Nomura Europe Holdings plc

Semi Annual Pillar 3 Disclosures
30 September 2021

Table of Contents

Foreword

Background

The Nomura Europe Holdings plc Group ("the Group") is authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA. The regulatory consolidation is produced in accordance with the requirements established under the Capital Requirements Directive ("CRD") and the Capital Requirements Regulation ("CRR"), collectively referred to hereinafter as "CRD IV", which came into effect on 1st January 2014.

Scope of Application

This document presents the consolidated Pillar 3 disclosures as at 30th September 2021 for the Group as well as disclosures covering three material subsidiaries where required, Nomura International Plc ("NIP"), Nomura Bank International Plc ("NBI") and Nomura Financial Products Europe GmbH ("NFPE")

The Group, NIP and NBI are regulated by the PRA and FCA whereas NFPE is regulated by the BaFin.

NIP contributes over 95% of the Group's capital requirement and its risk management policies and procedures are consistent with the Group. Significant subsidiary disclosures have been made for NIP as applicable.

NBI is a United Kingdom ("UK") regulated bank but its Risk Weighted Assets ("RWA") are immaterial to the Group. Therefore NBI disclosures have been made for article 437 (Own Funds) with no other disclosures relevant to significant subsidiary requirements.

NFPE's RWA's are also immaterial to the Group. Therefore NFPE disclosures have also been made for article 437 (Own Funds) with no other disclosures relevant to significant subsidiary requirements.

Other regulated subsidiaries included in the Group consolidation figures are Nomura Bank Luxembourg S.A. ("NBL"), Banque Nomura France S.A. ("BNF"), Nomura Alternative Investment Management France S.A.S ("NAIME") and Nomura Bank Switzerland Ltd ("NBS").

Certain subsidiaries are subject to local Pillar 3 Regulatory requirements. However, owing to their inclusion and small size within the Group, separate quarterly disclosures have not been made for NBL, BNF, NAIME or NBS.

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

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 III 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 to be published.

KM1: Key Metrics

	The Group
Capital ($m)	
Tier 1 Capital	5,630
Tier 2 Capital	2,160
Capital Requirements ($m)	
Total RWA	33,976
Total Capital Requirement (1)	4,118
Capital Ratios (%)	
Tier 1(2)	16.6%
Leverage Ratio	
Total Leverage Ratio Exposure ($m)	164,931
Leverage Ratio (%)	3.4%

1. *Pillar 1 + Pillar 2A requirements*
2. *Tier 1 Capital / Total RWA*

Own Funds

CC1: Composition of Regulatory Capital

CRR Articles 437 and 492

The Group, NIP, NBI and NFPE Own Funds:

		Sep-21			
ITS[(1)]	**($m)**	**The Group**	**NIP**	**NBI**	**NFPE[(6)]**
6	Common Equity Tier 1 ("CET1") before regulatory adjustments	**5,745**	**5,408**	**159**	**700**
28	Total Regulatory Adjustments to Common Equity Tier 1[(2)]	**(115)**	**(185)**	**108**	**(6)**
45	**Tier 1 Capital**	**5,630**	**5,222**	**267**	**694**
46	**Tier 2 Capital**	2,160	1,260	-	214
59	**Total Capital**	**7,790**	**6,482**	**267**	**909**
62	**Tier 1 Ratio[(3)]**	**16.57%**	**16.16%**	**293.99%**	**37.45%**
63	**Total Capital as a percentage of total risk exposure amounts**	22.93%	20.06%	293.99%	49.01%
64	Institution specific buffer requirement[(4)]	2.57%	2.56%	2.50%	2.55%
65	of which: Capital conservation buffer requirement	2.50%	2.50%	2.50%	2.50%
66	of which: Countercyclical capital buffer requirement	0.07%	0.06%	0.00%	0.05%
68	Common Equity Tier 1 available to meet buffers[(5)]	7.48%	6.79%	285.99%	28.45%

1. *Implementing Technical Standards Regulations (EU) no. 1423/2013*
2. *Regulatory adjustments per CRR article 33 (1) (b), (c), article 105 and intangible asset deductions per article 37*
3. *Tier 1 capital ratio is equal to the CET1 ratio*
4. *Institution specific buffer requirement: capital conservation buffer plus countercyclical capital buffer requirements expressed as a percentage*
5. *Common Equity Tier 1 available to meet minimum Tier 1 total capital requirements (Pillar 1 + Pillar 2A) as there are no innovative Tier 1 instruments*
6. *NFPE reports in Euros and was converted to dollars at a rate of 0.8626*

No restrictions have been applied to the calculation of Common Equity Tier 1 or the prudential filters to Common Equity Tier 1 ("CET1"). The Group is applying transitional provisions of IFRS 9 to Own Funds.

Tier 1 Capital consists of share capital and reserves.

Tier 2 Capital consists of subordinated debt.

Transitional Provisions

CRR Article 473a (8)

Following adoption of IFRS 9 on 1 April 2018 the Group now applies the Expected Credit Loss ("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.

CRR article 473a ECL transitional relief has been extended to provide additional ECL relief following COVID-19. The relief permits the Group to add back to its own funds 100% of any increases in ECL arising from 1 January 2020 (deemed to be as a result of COVID-19) with the relief factor reducing to 25% by 2025. Prior to January 2020, the ECL relief factor currently stands at 50% which will phase out to 25% by 2023.

IFRS 9-FL: Transitional Provisions of the Group

	The Group				
$(m)	**Sep-21**	**Jun-21**	**Mar-21**	**Dec-20**	**Sep-20**
Available Capital					
Common Equity Tier 1 (CET1) capital	5,630	5,708	5,710	5,374	5,358
Common Equity Tier 1 (CET1) capital as if IFRS 9 ECL transitional arrangements had not been applied	5,629	5,705	5,707	5,370	5,345
Tier 1 capital	5,630	5,708	5,710	5,374	5,358
Tier 1 capital as if IFRS 9 ECL transitional arrangements had not been applied	5,629	5,705	5,707	5,370	5,345
Total capital	7,790	7,868	7,870	7,534	7,518
Total capital as if IFRS 9 ECL transitional arrangements had not been applied	7,789	7,865	7,867	7,530	7,505
Risk Weighted Assets					
Total risk-weighted assets	33,976	33,544	33,291	33,853	30,625
Capital Ratios					
Common Equity Tier 1 (as a percentage of risk exposure amount)	16.6%	17.0%	17.2%	15.9%	17.5%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	16.6%	17.0%	17.1%	15.9%	17.5%
Tier 1 (as a percentage of risk exposure amount)	16.6%	17.0%	17.2%	15.9%	17.5%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	16.6%	17.0%	17.1%	15.9%	17.5%
Total capital (as a percentage of risk exposure amount)	22.9%	23.5%	23.6%	22.3%	24.5%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	22.9%	23.4%	23.6%	22.2%	24.5%
Leverage Ratio					
Leverage ratio total exposure measure	164,931	161,959	154,099	168,800	163,988
Leverage ratio	3.4%	3.5%	3.7%	3.2%	3.3%
Leverage ratio as if IFRS 9 ECL transitional arrangements had not been applied	3.4%	3.5%	3.7%	3.2%	3.3%

IFRS 9-FL: Transitional Provisions of NIP

	NIP				
$(m)	**Sep-21**	**Jun-21**	**Mar-21**	**Dec-20**	**Sep-20**
Available Capital					
Common Equity Tier 1 (CET1) capital	5,222	5,324	5,349	5,067	5,141
Common Equity Tier 1 (CET1) capital as if IFRS 9 ECL transitional arrangements had not been applied	5,220	5,321	5,345	5,063	5,128
Tier 1 capital	5,222	5,324	5,349	5,067	5,141
Tier 1 capital as if IFRS 9 ECL transitional arrangements had not been applied	5,220	5,321	5,345	5,063	5,128
Total capital	6,482	6,584	6,609	6,327	6,401
Total capital as if IFRS 9 ECL transitional arrangements had not been applied	6,480	6,581	6,605	6,323	6,388
Risk Weighted Assets					
Total risk-weighted assets	32,321	32,469	31,686	32,840	29,602
Capital Ratios					
Common Equity Tier 1 (as a percentage of risk exposure amount)	16.2%	16.4%	16.9%	15.4%	17.4%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	16.2%	16.4%	16.9%	15.4%	17.3%
Tier 1 (as a percentage of risk exposure amount)	16.2%	16.4%	16.9%	15.4%	17.4%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	16.2%	16.4%	16.9%	15.4%	17.3%
Total capital (as a percentage of risk exposure amount)	20.1%	20.3%	20.9%	19.3%	21.6%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 ECL transitional arrangements had not been applied	20.0%	20.3%	20.8%	19.3%	21.6%
Leverage Ratio					
Leverage ratio total exposure measure	156,018	154,523	148,038	164,248	159,081
Leverage ratio	3.3%	3.4%	3.6%	3.1%	3.2%
Leverage ratio as if IFRS 9 ECL transitional arrangements had not been applied	3.3%	3.4%	3.6%	3.1%	3.2%

Capital Requirements and Buffers

OV1: Capital Requirements and Risk Weighted Exposure

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

The Group and NIP RWA and capital requirements

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

	Sep-21			
	The Group		NIP	
$m	**RWA**	**Minimum Requirement[1]**	**RWA**	**Minimum Requirement[1]**
Total market risk capital requirement	6,241	499	5,924	474
Total counterparty risk and credit risk capital requirement	20,985	1,679	19,966	1,597
Total settlement risk capital requirement	38	3	38	3
Total operational risk capital requirement	3,218	257	3,041	243
Total credit valuation adjustment capital requirement	3,495	280	3,353	268
Total large exposure risk capital requirement	-	-	-	-
Total	**33,976**	**2,718**	**32,321**	**2,586**

Movements in RWA over the period (30th June 2021 to 30th September 2021)

NIP

NIP's total RWA requirement reduced by $147m (0.46%). No material movement compared to previous quarter.

NEHS

The Group's RWA requirement increased by $432m (1.27%) mainly due to increase in credit risk requirement in European entities (NBL).

CCyB2: Countercyclical Capital Buffer

The Countercyclical Capital Buffer ("CCyB") has been established to create capital buffers that adjust according to market conditions. This buffer must be met with CET1 capital.

$m	**The Group**
Total RWA	33,976
Institution specific CCyB rate	0.0654%
Institution specific CCyB requirement	**22**

The CCyB requirement has remained stable during the quarter. The CCyB requirement for NIP is materially in line with the Group.

Counterparty Credit Risk

CCR1: Analysis of Counterparty Credit Risk RWA by Approach

The table provides the Group's Exposure at Default ("EAD") and Counterparty Credit Risk ("CCR") RWA by calculation methodology, with the exception of Credit Valuation Adjustment ("CVA") and exposures cleared through a CCP. CCR RWA for NIP is materially in line with the Group.

$m	Current Market Value	Potential Future Exposure	EEPE	Multiplier	EAD post-CRM	RWA
Mark to Market	7,537	11,816			7,027	4,209
IMM (for Derivatives and SFTs)			13,815		18,988	9,536
Of which derivatives			6,504	1.4	9,104	6,199
Of which securities financing transactions			7,311	1.4	9,883	3,337
Master Netting Agreement					11,506	3,704
Total					**37,521**	**17,449**

CCR2: Credit Valuation Adjustment

The table shows the Group's EAD and RWA by standardised and advanced approaches.

$m	EAD	RWA
Total Portfolios Subject to the Advanced Method	5,583	1,630
(i) VaR component (including the 3×multiplier)		1,027
(ii) Stressed VaR component (including the 3×multiplier)		603
All Portfolios Subject to the Standardised Method	3,996	1,866
Total subject to the CVA capital charge	**9,580**	**3,495**

CCR7: RWA Flow Statements of CCR Exposures under IMM

The table shows how the Group's RWA under Internal Model Method ("IMM") have changed over the quarter.

$m	RWA	Capital Requirements [(1)]
RWA as at 30th June 2021	**9,204**	**736**
Asset size	293	23
Model updates (IMM only)	38	3
Credit quality of counterparties	1	0
RWA as at 30th September 2021	**9,536**	**763**

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

Change in RWA is predominantly due to changes in the composition of the portfolio during the quarter.

CCR8: Exposures to Central Counterparties

The table shows the Group's EAD to qualifying central counterparties ("QCCP")

$m	EAD	RWA
Exposures to QCCP (total)		**269**
Exposures for trades at QCCP (excluding initial margin and default fund contributions); of which	5,812	116
(i) OTC derivatives	3,704	74
(ii) Exchange-traded derivatives	696	14
(iii) SFTs	1,412	28
(iv) Netting sets where cross-product netting has been approved		
Segregated initial margin	1,239	
Non-segregated initial margin	1,739	35
Prefunded default fund contributions	329	118
Alternative calculation of own funds requirements for exposures	-	-

Credit Risk

CR1-A: Credit Quality of Exposures by Exposure Class and Instruments

The tables shows the Group's gross carrying value and net credit risk exposures by counterparty type and instrument. Net values represent exposures before CRM and CCF.

	The Group						
	Gross Carrying values of:		Specific Credit Risk Adjustment	General Credit Risk Adjustment	Accumulated Write-offs	Credit Risk Adjustment Charges of the Period	Net Values
$m	Defaulted	Non-Defaulted					
Central Governments or Central Banks	-	8,314	-	-	-	-	8,314
Corporates	-	5,557	-	-	-	-	5,557
Institutions	-	3,002	-	-	-	-	3,002
Multilateral Development Banks	-	0	-	-	-	-	0
Public sector entities	-	0	-	-	-	-	0
Regional governments or local authorities	-	0	-	-	-	-	0
Equity Exposures	-	24	-	-	-	-	24
Other items	-	155	-	-	-	-	155
Exposures in default	31	-	-	-	-	-	31
Total SA approach	**31**	**17,053**	**-**	**-**	**-**	**-**	**17,084**
Total	**31**	**17,053**	**-**	**-**	**-**	**-**	**17,084**
of which: Loans	4	356	-	-	-	-	360
of which: Debt Securities	-	972	-	-	-	-	972
of which: Off-balance sheet exposures	27	4,506	-	-	-	-	4,533

	NIP						
	Gross Carrying values of:		Specific Credit Risk Adjustment	General Credit Risk Adjustment	Accumulated Write-offs	Credit Risk Adjustment Charges of the Period	Net Values
$m	Defaulted	Non-Defaulted					
Central Governments or Central Banks	-	5,058	-	-	-	-	5,058
Corporates	-	2,774	-	-	-	-	2,774
Institutions	-	2,648	-	-	-	-	2,648
Multilateral Development Banks	-	0	-	-	-	-	0
Public sector entities	-	0	-	-	-	-	0
Regional governments or local authorities	-	0	-	-	-	-	0
Equity Exposures	-	37	-	-	-	-	37
Other items	-	106	-	-	-	-	106
Exposures in default	31	-	-	-	-	-	31
Total SA approach	**31**	**10,624**	**-**	**-**	**-**	**-**	**10,654**
Total	**31**	**10,624**	**-**	**-**	**-**	**-**	**10,654**
of which: Loans	4	307	-	-	-	-	311
of which: Debt Securities	-	11	-	-	-	-	11
of which: Off-balance sheet exposures	27	2,712	-	-	-	-	2,739

Market Risk

MR1: Market Risk under the Standardised Approach

The table shows a breakdown of RWA and capital requirements for market risk calculated under the standardised approach.

$m	The Group		NIP	
	RWA	Capital Requirements(1)	RWA	Capital Requirements(1)
Outright products				
Interest rate risk (general and specific)	1,017	81	1,017	81
Equity risk (general and specific)	101	8	101	8
Foreign exchange risk	574	46	572	46
Commodity risk	-	-	-	-
Options				
Simplified approach	-	-	-	-
Delta-plus method	-	-	-	-
Scenario approach	-	-	-	-
Securitisation (specific risk)	-	-	-	-
Total	**1,692**	**135**	**1,690**	**135**

1. *Pillar 1 capital requirement*

MR2-A: Market Risk under the Internal Model Approach

The table shows a breakdown of RWA and capital requirements for under the Internal Model Approach ("IMA").

$m	The Group		NIP	
	RWA	Capital Requirements(2)	RWA	Capital Requirements(2)
VaR (10 day 99%)				
Period end	158	13	137	11
60 Day Average Multiplied by 3	530	42	463	37
Higher value[1]	**530**	**42**	**463**	37
Stressed VaR (10 day 99%)				
Period end	371	30	337	27
60 Day Average Multiplied by 3	1,136	91	1,033	83
Higher value[1]	**1,136**	**91**	**1,033**	83
Incremental Risk Charge (99.9%)				
Period end	226	18	224	18
60 Day Average	227	18	226	18
Higher value[1]	**227**	**18**	**226**	18
Comprehensive Risk capital charge (99.9%)				
Period end	0	0	0	0
60 Day Average	0	0	0	0
Higher value[1]	**0**	**0**	**0**	0
Risk Not In VaR	**116**	**9**	**116**	9
Stressed Risk Not In VaR	**2,401**	**192**	**2,258**	181
IRC Risk Not in VaR	**138**	**11**	**138**	11
Total	**4,549**	**364**	**4,234**	**339**

1. The Group Capital Requirement is calculated by aggregating the requirements for the individual entities. This includes the capital requirement for NFPE.
2. Pillar 1 capital requirement

MR2-B: Model RWA Flow Statements

The table shows a breakdown of the changes in IMA market risk RWA between 30th June 2021 and 30th September 2021

	The Group						
$m	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWA	Capital Requirements(1)
RWA at Jun-21	453	1,294	242	0	2,519	4,508	361
Movement in risk levels	89	(145)	(40)		37	(58)	(5)
Model updates/changes	(12)	(12)	25		99	99	8
RWA at Sep-21	**530**	**1,137**	**227**	**0**	**2,655**	**4,549**	**364**

	NIP						
$m	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWA	Capital Requirements(1)
RWA at Jun-21	420	1,237	240	0	2,396	4,293	343
Movement in risk levels	55	(191)	(40)		17	(158)	(12)
Model updates/changes	(12)	(12)	25		99	99	8
RWA at Sep-21	**463**	**1,034**	**225**	**0**	**2,512**	**4,234**	**339**

1. Pillar 1 capital requirement. *The Group Capital Requirement is calculated by aggregating the requirements for the individual entities. This includes the capital requirement for NFPE.*

Movements in the Group's RWA under IMA

- Increase in VaR mainly due to increase in portfolio changes- reduced short USD rates DV01
- Decrease in SVaR mainly due to inclusion of inflation products in IMA (in July ME) after they were moved from greeks based valuations to full reval/grid based valuations.
- Increase in Other ("RNIV") is mainly due to increase in IRC RNIV driven by methodology changes, which included switch to three factor model, treatment of sovereign obligors and short-term maturity positions

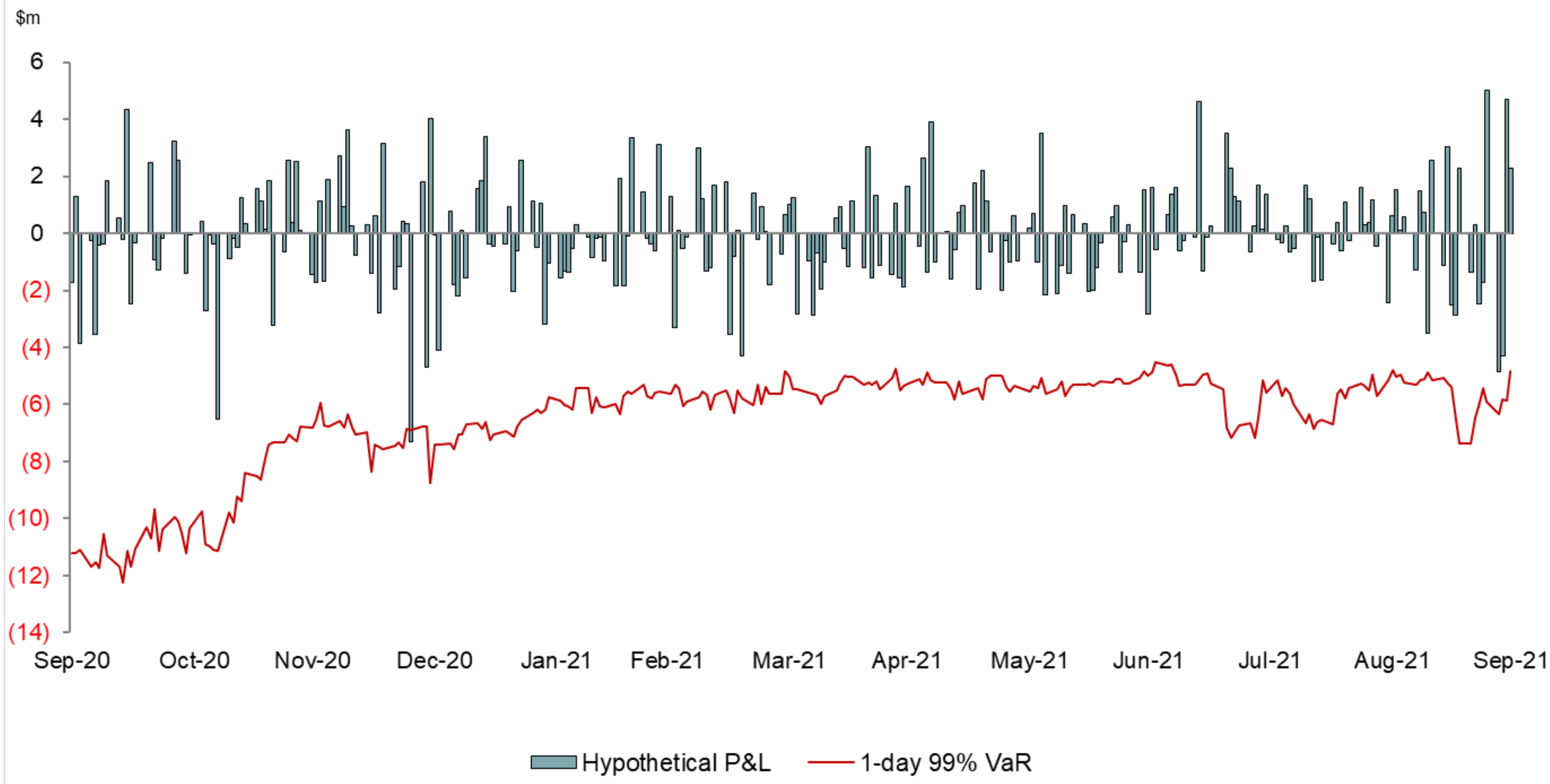
MR3: Review of Market Risk Regulatory Measures

The table shows the internal model regulatory measures used for capital calculations

$m	The Group	NIP
VaR (10 day 99%)		
Maximum value	19	17
Average value	13	12
Minimum value	10	9
Period end	13	11
SVaR (10 day 99%)		
Maximum value	41	38
Average value	32	30
Minimum value	21	19
Period end	30	27
IRC (99.9%)		
Maximum value	21	21
Average value	19	19
Minimum value	16	16
Period end	18	18
Comprehensive Risk capital charge (99.9%)		
Maximum value	-	-
Average value	-	-
Minimum value	-	-
Period end	-	-

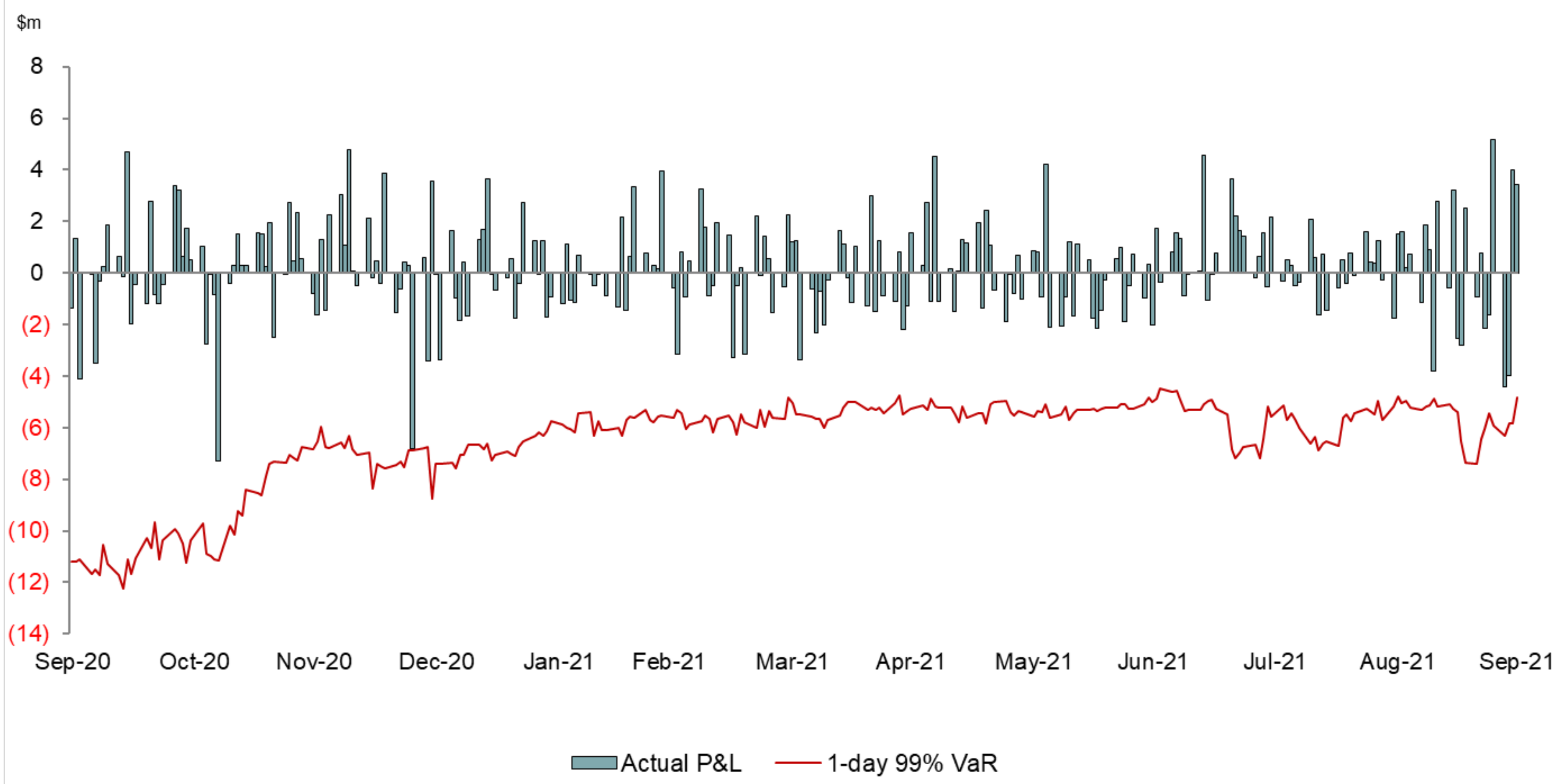
MR4: Comparison of VaR Estimates with Hypothetical Gains / Losses for NIP

The chart below provides a comparison of VaR to the hypothetical profit and loss on a daily basis over the 12 months period ending 30th September 2021 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 12 months period ending 30th September 2021 for NIP's PRA approved internal model approach.



1-day trading losses exceeded the 99% VaR estimate on one occasion for the company for the 12 months period ending on 30th September 2021.

Leverage

Leverage disclosures have been prepared in accordance with the requirements of the EU Capital Requirements Regulation (CRR) as amended by Delegated Regulation (EU) 2015/62.

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 includes assets as reported on the balance sheet under UK GAAP.

Leverage Exposure Management

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

LRSum: Leverage Reconciliation of Account Assets and Leverage Ratio Exposure

CRR Article 451

$m	The Group	NIP
Total assets as per published financial statements	**9,710**	**232,905**
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation [1]	231,213	-
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR")	-	-
Adjustments for derivative financial instruments	(68,412)	(67,724)
Adjustments for securities financing transactions "SFTs"	(9,085)	(9,527)
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	1,540	1,898
(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013) [2]	-	(1,508)
(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	-	-
Other adjustments	(35)	(25)
Total leverage ratio exposure	**164,931**	**156,018**

1. *Number represents consolidation adjustments for the Group plus adjustments for entities which are not consolidated for accounting purposes but are inside the scope of the regulatory consolidation.*
2. *NIP's exposure to NBI are exempt.*

LRSpl: Breakdown of On Balance Sheet Leverage Exposures

$m	The Group	NIP
Trading book exposures	26,859	26,384
Banking book exposures, of which:	12,876	7,937
Exposures treated as sovereigns	8,306	5,018
Institutions	3,295	1,811
Corporate	1,008	878
Exposures in default	4	4
Other exposures	263	227
Total on-balance sheet exposures	**39,735**	**34,321**

LRCom: Leverage Ratio Common Disclosure

$m	The Group	NIP
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	39,735	34,321
(Asset amounts deducted in determining Tier 1 capital)	(21)	(11)
Total on-balance sheet exposures	**39,715**	**34,310**
Derivative exposures		
Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	3,933	3,680
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	49,857	48,579
Exposure determined under Original Exposure Method	-	-
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(10,321)	(9,901)
(Exempted CCP leg of client-cleared trade exposures)	(833)	(833)
Adjusted effective notional amount of written credit derivatives	197,156	196,955
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(196,717)	(196,516)
Total derivative exposures	**43,076**	**41,964**
Securities financing transaction exposures		
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	218,449	215,810
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(147,607)	(146,645)
Counterparty credit risk exposure for SFT assets	9,758	10,189
Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-	-
Agent transaction exposures	-	-
(Exempted CCP leg of client-cleared SFT exposure)	-	-
Total securities financing transaction exposures	**80,601**	**79,354**
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	5,374	5,944
(Adjustments for conversion to credit equivalent amounts)	(3,833)	(4,046)
Total Other off-balance sheet exposures	**1,540**	**1,898**
Exempted exposures		
(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-	(1,508)
(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-	-
Total exempted exposures	**-**	**(1,508)**
Capital and total exposures		
Tier 1 capital	**5,629**	**5,220**
Total leverage ratio exposures	**164,931**	**156,018**
Leverage ratio	**3.4%**	**3.3%**
Choice on transitional arrangements and amount of derecognised fiduciary items		
Choice on transitional arrangements for the definition of the capital measure	Fully phased in	Fully phased in
Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013		

Appendix 1 – Other Disclosures

CCR5-A: Impact of Netting and Collateral Held on Exposures

The table shows the Group's derivative exposures under the mark to market approach broken down by gross positive fair value before netting. Net credit exposure (EAD) is after the application of netting, PFE and collateral. Derivative exposures under the mark to market method for NIP are materially in line with the Group.

$m	Gross Positive Fair Value or Net Carrying Amount	Netting benefits	Netted Current Credit Exposure	Collateral Held	Net Credit Exposure
Mark to Market Method	44,389	(36,247)	25,593	12,427	13,166
Total	**44,389**	**(36,247)**	**25,593**	**12,427**	**13,166**

CCR5-B: Composition of Collateral for Exposures to Counterparty Credit Risk

The table shows the collateral type and amount used and posted in relation to the Group's trading activity. Collateral segregated relates to collateral being held by a third party.

$m	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Security	75	1,183	1,463	720	187,542	193,651
Cash	48	24,576	-	14,184	150,880	144,114
Total	**122**	**25,758**	**1,463**	**14,904**	**338,422**	**337,764**

Table includes collateral used in internal model method

CCR3: Counterparty Risk Exposures by Risk Weight

The table provides the Group CCR EAD reported in CCR1, by risk weight. The CCR EAD for NIP is materially in line with the Group.

$m	Risk Weight (%)								
	0	2	4	20	50	100	150	Total	of which unrated
Central Governments or Central Banks	3,494	-	-	470	5	75	-	**4,045**	1,906
Corporates	-	-	-	102	1,775	10,683	288	**12,848**	10,247
Institutions	-	7,548	3	11,762	4,761	123	-	**24,198**	14,223
Multilateral Development Banks	159	-	-	24	-	-	-	**183**	12
Public Sector Entities	2,089	-	-	1,555	27	65	-	**3,736**	1,352
Regional governments or Local Authorities	44	-	-	17	-	-	-	**61**	6
International Organisations	0	-	-	-	-	-	-	**0**	0
Equity Exposures	-	-	-	-	-	-	-	-	
Other Items	-	-	-	-	-	-	-	-	
Total	**5,786**	**7,548**	**3**	**13,931**	**6,569**	**10,946**	**288**	**45,072**	**27,747**

CR4: Credit Risk Exposure and Credit Risk Mitigation

Tables show the effect of CRM and CCF on Credit risk exposures by exposure class split by on balance sheet ("On B/S") and off balance sheet ("Off B/S")

	The Group					
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
$m	On B/S	Off B/S	On B/S	Off B/S	Total On & Off B/S RWA	RWA density[1]
Central Governments or Central Banks	8,314	-	8,314	-	23	**0.3%**
Corporates	1,201	4,356	1,201	1,219	2,397	**99.1%**
Institutions	2,852	151	2,852	75	641	**21.9%**
Multilateral Development Banks	0	-	0	-	0	**15.9%**
Public Sector Entities	0	-	0	-	0	**6.7%**
Regional governments or Local Authorities	0	-	0	-	0	**150.0%**
Equity Exposures	24	-	24	-	24	**100.0%**
Other items	155	-	155	-	155	**100.0%**
Exposures in default	4	27	4	14	26	**150.0%**
Total	**12,550**	**4,533**	**12,550**	**1,307**	**3,266**	**24%**

	NIP					
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
$m	On B/S	Off B/S	On B/S	Off B/S	Total On & Off B/S RWA	RWA density[1]
Central Governments or Central Banks	5,058	-	5,058	-	23	**0.5%**
Corporates	1,077	1,697	1,078	1,192	2,273	**100.1%**
Institutions	1,633	1,014	1,633	507	367	**17.1%**
Multilateral Development Banks	0	-	0	-	0	**15.9%**
Public Sector Entities	0	-	0	-	0	**6.7%**
Regional governments or Local Authorities	0	-	0	-	0	**150.0%**
Equity Exposures	37	-	37	-	37	**100.0%**
Other items	106	-	106	-	106	**100.0%**
Exposures in default	4	27	4	14	26	**150.0%**
Total	**7,916**	**2,739**	**7,917**	**1,713**	**2,831**	**29%**

1. Total RWA / Total on and off balance sheet exposure post CRM and CCF

CR5: Credit Risk Exposure by Risk Weight

Table shows the breakdown of credit risk exposure for the Group by risk weight. Exposures are after CRM and CCF.

	Risk Weight (%)								
$m	**0**	**20**	**50**	**100**	**150**	**250**	**1250**	**Total**	**of which unrated**
Central Governments or Central Banks	8,290	-	2	22	-	-	-	**8,314**	2,590
Corporates	0	2	351	1,758	309	-	0	**2,420**	1,616
Institutions	-	2,797	113	-	17	-	-	**2,927**	167
Multilateral Development Banks	0	0	-	-	-	-	-	**0**	-
Public Sector Entities	0	0	0	-	-	-	-	**0**	0
Regional governments or Local Authorities	-	-	-	-	0	-	-	**0**	-
Equity Exposures	-	-	-	24	-	0	-	**24**	24
Other Items	0	-	-	155	-	-	-	**155**	155
Exposures in default	-	-	-	-	17	-	-	**17**	-
Total	**8,291**	**2,799**	**466**	**1,959**	**343**	**0**	**0**	**13,858**	**4,552**

CR3: Credit Risk Mitigation Techniques

Tables show the carrying values of exposures for loans and debt securities for the Group and NIP.

	The Group				
$m	**Exposures unsecured – Carrying amount**	**Exposures to be secured**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
Total Loans	52	-	308	-	-
Total Debt Securities	972	-	-	-	-
Total Exposures	**1,024**	**-**	**308**	**-**	**-**

	NIP				
$m	**Exposures unsecured – Carrying amount**	**Exposures to be secured**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
Total Loans	3	-	308	-	-
Total Debt Securities	11	-	-	-	-
Total Exposures	**14**	**-**	**308**	**-**	**-**

CCR6: Credit Derivative Exposures

The table shows the credit derivative hedges bought and sold by the Group

$m	The Group		
	Credit derivative hedges		Other credit derivatives
	Protection bought	Protection sold	
Notionals			
Single-name credit default swaps	55,978	55,242	
Index credit default swaps	126,702	126,437	
Total return swaps	-	-	
Credit options	-	-	
Other credit derivatives	15,968	15,966	
Total Notionals	**198,647**	**197,646**	
Fair Values			
Positive fair value (asset)	642	4,510	
Negative fair value (liability)	(4,439)	(729)	

Analysis of Past Due, Non-Performing and Forborne Exposures

In December 2018, the EBA published guidelines on the disclosure of non-performing and forborne exposures, to be applied from December 2019. The guidelines introduce ten new reporting templates providing a uniform disclosure format for non-performing exposures, forborne exposures and foreclosed assets.

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 six of the ten templates are not applicable on the basis that its non-performing loan ratio is significantly lower than the reporting threshold. As per the ‘EBA guidelines on disclosure of Non-Performing and forborne exposures’ (EBA/GL/2018/10 dated 17th December 2018), Institutions that, according to the EBA 2016 guidelines, are required to disclose CR 1-B “Credit quality of exposures by industry or counterparty types” and CR 1-C “Credit quality of exposures by geography”, will be able to comply with this obligation by disclosing CQ 5 “Quality of non-performing exposures by geography” and CQ6 “Credit quality of loans and advances by industry” on a semi-annual basis. Hence, the Group has opted to report CQ 5 and CQ 6 instead of CR 1-B and CR 1-C.

The remaining four templates are not subject to threshold criteria, however template CQ9 “Collateral obtained by taking possession and execution process” is not applicable as the Group has no collateral taken into possession that is recognised on the balance sheet as at 30th September, 2021.

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 1: Credit quality of forborne exposures

$m	The Group							
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired				
Loans and advances	-	4	4	4	-	-	-	-
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-
Non-financial corporations	-	4	4	4	-	-	-	-
Households	-	-	-	-	-	-	-	-
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	-	-	-	-	-	-	-	-

Template 3: Credit quality of performing and non-performing exposures by past due days

The table shows credit quality of performing and non-performing exposures by past due days for the Group.

$m	The Group Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		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
Loans and advances	115,685	115,668	18	4	-	-	4	-	-	-	-	4
Central banks	7,597	7,597	-	-	-	-	-	-	-	-	-	-
General governments	4,440	4,440	-	-	-	-	-	-	-	-	-	-
Credit institutions	17,757	17,757	0	-	-	-	-	-	-	-	-	-
Other financial corporations	85,494	85,477	18	-	-	-	-	-	-	-	-	-
Non-financial corporations	396	396	0	4	0	-	4	-	-	-	-	4
Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-
Households	1	1	-	-	-	-	-	-	-	-	-	-
Debt securities	961	961	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	760	760	-	-	-	-	-	-	-	-	-	-
Credit institutions	65	65	-	-	-	-	-	-	-	-	-	-
Other financial corporations	63	63	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	73	73	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	858			27								27
Central banks	-			-								-
General governments	-			-								-
Credit institutions	-			-								-
Other financial corporations	339			-								-
Non-financial corporations	519			27								27
Households	-			-								-
Total	**117,504**	**116,629**	**18**	**31**	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**31**

Template 4: Performing and non-performing exposures and related provisions

The table shows performing and non-performing exposures and related provisions for the Group.

$m	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			
Loans and advances	115,685	26,759	19	4	-	4	(2)	-	(1)	-	-	-	-	91,741	-
Central banks	7,597	7,552	-	-	-	-	-	-	-	-	-	-	-	46	-
General governments	4,440	175	-	-	-	-	-	-	-	-	-	-	-	4,265	-
Credit institutions	17,757	5,911	-	-	-	-	(0)	(0)	-	-	-	-	-	12,158	-
Other financial corporations	85,494	12,973	9	-	-	-	(1)	(0)	(1)	-	-	-	-	74,955	-
Non-financial corporations	396	147	10	4	0	4	(1)	(0)	(0)	-	-	-	-	317	0
Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	961	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	760	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	63	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	73	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	858	822	36	27	27	-	(1)	-	-	-	-	-		-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Other financial corporations	339	339	-	-	-	-	(0)	(0)	-	-	-	-		-	-
Non-financial corporations	519	483	36	27	27	-	(1)	(0)	(0)	-	-	-		-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Total	**117,504**	**27,581**	**55**	**31**	**27**	**4**	**(3)**	**-**	**(1)**	**-**	**-**	**-**	**-**	**91,741**	**-**

Template 5: Quality of non-performing exposures by geography

The table shows quality of non-performing exposures by geography for the Group.

$m	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	**116,650**	**4**	**4**	**26,782**	**(1)**		**-**
Region - EMEA	47,038	4	4	14,282	(1)		-
France	16,662	-	-	907	(0)		-
United Kingdom	14,410	4	4	7,567	(0)		-
Germany	3,199	-	-	1,995	(0)		-
Denmark	2,747	-	-	17	-		-
Luxembourg	2,663	-	-	1,396	(0)		-
Spain	821	-	-	123	-		-
Switzerland	810	-	-	682	-		-
Turkey	797	-	-	24	-		-
Bahrain	613	-	-	4	-		-
Other countries	4,316	-	-	1,567	(1)		-
Region - Americas	26,792	-	-	4,901	-		-
United States Of America	12,387	-	-	2,739	(0)		-
Cayman Islands	12,373	-	-	1,733	(0)		-
British Virgin Islands	1,021	-	-	77	-		-
Brazil	395	-	-	13	-		-
Other countries	616	-	-	339	-		-
Region - Asia Pacific	42,820	-	-	7,599	-		-
Japan	34,352	-	-	5,725	-		-
Singapore	4,145	-	-	1,018	-		-
Hong Kong	2,394	-	-	560	-		-
Korea (South) Rep	81	-	-	53	-		-
Other countries	1,848	-	-	243	-		-

Off-balance-sheet exposures	**859**	**27**	**-**	**-**	**-**	**(1)**	**-**	**-**
Region - EMEA	837	27	-			(1)		
France	366	-	-			(0)		
United Kingdom	306	27	-			(0)		
Luxembourg	79	-	-			(0)		
Netherlands	41	-	-			(0)		
Other countries	45	-	-			(1)		
Region - Americas	22	-	-			-		
Cayman Islands	15	-	-			(0)		
United States Of America	7	-	-			(0)		
Total	**117,509**	**31**	**4**	**26,782**	**(1)**	**(1)**	-	

Template 6: Credit quality of loans and advances by industry

The table shows credit quality of loans and advances by industry for the Group.

$m	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			
Agriculture, forestry and fishing	0	-	-	0	-	-
Mining and quarrying	-	-	-	-	-	-
Manufacturing	82	-	-	40	(1)	-
Electricity, gas, steam and air conditioning supply	21	-	-	0	-	-
Water supply	3	-	-	-	-	-
Construction	58	-	-	-	-	-
Wholesale and retail trade	1	-	-	1	-	-
Transport and storage	67	-	-	4	-	-
Accommodation and food service activities	4	4	4	4	-	-
Information and communication	3	-	-	1	(0)	-
Financial and insurance activities	-	-	-	-	-	-
Real estate activities	108	-	-	108	(0)	-
Professional, scientific and technical activities	27	-	-	0	-	-
Administrative and support service activities	24	-	-	3	(0)	-
Public administration and defence, compulsory social security	0	-	-	0	-	-
Education	-	-	-	-	-	-
Human health services and social work activities	0	-	-	0	-	-
Arts, entertainment and recreation	1	-	-	0	-	-
Other services	-	-	-	-	-	-
Total	**400**	**4**	**4**	**161**	**(1)**	**-**