(833)
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-	-	-
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-	-	-
11	Adjusted effective notional amount of written credit derivatives	169,311	197,156	169,051	196,955
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(168,015)	(196,717)	(167,748)	(196,516)
13	**Total derivatives exposures**	**32,106**	**53,397**	**29,725**	**51,865**
Securities financing transaction (SFT) exposures					
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	193,805	218,449	189,109	215,810
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(125,808)	(147,607)	(121,911)	(146,645)
16	Counterparty credit risk exposure for SFT assets	7,597	9,758	7,992	10,189
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	-	-	-	-
17	Agent transaction exposures	-	-	-	-
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	-	-	-	-
18	**Total securities financing transaction exposures**	**75,594**	**80,600**	**75,190**	**79,354**
Other off-balance sheet exposures					
19	Off-balance sheet exposures at gross notional amount	2,547	5,374	3,138	5,944
20	(Adjustments for conversion to credit equivalent amounts)	(1,696)	(3,833)	(1,977)	(4,046)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	-	-	-	-
22	**Off-balance sheet exposures**	**851**	**1,541**	**1,161**	**1,898**
Excluded exposures					
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-	(1,413)	(1,508)
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off- balance sheet))	-	-	-	-
UK-22g	(Excluded excess collateral deposited at triparty agents)	-	-	-	-
UK-22k	**(Total exempted exposures)**	**-**	**-**	**(1,413)**	**(1,508)**
Capital and total exposure measure					
23	**Tier 1 capital (leverage)**	5,466	5,629	5,025	5,220
24	Total exposure measure including claims on central banks	137,267	164,931	127,766	156,018

UK-24a	(-) Claims on central banks excluded	(5,994)	-	(4,306)	-
UK-24b	**Total exposure measure excluding claims on central banks**	**131,273**	**164,931**	**123,460**	**156,018**
Leverage ratio					
25	Leverage ratio excluding claims on central banks (%)	4.18%	3.41%	4.07%	3.35%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.18%	3.41%	4.07%	3.35%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)				
UK-25c	Leverage ratio including claims on central banks (%)	3.99%	3.41%	3.93%	3.35%

1. *As LREQ entities, both the Group and NIP shall be subject to additional leverage ratio disclosure requirements beginning 1 January 2023. Template rows 27 to 34 have therefore been removed.*

Factors impacting Leverage Ratio during the period

The Group has been impacted by Nomura Group's legal entity strategy which aims to enhance the focus on clients by matching local expertise, trading activities and risk management to the needs of clients in each respective region through a multi-year programme to align clients to their respective regions where possible, either through novation, trade compression or other initiatives.

The leverage ratio of the Group increased to 4.2% as at March 2022, following the introduction of CRR II which permits netting of derivative notionals under SA-CCR and introduction of central bank exemption, driving a reduction in exposure.

Template UK LR3 – LRSpl: Breakdown of On Balance Sheet Leverage Exposures for the Group and NIP

Below table shows the breakdown of On Balance sheet leverage exposures for the Group and NIP as at 31st March 2022:

$m		The Group	NIP
		Leverage ratio exposures	
UK-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**28,732**	**22,967**
UK-2	Trading book exposures	15,797	15,519
UK-3	Banking book exposures, of which:	12,935	7,448
UK-4	Covered bonds	-	-
UK-5	Exposures treated as sovereigns	7,325	4,877
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-	-
UK-7	Institutions	3,491	1,359
UK-8	Secured by mortgages of immovable properties	-	-
UK-9	Retail exposures	-	-
UK-10	Corporates	1,988	1,112
UK-11	Exposures in default	-	-
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	131	100

Liquidity

Strategies and Processes in the Management of Liquidity Risk

Liquidity risk is the risk that the Group will have insufficient liquidity resources to meet both expected and unexpected contractual and contingent liabilities as they fall due, including during periods of market and / or idiosyncratic stress. The Treasury function is responsible for the measurement and management of liquidity risk supported by a robust Liquidity Risk Management ("LRM") Framework. The LRM Framework is defined at the global level and tailored to meet local internal and regulatory requirements. Treasury provides regular reporting to senior management and governance committees on the funding and liquidity position of the key operating entities.

Structure and Organisation of the Liquidity Risk Management Function

The Group's approach to liquidity risk management is founded on the "Three Lines of Defence" principle, ensuring clear roles and responsibilities for the management and oversight of liquidity risk.

Treasury is part of the Finance division and manages access to Unsecured Funding within a defined funding plan. Funding is allocated in two ways: (1) to the business in the form of an Unsecured Funding ("UF") limit, and (2) contingent liquidity and buffers to meet internal and regulatory liquidity stress testing requirements. Treasury is responsible for assessing and monitoring liquidity risks, and ensuring that an appropriate level of high-quality liquid assets are held under the control of the Treasury function to protect against modelled outflows in stress. All liquidity costs are allocated to the business.

The NEHS Treasurer, reporting to the NEHS Chief Financial Officer, has responsibility for the implementation and oversight of the LRM Framework including ensuring compliance with the firm's liquidity risk appetite. This is supplemented by management committees responsible for challenge and oversight of liquidity risk including ongoing liquidity adequacy, stress testing policy and the broader liquidity risk framework.

The Wholesale Business Unit ("BU") operates as the 1st line of defence, primarily facilitated by the Group's embedded UF framework and their clear responsibility to manage ongoing compliance to the limits set. In addition, the BU is required to operate within the specific limits and guidelines set for certain secured funding and cross-currency risks monitored via the internal Maximum Cumulative Outflow ("MCO") stress test.

Degree of Centralisation of Liquidity Management

Policy is set globally and cascaded locally. Liquidity and funding risk at the Group is managed locally, with NEHS Treasury directly responsible for the PRA regulated entities: the Group, NIP and NBI; the BaFin regulated entity: NFPE; and other regulated subsidiaries including BNF. At the regional level, the NEHS Treasurer, reporting to the NEHS Chief Financial Officer, has ultimate responsibility for oversight of the LRM Framework.

Scope and Nature of Liquidity Risk Reporting and Measurement Systems

Data feeds for internal and regulatory liquidity reporting adhere to the standards and regulations of the Global Data Management Policy, which conforms to BCBS239 principles.

Ongoing Liquidity Risk Monitoring and Mitigation including Regulatory Developments

Maximum Cumulative Outflow ("MCO")

The MCO is Nomura Group's primary tool to measure and monitor liquidity risk on a daily basis, defining the level of liquid assets required to meet contractual and contingent liquidity needs in the event of a stress. The MCO incorporates consistent assumptions at an entity, regional and global level, modelling stressed liquidity outflows over three scenarios of increasing severity, ranging from normal business conditions to a combination of both a market-wide and Nomura Group specific liquidity stress.

Liquidity Coverage Ratio ("LCR")

The LCR model requires the Group to hold sufficient unencumbered high-quality liquid assets ("HQLA") to meet expected contractual and contingent liabilities over a 30 calendar day stress scenario, covering both Pillar I and Pillar II risks. Effective 1 January 2022, this is being managed in accordance with the PRA's LCR rules following UK's exit from EU. The Group is compliant with the PRA's LCR rules. The European Entities (NFPE, BNF) within the Group are compliant with LCR rules in line with EU regulations.

In addition, the Group monitors and manages a set of liquidity metrics on an ongoing basis in order to ensure compliance with internal and external requirements as applicable. These are in part captured by PRA 110 report and supplement the stress testing framework.

Net Stable Funding Ratio ("NSFR")

The NSFR model requires firms to maintain a longer term stable funding profile in relation to the overall composition of their on and off balance sheet assets and liabilities ensuring firms have at least the same amount of available stable funding as the amount of required stable funding on an ongoing basis.

From 1 January 2022, the Group is compliant with the PRA's NSFR rules. The European Entities (NFPE, BNF) within the Group are compliant with NSFR rules in line with EU regulations.

Internal Liquidity Adequacy Assessment Process ("ILAAP")

The ILAAP, prescribed by the PRA, requires firms to qualitatively and quantitatively assess their liquidity risk management framework, including:

- Funding profile, strategy and risks
- Approach to the identification, measurement and management of liquidity and funding risks across different time horizons and stress scenarios
- Stress testing methodologies for each of the ten PRA-defined liquidity risk drivers
- Liquidity risk governance and controls
- Adequacy of liquidity buffers
- Data and systems architecture, including data accuracy and validation

The NEHS ILAAP document is a NEHS Board approved document, following review and recommendation by governance committees including the NEHS Board Risk Committee and NEHS ALCO, further supported by sub-committees to ensure appropriate level of review and challenge of the liquidity framework.

Overview of the Contingency Funding Plan

The Group Contingency Funding Plan ("CFP") outlines management's strategies and actions to address liquidity shortfalls during periods of idiosyncratic stress to NEHS entities and / or market-wide stress. The Group CFP cascades from the NHI CFP but can be triggered independently and is tailored to the Group and its entities as required.

The CFP outlines the importance of communication and the ability to mobilise resources and information lines effectively to optimise management actions during periods of severe stress.

The Group CFP is based on the following core pillars, consistent with the NHI CFP:

- **Early Warning Indicators ("EWIs"):** Quantitative and qualitative events that indicate potentially higher levels of liquidity / funding stress, and may require management actions, potentially including the activation of the CFP
- **CFP Triggers:** Events that mandatorily prompt management response, including potential activation of the CFP if necessary
- **Liquidity Crisis Management Team ("LCMT"):** Roles and responsibilities of the functional representatives required to convene in the event of invoking the CFP, in order to assess the stress event and take actions as appropriate
- **Management Actions:** Contingent funding options available during liquidity stress events to enable a return to normal business conditions as soon as possible
- **Management Information ("MI"):** Standard and non-standard MI required to inform management decisions during a CFP event.

The Group CFP is reviewed and approved by the NEHS Board on an annual basis. Periodical testing of the CFP components is executed to ensure roles and responsibilities are understood, communication channels are effective and market access capabilities are confirmed.

Overview of the use of Stress Testing

Liquidity stress testing is undertaken on a daily basis across internal MCO and regulatory defined LCR. This is used:

- To inform the amount of segregated Liquidity Pool ("LP") that remains sufficient to meet modelled liquidity requirements under a defined set of stress scenarios
- As a key input into the entities' forward-looking Funding Plan
- To measure compliance with the firm's liquidity risk appetite, supported by a comprehensive range of EWIs

Overall Adequacy of Liquidity Risk Management

The LRM Framework as summarised in the ILAAP provides a comprehensive overview of the Group's overarching liquidity risk management framework that ensures liquidity risk is managed within risk appetite, whilst pursuing Nomura's overall business strategy and objectives. The framework in place is continuously reviewed and enhanced on an ongoing basis.

Overall Adequacy of Liquidity Risk Profile Associated with Business Strategy and Associated Risk Tolerance Levels

The Group maintains sufficient sources of funding for business-as-usual Unsecured Funding demand and contingent liquidity needs, informed by stress modelling, as well as the business strategy and budgeting process. The entity operates on a self-sufficient basis ensuring ongoing compliance with the Liquidity Risk Appetite without placing any reliance on obtaining incremental Unsecured Funding.

The core pillars of the LRM Framework are summarised below:

- Daily monitoring and compliance to Board approved Liquidity Risk Appetite and management buffers, applying to both MCO and LCR minimum requirements
- Maintenance of a sufficient LP to meet all contractual and contingent liabilities as they fall due
- Daily monitoring of a range of EWIs and CFP Triggers
- Intraday monitoring and reporting of cross-currency exposures with defined thresholds and escalation processes in place
- Review and approval of new business transactions and strategies, assessing impact on funding and liquidity

Template UK LIQ1 – Quantitative information of LCR for the Group

	$m	a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
UK 1a	Quarter ending on	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21
UK 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					22,557	22,954	23,361	23,620
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
3	*Stable deposits*	-	-	-	-	-	-	-	-
4	*Less stable deposits*	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	5,245	4,970	4,703	4,391	3,422	3,273	3,101	2,881
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	2,419	2,247	2,117	1,994	605	562	529	498
7	*Non-operational deposits (all counterparties)*	2,471	2,365	2,211	2,054	2,461	2,353	2,197	2,040
8	*Unsecured debt*	356	358	375	343	356	358	375	343
9	*Secured wholesale funding*					16,683	17,805	18,771	20,033
10	Additional requirements	7,782	8,282	8,651	8,993	4,896	5,378	5,572	5,746
11	*Outflows related to derivative exposures and other collateral requirements*	6,696	7,191	7,541	7,862	4,501	4,999	5,251	5,478
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	1,086	1,091	1,110	1,131	395	379	321	268
14	Other contractual funding obligations	9,710	10,645	10,532	10,282	9,570	10,499	10,385	10,142
15	Other contingent funding obligations	259	275	344	411	95	100	99	96
16	TOTAL CASH OUTFLOWS					34,664	37,055	37,929	38,899
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	246,258	255,143	260,494	258,176	18,240	19,263	19,720	20,360
18	Inflows from fully performing exposures	1,570	1,500	1,487	1,431	1,223	1,172	1,185	1,157
19	Other cash inflows	7,912	8,541	8,248	8,444	7,912	8,541	8,248	8,443
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	255,740	265,183	270,229	268,050	27,375	28,976	29,154	29,960
UK-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
UK-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
UK-20c	*Inflows subject to 75% cap*	194,191	200,104	203,948	202,600	27,375	28,976	29,154	29,960
TOTAL ADJUSTED VALUE									
UK-21	LIQUIDITY BUFFER					22,557	22,954	23,361	23,620
22	TOTAL NET CASH OUTFLOWS					8,670	9,437	9,769	10,008
23	LIQUIDITY COVERAGE RATIO					261.92%	244.67%	241.00%	237.42%

The Group's business model means that some section of the disclosures are not required to be populated

NOMURA

Template UK LIQ1 – Quantitative information of LCR for NIP

	$m	a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
UK 1a	Quarter ending on	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21
UK 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					19,150	19,459	19,840	20,314
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
3	*Stable deposits*	-	-	-	-	-	-	-	-
4	*Less stable deposits*	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	1,414	1,387	1,280	1,134	1,405	1,375	1,266	1,119
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	1,414	1,387	1,280	1,134	1,405	1,375	1,266	1,119
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	*Secured wholesale funding*					16,762	17,831	18,780	20,046
10	Additional requirements	7,233	7,651	8,006	8,315	4,569	5,067	5,308	5,495
11	*Outflows related to derivative exposures and other collateral requirements*	6,391	6,926	7,343	7,692	4,215	4,750	5,062	5,312
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	843	725	663	622	354	316	246	183
14	Other contractual funding obligations	9,674	10,621	10,538	10,318	9,546	10,487	10,404	10,190
15	Other contingent funding obligations	258	275	344	411	95	100	99	96
16	TOTAL CASH OUTFLOWS					32,376	34,860	35,857	36,947
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	245,014	254,189	259,889	257,807	17,230	18,164	18,542	19,220
18	Inflows from fully performing exposures	409	429	467	483	408	428	466	483
19	Other cash inflows	7,400	8,159	7,998	8,216	7,400	8,159	7,998	8,216
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	252,823	262,777	268,354	266,507	25,039	26,751	27,007	27,919
UK-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
UK-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
UK-20c	Inflows subject to 75% cap	191,286	197,713	202,081	201,062	25,039	26,751	27,007	27,919
TOTAL ADJUSTED VALUE									
UK-21	LIQUIDITY BUFFER					19,150	19,459	19,840	20,314
22	TOTAL NET CASH OUTFLOWS					8,098	8,940	9,387	9,656
23	LIQUIDITY COVERAGE RATIO					238.50%	219.58%	214.00%	212.33%

The Group’s business model means that some section of the disclosures are not required to be populated

Main drivers of the LCR

The main drivers of the LCR are:

- The Liquidity Buffer which is primarily Level 1 high-quality liquid assets
- Net Cash Outflows over 30 days made up of net repos, unsecured and derivative flows as well as PRA determined Pillar 2 add-ons
- Cash Inflows are capped at a maximum of 75% of outflows

There has been no evolution of the contribution of inputs to the LCR's calculation over the last year.

Changes in the LCR over time

The average LCR for the Group is on an upward trend from 237% in June 2021 to 262% in March 2022.

Due to the current market environment we have observed lower business utilisation of liquidity resources. Key changes are a reduction in Pillar 1 outflows primarily across secured funding products and a reduced LP driven by the impact of Yen weakening on the sources of Unsecured Funding for the entity.

Concentration of Funding and Liquidity Sources

In line with liquidity reporting requirements, the Group prepares Additional Liquidity Monitoring Metrics ("ALMM") templates designed to supplement LCR, which provide a view on different aspects of concentration risk. The templates are formally submitted to the PRA on a monthly basis and facilitate internal concentration monitoring.

The Group also monitors concentrations covering collateral type, counterparty, and tenor concentrations for secured financing activities under its internal liquidity risk framework. In particular, refinancing risk is monitored via counterparty and tenor concentrations, limit monitoring for peripheral country repo financing as well as the monitoring of currency funding risk via rollover risk concentration.

Composition of the Liquidity Buffer

The liquidity buffer is comprised of highly liquid government securities held in the form of reverse repos and central bank deposits, which fall under the control of the Treasury function. The composition of the liquidity buffer is appropriately managed both in terms of currency and concentration risks.

Derivative Exposures and Potential Collateral Calls

NIP is the main derivatives trading entity within the Group, executing numerous derivative products including FX products, Interest Rate, Equity and Credit derivatives across all major business areas.

The Nomura Group runs a comprehensive range of liquidity specific stress tests capturing items under three core risk drivers:

- Ratings Downgrade
- Counterparty Reaction
- Impact of adverse market shock

Currency Mismatch in the LCR

Currency LCR compliance is not a regulatory requirement. The Group manages currency mismatch by internal stress testing (MCO) and monitors and controls short-dated FX rollover risk via a set of limits, EWIs and other trigger metrics as part of the Contingency Funding Planning.

As the main derivatives executing entity, the Group's currency LCR results are negatively impacted by the LCR inflow cap.

Other Relevant Items in the LCR Calculation that are not Captured in the LCR Disclosure Template

The PRA has applied a range of Pillar II fixed add-ons for liquidity risks not captured under the LCR Pillar I model, including for example intraday risk and debt buybacks. These risks are modelled and fully incorporated in the MCO.

NOMURA

Asset Encumbrance

An asset is encumbered if it has been pledged or is subject to any form of arrangement to secure, collateralise or credit enhance transactions from which they cannot be freely withdrawn. The values disclosed are calculated using the rolling quarterly medians over the previous twelve months. Note the rows in the tables below are not additive, with the median calculated individually across cells.

The main source of encumbrance within the Group derives from Repurchase Agreement transactions with the majority of encumbered assets comprising of high-quality government bonds. Secured lending and stock borrow/loan transactions are principally governed by Global Master Repurchase Agreements ("GMRAs") and Global Master Stock Lending Agreements ("GMSLAs"). Collateral pledged on derivative transactions are principally governed by ISDA agreements, including CSA. Transactions are not generally over-collateralised.

Assets are considered encumbered to the extent they are pledged or financed on a secured basis to cover contingent or off-balance sheet liabilities (i.e. used for hedging purposes). The level of asset encumbrance within the Group has remained relatively stable and is driven by the nature of NIP's business model (i.e. high levels of secured funding and derivatives trading). The main source of encumbrance is repo transactions comprising mainly high quality government securities mainly in major currencies. NBI primarily invests the proceeds of its structured note issuance in reverse repo transactions via NIP resulting in a pool of unencumbered assets with minimal other secured or derivative activity thereby resulting in low levels of encumbrance. A portion of the Group's business is conducted in G7 currencies as well as US Dollars. The majority of the on-balance sheet assets are not subject to any form of encumbrance, given they are mostly cash or receivable assets. The amount reported in "Other assets" within "carrying amount of unencumbered assets" comprises mainly derivative assets, which are reported gross in accordance with UK GAAP.

Template UK AE1 – Encumbered and unencumbered assets for the Group

Below table shows the encumbered and unencumbered assets for the Group as at 31st March 2022:

	The Group	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
	$m	010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	**21,860**	**5,978**			**218,585**	**8,507**		
030	Equity instruments	5,443	2,927			1,403	364		
040	Debt securities	4,160	3,130	4,160	3,130	1,187	763	1,187	763
050	of which: covered bonds	-	-	-	-	-	-	-	-
060	of which: asset-backed securities	0	-	0	-	48	-	48	-
070	of which: issued by general governments	3,141	3,120	3,141	3,120	764	742	764	742
080	of which: issued by financial corporations	302	-	302	-	164	-	164	-
090	of which: issued by non-financial corporations	645	5	645	5	216	16	216	16
120	Other assets[1]	12,444	-			215,743	7,487		

1. *The majority of Unencumbered Other assets relate to derivative instruments and cash loaned on reverse repo.*

Template UK AE1 – Encumbered and unencumbered assets for NIP

Below table shows the encumbered and unencumbered assets for NIP as at 31st March 2022:

	NIP	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
	$m	010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	**20,648**	**5,804**			**208,511**	**5,494**		
030	Equity instruments	5,429	2,927			1,430	369		
040	Debt securities	4,207	3,007	4,207	3,007	387	174	387	174
050	of which: covered bonds	-	-	-	-	-	-	-	-
060	of which: asset-backed securities	0	-	0	-	33	-	33	-
070	of which: issued by general governments	3,018	2,998	3,018	2,998	188	163	188	163
080	of which: issued by financial corporations	378	-	378	-	50	-	50	-
090	of which: issued by non-financial corporations	746	6	746	6	8	12	8	12
120	Other assets[1]	11,302	-			206,838	4,954		

1. *The majority of Unencumbered Other assets relate to derivative instruments and cash loaned on reverse repo.*

Template UK AE2 – Collateral received and own debt securities issued for the Group

The table below shows the Collateral received and own debt securities issued by the Group as at 31st March 2022:

	The Group	Fair value of encumbered collateral received or own debt securities issued		Unencumbered – Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
	$m	010	030	040	060
130	**Collateral received by the reporting institution**	**154,335**	**121,084**	**19,974**	**15,622**
140	Loans on demand	-	-	-	-
150	Equity instruments	13,635	6,084	595	140
160	Debt securities	138,458	114,999	19,447	15,482
170	of which: covered bonds	1,020	-	12	-
180	of which: asset-backed securities	1,470	7	474	-
190	of which: issued by general governments	117,823	112,424	15,241	15,037
200	of which: issued by financial corporations	8,993	284	2,128	96
210	of which: issued by non-financial corporations	7,872	2,442	1,529	323
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	210	-	37	-
240	**Own debt securities issued other than own covered bonds or asset-backed securities**	-	-	-	-
241	**Own covered bonds and asset-backed securities issued and not yet pledged**			-	-
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	177,250	127,240		

Template UK AE2 – Collateral received and own debt securities issued for NIP

The table below shows the Collateral received and own debt securities issued by NIP as at 31st March 2022:

	NIP	Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
	$m	010	030	040	060
130	**Collateral received by the reporting institution**	**155,890**	**120,637**	**15,689**	**13,880**
140	Loans on demand	-	-	-	-
150	Equity instruments	13,633	6,084	597	140
160	Debt securities	139,979	114,553	15,106	13,656
170	of which: covered bonds	1,020	-	8	-
180	of which: asset-backed securities	1,671	7	252	-
190	of which: issued by general governments	117,393	111,946	13,544	13,414
200	of which: issued by financial corporations	10,230	284	896	96
210	of which: issued by non-financial corporations	8,546	2,501	666	169
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	222	-	19	-
240	**Own debt securities issued other than own covered bonds or asset-backed securities**	-	-	-	-
241	**Own covered bonds and asset-backed securities issued and not yet pledged**			-	-
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	176,722	126,672		

Template UK AE3 – Sources of encumbrance for the Group

Below table shows the sources of encumbrance for the Group as at 31st March 2022:

The Group	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
$m	10	30
Carrying amount of selected financial liabilities[1]	161,034	159,389

1. *The majority of Financial liabilities relate to repurchase agreements.*

Template UK AE3 – Sources of encumbrance for NIP

Below table shows the sources of encumbrance for NIP as at 31st March 2022:

NIP	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
$m	10	30
Carrying amount of selected financial liabilities*	164,500	159,817

1. *The majority of Financial liabilities relate to repurchase agreements.*

Remuneration Disclosures

These disclosures relate to remuneration policies and practices applicable to all employees including individuals identified as Material Risk Takers ("MRTs") of the Nomura Europe Holdings Plc Group (later Nomura or Group) and its subsidiaries, i.e. Nomura International plc and Nomura Bank International.

Due to their size, several non-UK NEHS subsidiaries such as Banque Nomura France, Nomura Alternative Investment Management France, Nomura Bank Luxembourg and Nomura Financial Products Europe GmbH benefit from the application of the proportionality principle on an entity basis.

The proportionality principle is also applied at an individual level to MRTs whose compensation meet specific thresholds.

Material Risk Takers

The MRT population has been identified in line with the relevant regulations, i.e. the Capital Requirements Directive ("CRD") and Commission Delegated Regulation (EU) 2021/923, with quantitative and qualitative criteria being used for identification purposes. This population includes individuals with sufficiently high compensation levels and specific function holders, such as members of the management body and senior management, amongst others.

The remuneration of individuals who meet any of the MRT criteria, and to whom proportionality principle does not apply, is subject to specific pay-out rules and performance adjustment measures.

Remuneration Policy

Global Level

Nomura Group is a global financial services group with a mission of contributing to society. To support this, it puts its clients at the centre of everything it does and recognizes that people are key in delivering its vision of being a Trusted Partner for them. The Nomura Group has developed its global compensation policy ("Basic Nomura Group Compensation Policy") applicable to all of its subsidiaries, including the NEHS, to ensure it attracts, retains, motivates and develops talent and promotes good behaviour. It does so as a means of achieving sustainable growth and sound and effective risk management, realizing a long-term increase in shareholder value, delivering client excellence, competing in a global market and enhancing its reputation.

NEHS Remuneration Policy

The purpose of the NEHS Remuneration Policy is to ensure that NEHS remuneration practices and processes align with the Basic Nomura Group Compensation Policy while satisfying the local regulatory requirements, particularly the PRA Rulebook and the FCA Handbook.

One of the key elements supported by the NEHS Remuneration Policy is good conduct, which is an essential part of how Nomura does business and builds a culture focused on delivering the right outcomes for its stakeholders. The remuneration practices such as the performance management and risk adjustment measures greatly facilitate the promotion and maintenance of the right behaviors across the Group.

Diversity, Equity and Inclusion is supported by the NEHS Remuneration Policy as it constitutes yet another element of the healthy culture which Nomura strives to maintain and promote in the spirit of the broader Environmental, Social and Governance ("ESG") agenda. In alignment with the principles of equal opportunities and fair treatment of all employees, including gender-neutral remuneration policies, fair pay monitoring begins during early hiring processes. Each salary is offered based on the role and the candidate's merits and reviewed against salaries of individuals holding the same and/or similar posts. There are also annual processes in which Nomura staff's compensation is reviewed from both an internal and external appropriateness perspective.

In 2021/22, the NEHS Remuneration Policy was updated to further align with the Group strategy and values, CRD changes and, for entities regulated on a solo basis, to remain compliant with relevant local laws. The updates also related to ensuring that the policy is transparent and easy to follow for all. All the changes were reviewed by the NEHS Remuneration Committee (described below) and approved by the NEHS Board of Directors ("the Board") as part of the annual process and in line with the aforementioned regulations.

Remuneration Governance

The NEHS Remuneration Policy, remuneration frameworks and the remuneration of directors and senior management at the Board level is overseen by the NEHS Remuneration Committee ("the Committee").

For the 2021/22 fiscal year, the Committee comprised the Chairman of the Board of Directors and three other UK-based independent Non-Executive Directors of the Board.

The Committee Chair formally reports to the Board at the earliest opportunity after each Committee meeting to update the Board on the items discussed along with any actions required and recommendations for approval. Where the recommendations to the Board are not unanimous, the conflicting views are reflected in the recommendation by the Committee Chair.

The terms of office of each Committee member are reviewed periodically, and any membership changes must be approved by the Board. Appointments to the Committee are for a period of up to three years, extendable by two additional three-year periods, so long as the majority of members (other than the Board Chair) continues to be independent Non-Executive Directors.

The Committee held 7 meetings for the 2021/22 fiscal year.

The Committee has authority to appoint external consultants and to obtain reliable, up-to-date information about remuneration practices. The Committee did not engage independent consultants in 2021/22, but Deloitte have been invited to advice on some remuneration matters.

At the global level, governance bodies of the NHI, such as the Human Resources Committee ("HRC"), provide additional oversight and approval of certain aspects of the decision-making processes.

Variable Remuneration Funding Determination

NHI operates both "bottom-up" and "top-down" processes to establish the appropriate total variable remuneration funding.

"Bottom-up" Process

The "bottom-up" process, in addition to the "top-down" process, takes into account the expected business and individual performance to compute an estimated variable remuneration funding.

"Top-down" Process

The "top-down" process is intended to assist the decision-making concerning the total variable remuneration amount that is available at the Nomura Group level and that can be allocated downwards among specific regions and businesses as part of the overall variable remuneration funding.

A variety of financial performance measures, risk adjustment metrics and data points are used by the HRC to inform the decision regarding the Nomura Group-wide variable remuneration pool. A variety of financial performance measures, risk adjustment metrics and data points are used by the HRC to inform the decision regarding the Nomura Group-wide variable remuneration pool. The key risk-adjusted financial performance metric based on the Risk Weighed Assets ("RWA") is the Risk Adjusted Contribution ("RAC") which aims at ensuring the Group appropriately considers variable remuneration funding across the different business cycles. In addition, the Personnel Expense ("PE") / Risk-adjusted Revenue based on RWA risk metric is also considered, reflecting the amount of capital and risk applied, and an appropriate economic charge.

Performance Assessment

The Committee considers a mix of current and future, financial and non-financial factors when reviewing the overall variable remuneration pool allocation and distribution to directors and senior management:

- Relevant business performance data and key performance indicators, both relative and absolute;
- Qualitative and quantitative reporting from Control Functions highlighting performance and risk-related themes, trends and, where applicable, specific issues;
- Market and competitive conditions, franchise stability and protection;
- Shareholder interests and the long-term role of the Group within NHI;
- Sustainable profitability of NHI and capital position of the Group regulated entities;
- The appropriate levels of market pay to retain experienced and skilled staff particularly in Control Functions where competitive pressures may be significant;
- Most recent guidance on remuneration from the regulators; and
- The individual performance of the directors and members of senior management.

The Committee separately reviews individual material conduct cases which have been escalated through the Conduct Breach Review Committee and year-end processes. It also discusses pay for performance data and, in close alignment with the Social aspect of the ESG considerations, equal pay and the gender pay gap reporting.

Control Functions

The Control Functions have significant input into the remuneration policies along with remuneration decisions and the year-end process at both the global and regional levels. They ensure that appropriate metrics are considered when establishing remuneration, and that those metrics appropriately reflect the impact of risk behaviours.

At the regional level, the Chief Risk Officer and Head of Compliance may, at the invitation of the Committee Chair, attend all or parts of the Committee meetings and provide updates from their respective functions perspective. The Head of Internal Audit attends most of the meetings as an observer, providing updates on any areas of concern as necessary including at year-end.

At the end of 2021/22 fiscal year, a Joint Board Risk Committee and Remuneration Committee meeting took place and a Draft Financial and Non-Financial Risks Report was presented by the Heads of Risk Management and Compliance functions. The initial report included a year to date update on the effectiveness of firm's control environment within 1st Line of Defence, with particular focus on:

- Financial and Non-Financial Risk Appetite dashboards highlighting actual risks levels against firm's risk appetite and additional commentary on instances where these levels were breached;
- 1st Line of Defence management actions and recent enhancements made to risk & controls frameworks;
- Climate Risk exposure levels;
- Material changes in conduct profile of business areas as well as views whether any potential systematic behavioural issues were observed;
- Operational Risk Profile;
- Speaking Up Events;
- MiFID II complaints/impact on clients, etc.

Also, Internal Audit gave an overall update presenting a number of qualitative and quantitative considerations on the firm's control environment.

Final reports from Control Functions covering the entire fiscal year have been submitted to the Committee for consideration before final remuneration decisions are made.

In addition, the Finance function provides an update on the financial performance of the Group at relevant Committee meetings. It plays a key part in the year-end process by providing detailed performance data on each of the wholesale businesses and shares an independent affordability recommendation for aggregate pool funding.

Conflict of Interests

The management structure of each Control Function is separate to the business they oversee to ensure their independence. Remuneration levels of Control Function staff are established without influence from the business they support nor the business' performance. The Committee directly reviews and recommends to the Board for approval the Total Compensation ("TC") decisions for senior officers in the Risk Management, Compliance and Internal Audit functions.

Nomura Remuneration Framework

TC is Nomura's core metric used as part of remuneration decision-making, serving as a primary point of reference and comparison with the prior year remuneration levels. It comprises the following elements which reflect local market standards and practices:

Remuneration Element	Characteristics	Example Elements
Fixed Remuneration	■ Non-discretionary. ■ Rewards individuals for their knowledge, skills, competencies, experience, role and responsibilities. ■ Levels sufficient to absorb changes in the amount of variable remuneration (including reduction to zero).	■ Base salary ■ Additional Fixed Pay
Variable Remuneration	■ Discretionary. ■ Rewards and incentivises financial and non-financial performance. ■ The approach to determining the total amount of variable remuneration is described under "Variable Remuneration Funding Determination" above. ■ For higher paid employees in the EMEA region, a portion of the variable remuneration may be deferred, balancing short-term with long-term interests of the Group. ■ Guaranteed variable remuneration is only used in exceptional circumstances and only in the first year of employment. It is given extremely rarely, and in compliance with local regulations. ■ In certain situations, severance payments can be made to leavers. In accordance with the regulatory requirements, such payments reflect performance achieved over time and they do not reward failure or misconduct.	■ Cash bonus (non-deferred remuneration) ■ Share-linked instruments (deferred remuneration)

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

Fixed to Variable Remuneration Ratio

The Group applied for shareholder approval on the extension of the ratio between the fixed and variable remuneration for MRTs to 1:2 in accordance with the procedure set out in the PRA Rulebook. The extended ratio was approved on 7 March 2014.

No award of variable remuneration paid to an MRT for 2021/22 fiscal year exceeded the agreed threshold.

Variable Remuneration Delivery

The variable remuneration at Nomura is delivered as follows:

Non-Deferred Remuneration

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

For most of the Group employees, the cash portion size is dependent upon an individual's TC and overall bonus amount. At the lower TC and bonus levels, most or all of the variable remuneration is delivered in cash. As TC and bonus increase, the cash portion size is reduced in favour of deferred awards. This dependence is in line with regulatory requirements and market practice and is applied at Nomura globally, with specific local adjustments as required.

For MRTs, 50% of non-deferred bonus is delivered in Notional Stock Units ("NSUs") which is paid in cash 12 months from the initial award.

Deferred Remuneration

As described above, a portion of employees' variable remuneration may be deferred and delivered in NHI shares or equity-linked awards. These are deferred over a period of at least three years.

For the relevant MRT population, the deferral period may be longer than the three years, with the deferral portion of at least 40%, or 60% in cases of higher variable remuneration levels.

MRT's deferred variable remuneration may be additionally subject to post-vesting holding periods.

By linking the awards' value to NHI's share price and imposing certain vesting periods and restrictions, the awards align employee interests with those of the shareholders, they increase employee retention and encourage cross-divisional and cross-regional collaboration by focusing on a common goal of the long-term increase in shareholder value.

The Group operates a number of deferred remuneration plans. From 2017/18 onwards Restricted Stock Units ("RSU") or Notional Stock Units ("NSU") are the primary deferral plans. These replaced a number of legacy deferral plans which continue to operate for awards granted in previous years.

Primary Deferral Plans

- Restricted Stock Units ("RSU") Plan

Each RSU delivers one share of NHI common stock. For 2021/22 awards, they are deferred over at least three years, vesting in equal annual instalments.

- Notional Stock Units ("NSU") Plan

This is a phantom equity plan designed to replicate the key features of the RSU Plan described above. The NSU value is linked to the NHI stock price, and settled in cash on the vesting date.

NSUs are typically only awarded as part of the non-deferred bonus for MRTs or as replacement awards for new hires, but they may also be used as part of year-end awards in limited circumstances.

- Collared Notional Stock Unit ("CSU") Plan

To support the Wholesale bonus pool, and to manage the level of cash awards in 2021/22 fiscal year, a supplemental deferral award was provided to some employees in Wholesale. The plan is linked to the value of the NHI share price, subject to a collar of +/-10% of grant price. The awards are settled in cash.

Legacy Plans Granted in Prior Performance Years

- Stock Acquisition Right ("SAR") Plan B

SARs are a form of share option to purchase Nomura Group shares with a nominal exercise price of ￥1. Each SAR issued represents 100 units of Nomura Group shares. Historically SARs were deferred over at least three years vesting in equal annual instalments.

- Notional Indexed Unit ("NIU") Plan

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

- Deferred Cash ("DCA") Plan

Cash-settled plan offered for 2018/19 to a limited number of Global Wholesale Division senior management.

Ex-post Risk Adjustments

Ex-post risk adjustments of variable remuneration are necessary to align risk and remuneration. They respond to specific crystallised risks or adverse performance outcomes including those relating to misconduct and include:

- Reducing in-year variable remuneration;
- Reducing or cancelling variable remuneration that have not yet vested (application of malus); and
- Recouping already vested/paid variable remuneration (application of clawback).

In order to apply an ex-post risk adjustment, evidence of misconduct or serious error (risk management failure or failure to meet appropriate standards of fitness and propriety) by the staff member is required. Every employee is made contractually aware of the existence of relevant risk adjustments along with the circumstances which allow for their application (see below).

Conduct and Risk Adjustment Process

Each quarter, staff members whose conduct may have fallen below the Group's expectations are identified by the Control functions, support functions or the Front Office Supervision team. The identified behaviour is then reviewed by the Conduct Breach Review Committee.

Cases considered as material are escalated to the Executive Remuneration Review Forum ("ERRF") at year-end in order to determine whether an in-year compensation adjustment is appropriate. The ERRF comprises NEHS CEO, Vice Chairman and Head of Human Resources. Its meetings are also attended by the Chief Financial and Administrative Officer, Chief Risk Officer, Head of Legal, Compliance and Controls, Head of Compliance and Head of Reward.

Where an in-year adjustment is considered appropriate, the year-end adjusted compensation proposals are reviewed by the NEHS CEO and ultimately recommended for Board's approval by the NEHS Remuneration Committee. If appropriate, at the further stages of the review also the exercise of malus and clawback may be considered.

Malus Triggers

For all staff, including staff identified as MRTs, unvested or unpaid variable remuneration may be reduced by up to 100% in any of the following circumstances:

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

In the event of an investigation, the power to suspend the vesting of deferred awards has been delegated by the HRC to the Global Head of Human Resources, the Global Head of Wholesale Human Resources and the Global Head of Reward.

Clawback Triggers

For MRTs, up to 100% of all vested and/or paid variable remuneration is subject to clawback which applies for a period of up to seven years (extendable to ten years for certain Senior Management Function holders) after the grant of the award. The Group shall be entitled to apply clawback in any of the following circumstances:

- The Group or NHI has been required to materially restate any of its financial statements for the fiscal year in respect of which the award was made;
- The Group, NHI or the business unit in which the employee works or have worked has suffered improper or inadequate risk management;
- The Group considers that the employee has participated in or has been responsible for conduct which has caused the Group, NHI or the business unit in which the employee works or have worked to suffer significant financial losses;
- The Group becomes aware of any material wrongdoing or error on the employee's part which could have been the subject of investigation and/or disciplinary proceedings and that would have resulted in the bonus not being paid or award not being made or a lesser sum being paid or awarded;

- The Group considers that the employee caused material detriment to the business or reputation of the Group or NHI whilst being an employee of the Group;
- The Group considers that the employee's conduct, whilst the employee was an employee of the NHI, has failed to meet appropriate standards of fitness and propriety.

Additional Considerations

Additional factors are considered when determining the applicability and size of the relevant adjustment include, but shall not be limited to, the proximity of the employee to the breach and their responsibility in respect of the circumstances set out above.

The recommendations on the application of the ex-post risk adjustments and their appropriateness are made at the executive level. The Committee reviews these recommendations and shares them with the Board for approval.

Quantitative Disclosures

The tables below show the aggregated breakdown of remuneration for the fiscal year ended 31st March 2022 for members of the Senior Management and Other staff within the Group.

Template UK REM1 – Remuneration awarded for the financial year for the Group

			Senior Management[1]	Other identified staff[2]	Total
1	Fixed remuneration	Number of staff	19	338	**357**
2		Total fixed remuneration ($m)	21.93	163.44	**185.37**
3		*Of which: cash-based ($m)*	21.93	163.44	**185.37**
UK-4a		*Of which: shares or equivalent ownership interests ($m)*	-	-	-
5		*Of which: share-linked or equivalent non-cash instruments ($m)*	-	-	-
UK-5x		*Of which: other instruments ($m)*	-	-	-
7		*Of which: other forms ($m)*	-	-	-
10	Variable remuneration	Total variable remuneration ($m)	14.68	115.74	**130.42**
11		*Of which: cash-based ($m)*	3.24	29.59	**32.83**
12		*Of which: deferred ($m)*	-	-	-
UK-13a		*Of which: shares or equivalent ownership interests ($m)*	8.20	58.09	**66.29**
UK-14a		*Of which: deferred ($m)*	8.20	58.27	**66.29**
UK-13b		*Of which: share-linked instruments or equivalent non-cash instruments ($m)*	3.24	28.06	**31.30**
UK-14b		*Of which: deferred ($m)*	-	0.18	**0.18**
UK-14x		*Of which: other instruments ($m)*	-	-	-
UK-14y		*Of which: deferred ($m)*	-	-	-
15		*Of which: other forms ($m)*	-	-	-
16		*Of which: deferred ($m)*	-	-	-
17	**Total Remuneration ($m)**		**36.61**	**279.19**	**315.79**

Template UK REM2 – Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) for the Group

		Senior Management	Other identified staff	Total
	Guaranteed variable remuneration awards			
1	Guaranteed variable remuneration – number of staff	-	2	**2**
2	Guaranteed variable awards ($m) – total amount	-	1.51	**1.51**
3	*Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap*	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year			
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	1	**1**
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	0.84	**0.84**
	Severance payments awarded during the financial year			
6	Severance[7] payments awarded during the financial year – number of staff	-	17	**17**
7	Severance payments awarded during the financial year ($m) – total amount	-	2.97	**2.97**
8	*Of which paid during the financial year*	-	2.97	**2.97**
9	*Of which deferred*	-	-	**0.00**
10	*Of which severance payments paid during the financial year, that are not taken into account in the bonus cap*	-	-	-
11	*Of which highest payment that has been awarded to a single person ($m)*	-	0.37	**0.37**

Template UK REM3 – Deferred remuneration for the Group

Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods[4]	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year[6]	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years[6]	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year[5]	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
Senior Management	**29.78**	**6.08**	**23.71**	**0.00**	**0.00**	**(4.04)**	**6.79**	**0.00**
Cash-based	0.49	0.49	0.00	0.00	0.00	(0.01)	0.49	0.00
Shares or equivalent ownership interests	9.00	2.42	6.57	0.00	0.00	(0.84)	3.14	0.00
Share-linked instruments or equivalent non-cash instruments	18.30	2.66	15.64	0.00	0.00	(3.38)	2.66	0.00
Other instruments	2.00	0.51	1.49	0.00	0.00	0.19	0.51	0.00
Other forms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other identified staff	**93.70**	**38.02**	**55.68**	**0.00**	**0.00**	**(7.16)**	**38.26**	**0.00**
Cash-based	0.50	0.50	0.00	0.00	0.00	(0.00)	0.50	0.00
Shares or equivalent ownership interests	90.14	34.89	55.25	0.00	0.00	(7.04)	35.14	0.00
Share-linked instruments or equivalent non-cash instruments	2.41	1.97	0.44	0.00	0.00	(0.17)	1.97	0.00
Other instruments	0.66	0.66	0.00	0.00	0.00	0.05	0.66	0.00
Other forms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total amount	123.48	44.09	79.39	0.00	0.00	(11.21)	45.06	0.00

Template UK REM4 – Remuneration of 1 million EUR or more per year

EUR[8]	Identified staff that are high earners as set out in Article 450(i)
1 000 000 to below 1 500 000	45
1 500 000 to below 2 000 000	17
2 000 000 to below 2 500 000	8
2 500 000 to below 3 000 000	5
3 000 000 to below 3 500 000	2
3 500 000 to below 4 000 000	1
more than 4 000 000	3

*aggregated table prepared in Euros in accordance with Article 450 of the Capital Requirements Regulation.

Template UK REM5 – Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	Remuneration awarded for the financial year	Investment banking	Corporate functions	Independent Control functions
	Number of staff	304	29	24
	Of which: senior management	5	10	4
	Of which: other identified staff	299	19	20
	Variable remuneration $m	114.79	10.78	4.85
	Fixed remuneration $m	164.13	13.11	8.13
Total Remuneration ($m)		**278.93**	**23.88**	**12.98**

Notes:

1. *'Senior Management' comprises Non-Executive Directors and Executive Directors of the Group Board of Directors, members of the Group Executive Committee and all individuals certified as Senior Manager function holders under the SMCR. The numbers for this group have been aggregated for confidentiality reasons.*
2. *'Other identified staff' comprises all other staff identified as Material Risk Takers for the fiscal year*
3. *Top two tables reflect remuneration awarded in respect of performance during fiscal year ended 31st March 2022*
4. *Awards outstanding at 31st March 2022 have been valued based on deferred vehicle prices as at 31st March 2022*
5. *Awards paid out based on deferred vehicle prices at time of vesting*
6. *'Performance Adjustment' is defined as the application of malus and/or clawback*
7. *Severance payments include all payments made in association with termination of employment, such as payments in lieu of notice/benefits or ex-gratia payments. Includes MRTs with termination date within the financial year*
8. *Table prepared in Euros in accordance with Article 450 of the CRR (exchange rate 0.88683)*

Capital Instruments and Eligible MREL Liabilities

The Minimum Requirement for Own Funds and Eligible Liabilities ("MREL") was applicable to NEHS and NIP from 1 January 2020. In preparation for the initial 1 January 2020 requirement, both NIP and the Group converted all of their Tier 2 Subordinated Debt into long term MREL eligible debt. In addition to this, NIP converted $1,050m of its senior unsecured debt into long term MREL eligible debt. In January 2022, both NIP and the Group were subject to the end-state MREL requirement. As part of meeting this requirement, NIP increased its issuance of MREL senior debt from $1,050m, to $2,450m and the Group issued a new MREL senior debt instrument of $1,200m. No changes have been made to the notional of Tier 2 in either the Group or NIP in the year to March 2022. Both the Group and NIP maintain sufficient capital resources to comply with MREL as required by the Bank of England from 1 January 2022.

The table below shows the capital instruments and eligible MREL liabilities for the Group and NIP as at 31st March 2022.

Template UK CCA – Main features of regulatory own funds instruments and eligible liabilities instruments for the Group

The Group		Ordinary Shares	Subordinated debt	Subordinated debt	Senior Debt
1	Issuer	Nomura Europe Holding Plc.	Nomura Europe Holding Plc.	Nomura Europe Holding Plc.	Nomura Europe Holding Plc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A
2a	Public or private placement	N/A	N/A	N/A	N/A
3	Governing law(s) of the instrument	English Law	English Law	English Law	English Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	Conversion only	Conversion only	N/A
	Regulatory treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2	Eligible Liability
5	Post-transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2	Eligible Liability
6	Eligible at solo/(sub-)consolidated/ solo&(sub-) consolidated	Consolidated	Consolidated	Consolidated	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Long-term subordinated facility	Long-term subordinated facility	Senior unsecured
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	$3,391m	$1,260m	$900m	$2,450m
9	Nominal amount of instrument	$3,391m	$1,260m	$900m	$2,450m
UK-9a	Issue price	$1 per share	$1,260m	$900m	$2,450m
UK-9b	Redemption price	N/A	$1,260m	$900m	$2,450m
10	Accounting classification	Shareholders' Equity	Liability - Amortised Cost	Liability - Amortised Cost	Liability - Amortised Cost
11	Original date of issuance	Various	18/12/2019	18/12/2019	18/12/2019
12	Perpetual or dated	Perpetual	Dated	Dated	Dated
13	Original maturity date	No Maturity	Originally scheduled: 18/12/2026 Extended to: 02/12/2028	Originally scheduled: 18/12/2026 Extended to: 02/12/2028	Originally scheduled: 18/12/2022 Extended to: 08/12/2023
14	Issuer call subject to prior supervisory approval	N/A	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	Callable from second anniversary of the issuance date, subject to the borrower obtaining prior consent from the PRA for early repayment of the loan	Callable from second anniversary of the issuance date, subject to the borrower obtaining prior consent from the PRA for early repayment of the loan	Callable from second anniversary of the issuance date, subject to the borrower obtaining prior consent from the PRA for early repayment of the loan

16	Subsequent call dates, if applicable	N/A	Callable at 30 days' notice following the second anniversary of the issuance date, subject to the borrower obtaining prior consent from the PRA for early repayment of the loan	Callable at 30 days' notice following the second anniversary of the issuance date, subject to the borrower obtaining prior consent from the PRA for early repayment of the loan	Callable at 30 days' notice following the second anniversary of the issuance date, subject to the borrower obtaining prior consent from the PRA for early repayment of the loan
	Coupons / dividends				
17	Fixed or floating dividend/coupon	N/A	Floating	Floating	Floating
18	Coupon rate and any related index	N/A	SOFR + 190bp	SOFR + 190bp	SOFR + 125bp
19	Existence of a dividend stopper	No	No	No	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Mandatory	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	N/A	Contractual recognition of bail-in by Resolution Authority at point of non-viability	Contractual recognition of bail-in by Resolution Authority at point of non-viability	Contractual recognition of bail-in by Resolution Authority at point of non-viability
25	If convertible, fully or partially	N/A	Determination by resolution authority	Determination by resolution authority	Determination by resolution authority
26	If convertible, conversion rate	N/A	Determination by resolution authority	Determination by resolution authority	Determination by resolution authority
27	If convertible, mandatory or optional conversion	N/A	Determination by resolution authority	Determination by resolution authority	Determination by resolution authority
28	If convertible, specify instrument type convertible into	N/A	Ordinary Shares	Ordinary Shares	Ordinary Shares
29	If convertible, specify issuer of instrument it converts into	N/A	NEHS is the issuer	NEHS is the issuer	NIP is the issuer
30	Write-down features	N/A	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	Contractually subordinated	Contractually subordinated	Contractually subordinated
UK-34b	Ranking of the instrument in normal insolvency proceedings	Junior to all other instruments	At all times including in winding-up, administration or resolution action relating to the Borrower, the claims of the Lender in respect of the Loan will be subordinated to all claims arising from Eligible Liabilities Instruments as defined in Article 72b of the CRR. Internal MREL Tier 2 is subordinated to Nomura Internal MREL Senior Non-Preferred Loans; ranks pari passu with other Tier 2 instruments issued by the borrower and ranks in priority to further subordinated instruments (of which there are none) and share capital.	At all times including in winding-up, administration or resolution action relating to the Borrower, the claims of the Lender in respect of the Loan will be subordinated to all claims arising from Eligible Liabilities Instruments as defined in Article 72b of the CRR. Internal MREL Tier 2 is subordinated to Nomura Internal MREL Senior Non-Preferred Loans; ranks pari passu with other Tier 2 instruments issued by the borrower and ranks in priority to further subordinated instruments (of which there are none) and share capital.	At all times including in winding-up, administration or resolution action relating to the Borrower, the claims of the Lender in respect of the Loan will be subordinated to all claims of Senior Creditors; rank *pari passu* with all other subordinated obligations (and eligible liabilities instruments); rank in priority to Tier 2.

35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Perpetual unsecured	Other Creditors The legal nature of the subordinated loans differs from that usually associated with debt. In a winding up of the Company no amount will be paid in respect of the subordinated debt until all other creditors have been paid in full	Other Creditors The legal nature of the subordinated loans differs from that usually associated with debt. In a winding up of the Company no amount will be paid in respect of the subordinated debt until all other creditors have been paid in full	Claims of Senior Creditors
36	Non-compliant transitioned features	N/A	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A	N/A

Template UK CCA – Main features of regulatory own funds instruments and eligible liabilities instruments for NIP

NIP		Ordinary Shares	Subordinated debt	Senior Debt
1	Issuer	Nomura International Plc.	Nomura International Plc.	Nomura International Plc.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A
2a	Public or private placement	N/A	N/A	N/A
3	Governing law(s) of the instrument	English Law	English Law	English Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	Conversion only	N/A
	Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Tier 2	Eligible Liability
5	Post-transitional CRR rules	Common Equity Tier 1	Tier 2	Eligible Liability
6	Eligible at solo/(sub-)consolidated/ solo&(sub-) consolidated	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Long-term subordinated facility	Senior unsecured
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	$3,241m	$1,260m	$2,450m
9	Nominal amount of instrument	$3,241m	$1,260m	$2,450m
UK-9a	Issue price	$1 per share	$1,260m	$2,450m
UK-9b	Redemption price	N/A	$1,260m	$2,450m
10	Accounting classification	Shareholders' Equity	Liability - Amortised Cost	Liability - Amortised Cost
11	Original date of issuance	Various	18/12/2019	18/12/2019
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	No Maturity	Originally scheduled: 18/12/2026 Extended to: 02/12/2028	Originally scheduled: 18/12/2022 Extended to: 08/12/2023
14	Issuer call subject to prior supervisory approval	N/A	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	Callable from second anniversary of the issuance date, subject to the borrower obtaining prior consent from the PRA for early repayment of the loan	Callable from second anniversary of the issuance date, subject to the borrower obtaining prior consent from the PRA for early repayment of the loan
16	Subsequent call dates, if applicable	N/A	Callable at 30 days' notice following the second anniversary of the issuance date, subject to the borrower obtaining prior consent from the PRA for early repayment of the loan	Callable at 30 days' notice following the second anniversary of the issuance date, subject to the borrower obtaining prior consent from the PRA for early repayment of the loan
	Coupons / dividends			
17	Fixed or floating dividend/coupon	N/A	Floating	Floating
18	Coupon rate and any related index	N/A	SOFR + 190bp	SOFR + 125bp
19	Existence of a dividend stopper	No	No	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	N/A	Contractual recognition of bail-in by Resolution Authority at point of non-viability	Contractual recognition of bail-in by Resolution Authority at point of non-viability

25	If convertible, fully or partially	N/A	Determination by resolution authority	Determination by resolution authority
26	If convertible, conversion rate	N/A	Determination by resolution authority	Determination by resolution authority
27	If convertible, mandatory or optional conversion	N/A	Determination by resolution authority	Determination by resolution authority
28	If convertible, specify instrument type convertible into	N/A	Ordinary Shares	Ordinary Shares
29	If convertible, specify issuer of instrument it converts into	N/A	NIP is the issuer	NIP is the issuer
30	Write-down features	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	Contractually subordinated	Contractually subordinated
UK-34b	Ranking of the instrument in normal insolvency proceedings	Junior to all other instruments	At all times including in winding-up, administration or resolution action relating to the Borrower, the claims of the Lender in respect of the Loan will be subordinated to all claims arising from Eligible Liabilities Instruments as defined in Article 72b of the CRR. Internal MREL Tier 2 is subordinated to Nomura Internal MREL Senior Non-Preferred Loans; ranks pari passu with other Tier 2 instruments issued by the borrower and ranks in priority to further subordinated instruments (of which there are none) and share capital.	At all times including in winding-up, administration or resolution action relating to the Borrower, the claims of the Lender in respect of the Loan will be subordinated to all claims of Senior Creditors; rank *pari passu* with all other subordinated obligations (and eligible liabilities instruments); rank in priority to Tier 2.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Perpetual unsecured	Other Creditors The legal nature of the subordinated loans differs from that usually associated with debt. In a winding up of the Company no amount will be paid in respect of the subordinated debt until all other creditors have been paid in full	Claims of Senior Creditors
36	Non-compliant transitioned features	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A

Analysis of Past Due, Non-Performing and Forborne Exposures

Disclosure of non-performing, forborne and past due exposures provide additional information to assess the risk profile of the institution.

Proportionality is embedded in the guidelines through thresholds based on the size of the Institution and the level of non-performing exposures. The Group has assessed the threshold criteria within the guidelines and has determined that four templates are not applicable on the basis that its non-performing loan ratio is significantly lower than the reporting threshold.

The remaining templates are not subject to threshold criteria, however templates CQ1 ‘Credit quality of forborne exposures’ and CQ7 “Collateral obtained by taking possession and execution process” are not applicable as the Group has no forborne exposures and no collateral taken into possession that is recognised on the balance sheet as at 31st March 2022.

Exposures are treated as past due when a counterparty has failed to make payment when contractually due.

Non-performing exposures included in the tables below are subject to the FINREP regulations (Annex V).

Template UK CR1-A – Maturity of exposures for the Group and NIP

		The Group					
	$m	a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	34,674	50,352	2,243	383	-	87,652
2	Debt securities	-	1,474	-	-	-	1,474
3	***Total***	34,674	51,826	2,243	383	-	89,126

		NIP					
	$m	a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	33,458	47,130	2,307	489	-	83,384
2	Debt securities	-	-	-	-	-	-
3	***Total***	33,458	47,130	2,307	489	-	83,384

Template UK CR1 – Performing and non-performing exposures and related provisions for the Group

	$m	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
5	Cash balances at central banks and other demand deposits	7,426	7,426	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans and advances	87,643	18,073	23	-	-	-	(2)	-	(2)	-	-	-	-	70,768	-
20	Central banks	547	37	-	-	-	-	-	-	-	-	-	-	-	510	-
30	General governments	1,996	119	-	-	-	-	-	-	-	-	-	-	-	1,876	-
40	Credit institutions	16,327	6,851	0	-	-	-	-	-	-	-	-	-	-	10,000	-
50	Other financial corporations	68,155	10,990	1	-	-	-	(1)	(0)	(1)	-	-	-	-	57,884	-
60	Non-financial corporations	618	76	22	-	-	-	(1)	(0)	(1)	-	-	-	-	498	-
70	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80	Households	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
90	Debt securities	1,474	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	755	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	56	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	147	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	516	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	860	695	165	-	-	-	(2)	(2)	(1)	-	-	-		-	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-		-	-
180	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-		-	-
190	Other financial corporations	374	374	-	-	-	-	(1)	(1)	-	-	-	-		-	-
200	Non-financial corporations	486	321	165	-	-	-	(1)	(1)	(1)	-	-	-		-	-
210	Households	-	-	-	-	-	-	-	-	-	-	-	-		-	-
220	**Total**	**89,977**	**18,768**	**188**	**-**	**-**	**-**	**(4)**	**(2)**	**(3)**	**-**	**-**	**-**	**-**	**70,768**	**-**

Template UK CQ3 – Credit quality of performing and non-performing exposures by past due days for the Group

		a	b	c	d	e	f	g	h	i	j	k	l
		The Group											
		Gross carrying amount/nominal amount											
		Performing exposures			**Non-performing exposures**								
	$m		**Of which Not past due or past due ≤ 30 days**	**Of which Past due > 30 days ≤ 90 days**		**Of which Unlikely to pay that are not past due or are past due ≤ 90 days**	**Of which past due > 90 days ≤ 180 days**	**Of which past due > 180 days ≤ 1 year**	**Of which past due > 1 year ≤ 2 years**	**Of which past due > 2 years ≤ 5 years**	**Of which past due > 5 years ≤ 7 years**	**Of which past due > 7 years**	**Of which defaulted**
005	Cash balances at central banks and other demand deposits	7,426	7,426	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	87,643	87,628	15	-	-	-	-	-	-	-	-	-
020	Central banks	547	547	-	-	-	-	-	-	-	-	-	-
030	General governments	1,996	1,996	0	-	-	-	-	-	-	-	-	-
040	Credit institutions	16,327	16,327	0	-	-	-	-	-	-	-	-	-
050	Other financial corporations	68,155	68,140	15	-	-	-	-	-	-	-	-	-
060	Non-financial corporations	618	618	0	-	-	-	-	-	-	-	-	-
070	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	0	0	-	-	-	-	-	-	-	-	-	-
090	Debt securities	1,474	1,474	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	755	755	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	56	56	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	147	147	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	516	516	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	860			-								-
160	Central banks	-			-								-
170	General governments	-			-								-
180	Credit institutions	-			-								-
190	Other financial corporations	374			-								-
200	Non-financial corporations	486			-								-
210	Households	-			-								-
220	**Total**	**89,977**	**89,102**	**15**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Template UK CQ4 – Quality of non-performing exposures by geography for the Group

$m	a	b	c	d	e	f	g
	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which subject to impairment			
			Of which defaulted				
On-balance-sheet exposures	**96,543**	**-**	**-**	**25,523**	**(2)**		**-**
Japan	29,476	-	-	4,790	-		-
United States	13,687	-	-	1,210	(0)		-
United Kingdom	12,884	-	-	7,414	(1)		-
Germany	12,672	-	-	3,952	(0)		-
France	6,282	-	-	1,727	(0)		-
Cayman Islands	2,945	-	-	1,720	(0)		-
Singapore	2,320	-	-	547	-		-
Netherlands	2,217	-	-	321	-		-
Hong Kong	1,994	-	-	781	(0)		-
Denmark	357	-	-	34	-		-
Other countries	11,709	-	-	3,027	(1)		-
Off-balance-sheet exposures	**861**	**-**	**-**			**(2)**	
France	371	-	-			(1)	
United Kingdom	299	-	-			(1)	
Luxembourg	76	-	-			(0)	
Germany	39	-	-			(0)	
Netherlands	39	-	-			(0)	
Other countries	37	-	-			(0)	
Total	**97,404**	**-**	**-**	**25,523**	**(2)**	**(2)**	**-**

Template UK CR2 – Changes in the stock of non-performing loans and advances for the Group and NIP

	$m	Gross carrying amount	
		The Group	NIP
010	Initial stock of non-performing loans and advances	34	34
020	Inflows to non-performing portfolios	-	-
030	Outflows from non-performing portfolios	(34)	(34)
040	Outflows due to write-offs	-	-
050	Outflow due to other situations	(34)	(34)
060	Final stock of non-performing loans and advances	-	-

Template UK CQ5 – Credit quality of loans and advances to non-financial corporations by industry for the Group

	$m	a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
10	Agriculture, forestry and fishing	-	-	-	-	-	-
20	Mining and quarrying	-	-	-	-	-	-
30	Manufacturing	34	-	-	19	(0)	-
40	Electricity, gas, steam and air conditioning supply	20	-	-	0	-	-
50	Water supply	5	-	-	-	-	-
60	Construction	53	-	-	-	-	-
70	Wholesale and retail trade	134	-	-	35	-	-
80	Transport and storage	65	-	-	8	-	-
90	Accommodation and food service activities	14	-	-	14	(1)	-
100	Information and communication	63	-	-	6	(0)	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	16	-	-	16	(0)	-
130	Professional, scientific and technical activities	27	-	-	0	-	-
140	Administrative and support service activities	6	-	-	0	(0)	-
150	Public administration and defense, compulsory social security	-	-	-	-	-	-
160	Education	-	-	-	-	-	-
170	Human health services and social work activities	1	-	-	1	-	-
180	Arts, entertainment and recreation	180	-	-	-	-	-
190	Other services	-	-	-	-	-	-
200	**Total**	**618**	**-**	**-**	**99**	**(1)**	**-**

Appendix 1 – CRR Compliance

CRR Article	Para	Summary of Requirement	Compliance Reference	Page
Disclosure requirements and policies				
431	1	Institutions should publish Pillar 3 disclosures	The Group publishes Pillar 3 disclosures	
431	2	Firms with permission to use specific operational risk methodologies must disclose operational risk information.	The Group follows the standardised approach to Operational Risk	AR: 106
431	3	Institution must have a policy covering frequency of disclosures, their verification, comprehensiveness and appropriateness. Institution must also have policies for assessing whether their disclosures convey their risk profile comprehensively to market participants. At least one member of the management body or senior management shall attest in writing that the relevant institution has made the disclosures required under this Part in accordance with the formal policies and internal processes, systems and controls.	The Group has the relevant policies in place Written attestation is included in the disclosure	Policies are not an applicable public disclosure. Directors Responsibility Statement
431	4	Quantitative disclosures shall be accompanied by a qualitative narrative and any other supplementary information that may be necessary	Appropriate narratives and supplementary information are provided in the disclosure	
431	5	Explanation of ratings decision upon request	Not an applicable public disclosure. Information can be provided on request	
Non-material, proprietary or confidential information				
432	1	Omission of disclosures that are not material	Sub-section "Scope of Application"	P3: 5
432	2	Omission of disclosures if proprietary	No disclosures excluded on grounds of confidentiality	
432	3	Where 432 (2) applies this must be stated in the disclosures and more general information must be disclosed		
Frequency and scope of disclosure				
433		Institutions shall publish the disclosures at least on an annual basis or more frequently where necessary	Sub-section "Pillar 3 Disclosures"	P3: 5
433a	1	Disclosure frequency for Large institutions	Sub-section "Pillar 3 Disclosures"	P3: 5
433a	2	Disclosure frequency for Large institutions other than G-SIIs that are non-listed		
433a	3	Disclosure frequency for Large institutions that are subject to Article 92a or 92b of the CRR	Not applicable to the Group	
433b		Disclosure frequency for Small and Non-complex institutions	Not applicable to the Group	
433c		Disclosure frequency for Other institutions	Not applicable to the Group	
Means of disclosure				
434	1	Disclosures to be made in one medium or provide clear cross-references	Any cross-references to accounting or other disclosures are clearly signposted	
434	2	Disclosures made under other requirements (e.g. accounting) can be used to satisfy Pillar 3 if appropriate.		

434a		Uniform disclosure formats	Templates published by the PRA have been disclosed, populated in accordance with the PRA's published guidance	
434b		Timing and means of disclosure under Article 441 of the CRR (Applicable to G-SIIs)	Not applicable to the Group	
Disclosure of Risk management objectives and policies				
435	1	Disclose information on:	Refer to NIP's Annual Report	
435	1(a)	The strategies and processes to manage risks		AR: 84
435	1(b)	Structure and organisation of risk management function		AR: 84-87
435	1(c)	Risk reporting and measurement systems		AR: 88-89
435	1(d)	Hedging and mitigating risk – policies and processes		AR: 89, 94-95
435	1(e)	Declaration of adequacy of risk management arrangements approved by the Board		AR: 88
435	1(f)	Concise risk statement approved by the Board.		AR: 4 P3: 8, 44
435	2	Information on governance arrangements, including information on Board composition and recruitment and risk committees:	See below	
435	2(a)	Number of directorships held by Board members	Section "Directorships"	P3: 9
435	2(b)	Recruitment policy for selection of Board members, their actual knowledge, skills and expertise.	Section "Remuneration Disclosures"	P3: 65-72
435	2(c)	Policy on diversity of Board membership and results against targets.		
435	2(d)	Disclosure of whether a dedicated risk committee is in place and number of meeting in the year.	Sub-section "Risk Management Committees"	P3: 7
435	2(e)	Description of information flow on risk to Board	Refer to NIP's Annual Report	AR: 84-86
Disclosure of Scope of application				
436	a	Name of institution	Section "Introduction"	P3: 5
436	b	Outline of the differences in the scopes of consolidation	Scope of Consolidation and "Scope of Consolidation: Entity by entity"	P3: 5, 18
436	c	Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	UK LI1	P3: 16
436	d	Main sources of differences between regulatory exposure amounts and carrying values in financial statements	UK LI2	P3: 17
436	e	Breakdown of the amounts of the constituent elements of an institution's prudent valuation adjustment	Prudent Valuation	P3: 42-43
436	f	Impediments to transfer of own funds between parent and subsidiaries.	Scope of Consolidation	P3: 5
436	g	Subsidiaries not included in the consolidation with own funds less than required. Capital shortfalls in any subsidiaries outside the scope of consolidation.	Scope of Consolidation Sub-section "Pillar 2A and ICAAP"	P3: 23
436	h	Making use of articles on derogations from a) prudential requirements or b) liquidity requirements for individual subsidiaries/entities	Scope of Consolidation	P3: 5
Disclosure of Own funds				

437	1	Disclose the following information regarding own funds:	See below	
437	1(a)	A full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and filters and deductions applied pursuant to Articles 32, 36, 56, 66 and 79 with the balance sheet in the audited financial statements of the institution;	Section "Own Funds Disclosures"	P3: 12-14
437	1(b)	A description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the institution;	Section " Capital Instruments and Eligible MREL Liabilities"	P3: 73-77
437	1(c)	The full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments;		
437	1(d)	Separate disclosure of the nature and amounts of the following:	See below	
437	1(d)(i)	Each prudential filter applied pursuant to Articles 32 to 35;	Section "Own Funds Disclosures"	P3: 12-14
437	1(d)(ii)	Each deduction made pursuant to Articles 36, 56 and 66;		
437	1(d)(iii)	Items not deducted in accordance with Articles 47, 48, 56, 66 and 79;		
437	1(e)	A description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply;		
437	1(f)	Where institutions disclose capital ratios calculated using elements of own funds determined on a basis other than prescribed	Not applicable - the Group does not calculate capital ratios on a basis other than prescribed	
437	a	Disclosure of own funds and eligible liabilities for institutions that are subject to Article 92a or 92b of the CRR	Not applicable – the Group is not subject to Article 92a or 92b of the CRR	

Disclosure of own funds requirements and risk weighted exposure amounts				
438	a	Summary of institution's approach to assessing adequacy of capital levels	Sub-section "Pillar 2A and ICAAP"	P3: 23
438	b	Amount of the additional own funds requirements based on the supervisory review process	Included in UK KM1 disclosure	P3: 11-12
438	c	Result of ICAAP on demand from authorities.	Not an applicable public disclosure. Results can be provided on demand from authorities	
438	d	Total risk-weighted exposure amount and the corresponding total own funds requirement	Included in UK OV1 disclosure	P3: 21-22
438	e	Specialised lending and equity exposures under the simple riskweighted approach	The Group is not following simple risk weighted approach	
438	f	The exposure value and the risk-weighted exposure amount of own fund instruments held in any insurance undertaking	The Group is not involved in insurance business	

438	g	Supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate	The Group is not considered as financial conglomerate	
438	h	RWEA flow statements of CCR exposures under the IMM model	UK CCR7 – RWEA flow statements of CCR exposures under the IMM	P3: 32
Disclosure of exposures to counterparty credit risk				
439	a	Description of process to assign internal capital and credit limits to CCR exposures.	Refer to NIP's Annual Report	AR: 95
439	b	Discussion of policies for securing collateral and establishing credit reserves.		AR: 96
439	c	Discussion of management of wrong-way risk exposures.		AR: 95
439	d	Disclosure of collateral to be provided (outflows) in the event of a ratings downgrade.	Sub-section "Impact of a credit downgrade on collateral pledged"	P3: 32
439	e	The amount of segregated and unsegregated collateral received and posted per type of collateral	UK CCR5 – Composition of collateral for CCR exposures	P3: 34
439	f	For derivative transactions, the exposure values before and after the effect of credit risk mitigation	UK CCR1 – Analysis of CCR exposure by approach	P3: 31
439	g	For securities financing transactions, the exposure values before and after the effect of credit risk mitigation	UK CCR1 – Analysis of CCR exposure by approach	P3: 31
439	i	The exposure value to central counterparties and the associated risk exposures	UK CCR8 – Exposures to CCPs	P3: 35
439	j	Notional value of credit derivative hedges and current credit exposure by type of exposure	UK CCR6 – Credit derivatives exposures	P3: 34
439	k	Estimate of alpha, if applicable.	Not applicable - the Group does not estimate its own alpha	
439	l	Point (l) of Article 439 referring to point (e) of Article 444	UK CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights	P3: 33
439	m	The size of their on- and off-balance-sheet derivative business as calculated in accordance with Article 273a(1) or (2)	UK CCR1 – Analysis of CCR exposure by approach	P3: 31
Disclosure of countercyclical capital buffers				
440	1(a)	Geographical distribution of relevant credit exposures for calculation of countercyclical capital buffer.	"Geographical Distribution of Countercyclical Capital Buffer" table	P3: 24-29
440	1(b)	Amount of the institution specific countercyclical capital buffer.	"Countercyclical Capital Buffer" table	P3: 23

Disclosure of indicators of global systemic importance				
441		Disclosure of the indicators of global systemic importance.	Not applicable - the Group is not a G-SII	
Disclosure of exposures to credit risk and dilution risk				
442	a	Disclosure of bank's definitions of past due and impaired.	Refer to NIP's Annual Report	AR: 45-49
442	b	Approaches for calculating specific and general credit risk adjustments.	Refer to NIP's Annual Report	AR: 45-49

442	c	Information on the amount and quality of performing, non-performing and forborne exposures	UK CQ3: Credit quality of performing and non-performing exposures by past due days UK CR1: Performing and non-performing exposures and related provisions	P3: 79-80
442	d	An ageing analysis of accounting past due exposures	UK CQ3: Credit quality of performing and non-performing exposures by past due days	P3: 80
442	e	The gross carrying amounts of both defaulted and non-defaulted exposures, the accumulated specific and general credit risk adjustments, the accumulated write-offs	UK CQ4: Quality of non-performing exposures by geography UK CQ5: Credit quality of loans and advances by industry	P3: 81-82
442	f	Any changes in the gross amount of defaulted on- and off-balance-sheet exposures	UK CR1: Performing and non-performing exposures and related provisions	P3: 79
442	g	The breakdown of loans and debt securities by residual maturity	UK CR1-A: Maturity of exposures	P3: 80
Disclosure of encumbered and unencumbered assets				
443		Disclosures on unencumbered assets.	"Asset Encumbrance" tables	P3: 62-64
Disclosure of the use of the standardised approach				
444	a	Names of the ECAIs used in the calculation of Standardised approach risk-weighted assets and reasons for any changes.	Sub-section "Standardised Derivative Calculation Method"	P3: 30, 36-39, 33
444	b	Exposure classes associated with each ECAI.		
444	c	Description of the process used to transfer credit assessments to non-trading book items.		
444	d	Mapping of external rating to CQS.	UK CR4 – standardised approach – Credit risk exposure and CRM effects UK CR5 – standardised approach UK CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights	
444	e	Exposure value by CQS.		

Disclosure of exposures to market risk				
445		Disclosure of position risk, large exposures exceeding limits, FX, settlement and commodities risk.	UK OV1 and Market Risk tables	P3: 21-22, 45
Disclosure of operational risk management				
446	a	Scope of approaches used to calculate operational risk.	Section "Operational Risk"	P3: 41
446	b	A description of the methodology set out in Article 312(2)	Section "Operational Risk"	P3: 41
446	c	In the case of partial use, the scope and coverage of the different methodologies used.	The Group only uses the Standardised Approach	P3: 41
Disclosure of Key Metrics				
447	a	The composition of own funds and own fund requirements as calculated in accordance with Article 92	UK KM1 - Overview of risk weighted exposure amounts	P3: 10-11
447	b	The total risk exposure amount as calculated in accordance with Article 92(3)	UK KM1 - Overview of risk weighted exposure amounts	P3: 10-11
447	c	The amount and composition of additional own funds which the institutions are required to hold in	UK KM1 - Overview of risk weighted exposure amounts	P3: 10-11

		accordance with point (a) of Article 104(1) of Directive 2013/36/EU		
447	d	Combined buffer requirement	UK KM1 - Overview of risk weighted exposure amounts	P3: 10-11
447	e	Leverage ratio and the total exposure measure	UK KM1 - Overview of risk weighted exposure amounts	P3: 10-11
447	f	Information in relation to Liquidity coverage ratio	UK KM1 - Overview of risk weighted exposure amounts	P3: 10-11
447	g	Information in relation to net stable funding requirement	UK KM1 - Overview of risk weighted exposure amounts	P3: 10-11
447	h	Own funds and eligible liabilities ratios and their components	UK KM1 - Overview of risk weighted exposure amounts	P3: 10-11
Disclosure of exposures to interest rate risk on positions not held in the trading book				
448	1	IRRBB risk management objectives and policies and Quantitative information on IRRBB	Sub-section "Sensitivity of the Banking Book to Changes in Interest Rates" Template UK IRRBB1 - Quantitative information on IRRBB	P3: 50-51
448	2	This Article shall not apply to institutions that use the standardised methodology or the simplified standardised methodology		
Disclosure of exposures to securitisation positions				
449		Disclosures on securitisation positions	Sub-section "Securitisations"	P3: 50
Disclosure of remuneration policy				
450	1	Remuneration disclosures of material risk takers	Section "Remuneration Disclosures"	P3: 65-72
450	2	The quantitative information on the remuneration of institutions' collective management body referred to in this Article shall also be made available to the public	Section "Remuneration Disclosures"	P3: 65-72
Disclosure of the leverage ratio				
451	1	Disclose the following:		
451	1(a)	Leverage ratio	"Leverage Ratio Common Disclosure" table	P3: 55
451	1(b)	Breakdown and reconciliation of total exposure	"Leverage Reconciliation of Account Assets and Leverage Ratio Exposure" table	P3: 54
451	1(c)	Derecognised fiduciary items	"Leverage Ratio Common Disclosure" table	P3: 55
451	1(d)	Description of the processes used to manage the risk of excessive leverage,	Section "Leverage Ratio"	P3: 54-56
451	1(e)	Factors that impacted the leverage ratio during the year.		
451	2-5	Disclosures applicable to LREQ firms	The Group shall be subject to additional leverage ratio disclosure requirements beginning 1 January 2023	
Disclosure of liquidity requirements				
451a	1	Application of disclosure of liquidity requirements	Liquidity risk management	P3: 57-58

451a	2	Disclosure of liquidity coverage ratio	UK LIQ1 - Quantitative information of LCR	P3: 59-60
451a	3	Disclosure of net stable funding ratio	Disclosure of net stable funding ratio	P3: 57
451a	4	Institutions shall disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk in line with ILAAP	Liquidity risk management	P3: 57-58

Disclosure of the use of the IRB Approach to credit risk				
452		Disclosures on IRB approach	Not applicable - the Group does not apply Internal Ratings Based approach to determine risk weights	
Disclosure of the use of credit risk mitigation techniques				
453	a	Use of on and off-balance sheet netting.	Refer to NIP's Annual Report	AR: 53
453	b	How collateral valuation is managed.		AR: 53
453	c	Description of types of collateral used by the institution		AR: 53
453	d	Main types of guarantor, credit derivative counterparty and creditworthiness.		AR: 95-97
453	e	Market or credit risk concentrations within risk mitigation exposures.		AR: 93, 99
453	f	Standardised or Foundation IRB Approach, exposure value covered by eligible collateral.	UK CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	P3: 40
453	g	the corresponding conversion factor and the credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effect	UK CR4 – standardised approach – Credit risk exposure and CRM effects	P3: 30
453	h	On- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any associated credit risk mitigation	UK CR4 – standardised approach – Credit risk exposure and CRM effects	P3: 30
453	i	Standardised approach – Credit risk exposure and CRM effects	UK CR4 – standardised approach – Credit risk exposure and CRM effects	P3: 30
453	j	Impact of credit risk mitigation for firms following IRB approach	Not applicable - the Group does not apply IRB approach	
Disclosure of the use of the Advanced Measurement Approaches to Operational Risk				
454		Description of the use of insurance or other risk transfer mechanisms to mitigate operational risk.	Not applicable - the Group does not apply Advanced Measurement Approach to mitigate operational risk	
Use of Internal Market Risk Models				
455	a(i)	Disclosure of the characteristics of the market risk models.	Refer to NIP's Annual Report	AR: 90
455	a(ii)	Disclosure of the methodologies used to measure incremental default and migration risk.		AR: 93
455	a(iii)	Descriptions of stress tests applied to the portfolios.		AR: 93
455	a(iv)	Methodology for back-testing and validating the models.		AR: 90-91
455	b	Scope of permission for use of the models.		P3: 8

455	c	Policies and processes to determine trading book classification, and to comply with prudential valuation requirements.	Sub-sections "Trading Book and Banking Book" and "Prudent Valuation Adjustment"	P3: 50, 42
455	d (i-iii)	High/Low/Mean values over the year of VaR, SVaR and IRC	"Review of Market Risk Regulatory Measures" table	P3: 47
455	e	The elements of the own funds requirement calculation.	"Market Risk" tables	P3: 45-46
455	f	Weighted average liquidity horizons of portfolios covered by models.	Refer to NIP's Annual Report	AR: 93
455	g	Comparison of end-of-day VaR measures compared with one day changes in the portfolio's value.	"Comparison of VaR Estimates for NIP" tables	P3: 48-49