



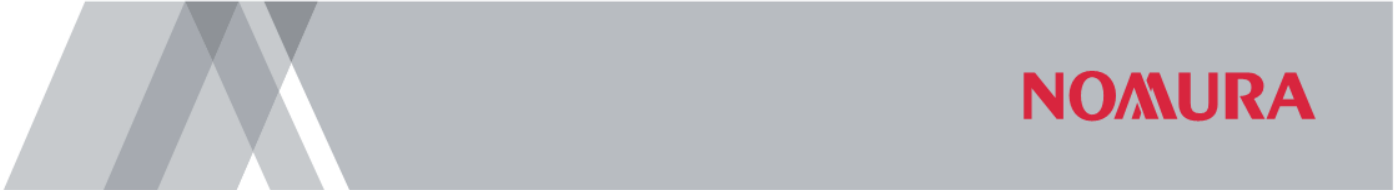
**Nomura Bank (Luxembourg) S.A.**  
**Pillar 3 report for the financial year ending**  
**31 March 2025**

Classification: Public / With Personal Data

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## Glossary of Acronyms

ACC	Financial Accounting Department
ALCO	Assets and Liabilities Committee
BCP	Business Continuity Plan
CCR	Counterparty Credit Risk
CFP	Contingency Funding Plan
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CSA	Credit Support Annex
CSD	Credit Support Deeds
CVA	Credit Valuation Adjustment
DRP	Disaster Recovery Planning
ECL	Expected Credit Loss
ERM	Enterprise Risk Management
EU	European Union
ExCom	Executive Committee
FX	Foreign Exchange
FXD	Forex Dealing Department
GMRA	Global Master Repurchase Agreement
HQLA	High-Quality Liquid Assets
HR	Human Resources
ICAAP	Internal Capital Adequacy Assessment Process
ICT	Information and Communications Technology
ILAAP	Internal Liquidity Adequacy Assessment Process
IRB	Internal Ratings Based
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swaps and Derivatives Association
LCR	Liquidity Coverage Ratio
LMD	Liquidity Management Department
MCO	Maximum Cumulative Outflow
NBL	Nomura Bank (Luxembourg) S.A.
NSFR	Net Stable Funding Ratio
NPAC	New Product Approval Committee
ORM	Operational Risk Management
OTC	Over-the-Counter
RCSA	Risk and Control Self-Assessment
SFT	Securities Financing Transaction
SME	Small and Medium Enterprises



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## 1. Introduction and Regulatory Framework

The disclosures made in this document do not constitute financial statements and are not required to be subject to an external audit.

This report presents the Pillar 3 disclosures of Nomura Bank (Luxembourg) S.A. (hereinafter referred to as 'NBL' or 'the Bank') for the financial year ending 31 March 2025, as required by the global regulatory framework for capital and liquidity established by the Basel Committee on Banking Supervision, also known as Basel 3.

At the European level, these requirements are implemented through Part Eight of the Regulation (EU) No 575/2013, as amended, commonly referred to as the 'Capital Requirements Regulation' or 'CRR'. The Part Eight of CRR has been further amended by EU Regulation No. 2024/1623. The requirements are also addressed in Directive 2013/36/EU, as amended, commonly referred to as the 'Capital Requirements Directive IV' or 'CRD IV', which strengthens the prudential requirements for credit institutions and investment firms.

The Commission Implementing Regulation (EU) 2021/637 (to be repealed as of 31 December 2025 by Commission Implementing Regulation (EU) 2024/3172) lays down implementing technical standards (ITS on Pillar 3 disclosures) with regard to public disclosures by institutions of the information referred to Titles II and III of Part Eight of CRR.

In accordance with CRR III, the Pillar 3 framework applies to all active banks at the top consolidated level. NBL qualifies as the highest level of consolidation at European level.

As such:

1. No institution which is either a parent undertaking or a subsidiary, and no institution included in the consolidation, shall be required to comply with the obligations laid down in Part Eight on an individual basis (CRR Article 6(3));
2. EU parent institutions shall comply with Part Eight on the basis of their consolidated situation (CRR III Article 13(1), subparagraph 1);
3. Large subsidiaries of EU parent institutions shall disclose the information specified in Articles 437, 438, 440, 442, 450, 451, 451a and 453 on an individual basis or, where applicable in accordance with this Regulation and Directive 2013/36/EU, on a sub-consolidated basis (CRR III Article 13(1), subparagraph 2);
4. CRR III Article 13(1) shall not apply to EU parent institutions, EU parent financial holding companies, EU parent mixed financial holding companies or resolution entities where they are included in equivalent disclosures on a consolidated basis provided by a parent undertaking established in a third country (CRR III Article 13(3)).

Under the proportionality of disclosure, NBL is classified as an "other institution" under CRR III. This classification determines the scope and frequency of disclosures which are annual and limited to specific articles. As NBL's shares are not publicly traded, the requirement to publish key metrics on a semi-annual basis is not applicable.

NBL Pillar 3 report is divided into the following sections, as follows:

- Section 2 presents the Bank's structure and governance;
- Section 3 presents the Bank's risk management framework;
- Section 4 presents the Bank's own funds and capital adequacy;
- Section 5 presents information on credit risk;
- Section 6 presents information on market risk;
- Section 7 presents information on operational risk;
- Section 8 presents information on liquidity risk;
- Section 9 presents information the leverage ratio;
- Section 10 presents information on remuneration;
- Section 11 presents appendices and other related information.

The Bank publishes its Pillar 3 report on an annual basis.

## 2. Presentation of the Bank

### 2.1 Structure

NBL is a credit institution that was established in Luxembourg as a public limited company (*société anonyme*) in 1990 and operates as a fully licensed bank under the prudential supervision of the Luxembourg supervisory authority, namely the Commission de Surveillance du Secteur Financier ('CSSF'), in accordance with the Law of 5 April 1993 on the Financial Sector, as amended.

The shareholders of the Bank are **Nomura Europe Holdings Plc** ('NEHS') (99.96%) and **Nomura International Plc** ('NIP') (0.04%), both companies incorporated under the laws of United Kingdom. These are direct and indirect wholly owned subsidiaries of Nomura Holdings, Inc. ('NHI'), a company incorporated under the laws of Japan.

NBL has three direct or indirect wholly owned subsidiaries, which are:

- **Global Funds Management S.A.** ('GFM') a company incorporated under the laws of Luxembourg a public limited company (*société anonyme*) and which is an Alternative Investment Fund Manager under Chapter 2 of the Law of 12 July 2013, as amended, a UCITS Management Company, under Chapter 15 of the Luxembourg Law of December 2010, as amended, and a Manager of money market funds under the Money Market Funds Regulation of 14 June 2017, as amended.
- **Global Funds Trust Company** ('GFTC'), an exempted company incorporated under the laws of the Cayman Islands with limited liability and which is licensed to undertake trust business pursuant to the provisions of the Banks and Trust Companies Act, as amended, as well as a licensed mutual fund administrator pursuant to the Mutual Funds Act, as amended.
- **Master Trust Company** ('MTC'), a company incorporated under the laws of the Cayman Islands which is registered as a controlled subsidiary of GFTC as per the meaning of the Banks and Trust Companies Act of the Cayman Islands, as amended.

According to the currently applicable Luxembourg regulatory framework, the Bank is exempted from the requirement to publish consolidated accounts and a consolidated management report by virtue of Article 83 of the law of 17 June 1992, as amended, and is not subject to the CSSF supervision on a consolidated basis as per the meaning of the law of 5 April 1993, as amended.

### 2.2 Activities

NBL core activity is to provide depositary bank and custody services as well as general funds administration services to its clients. In parallel with these core business activities, NBL has established several corporate and institutional services such as acting as agent in multiple functions for Medium Term Notes ('MTN') programmes, offering FX services, and credit facilities.

### 2.3 Governance

NBL has established an organisational framework and committee structure to facilitate effective business operations and management of the Bank's risks.

Key function holders in the Bank are the members of the Management Body, which comprises both (i) the Board of Directors ('The Board' or 'Management Body in its supervisory function') and (ii) the Authorised Managers (members of the Executive Committee, 'ExCom', or 'Management Body in its management function') as well as the persons responsible of the three control functions (Chief Risk Officer, Chief Compliance Officer and Chief Internal Auditor). These functions have the role and responsibilities required by the CSSF Circular 12/552 on the central administration, internal governance and risk management, as amended.

The Board has the overall responsibility for NBL. It ensures the execution of activities and preserves business continuity by way of sound central administration and internal governance arrangements pursuant to the applicable legal and regulatory instruments. The Board shall critically assess and approve at least once a year, the internal governance arrangements of NBL to ensure that the internal governance arrangements continue to comply with the regulatory requirements and the objectives of effective, sound and prudent business management. The Board is also in charge of promoting an internal risk culture which heightens the awareness of NBL staff as regards the requirements of sound and prudent risk management and which fosters a positive attitude vis-à-vis internal control and compliance. It is also in charge of stimulating the development of the internal governance arrangements which allow achieving these objectives. The Board is in charge of, among other:

- Defining the risk strategy of the Bank, including the risk tolerance and the guiding principles governing the risk identification, measurement, reporting, management and monitoring;
- Defining the strategy of the Bank with respect to own funds and regulatory and internal capital;
- Laying down the guiding principles of a clear and consistent organizational and operational structure, the guiding principles relating to the internal control mechanisms, the guiding principles for escalation, settlement and sanctions and the guiding principles of professional conduct and corporate values;
- Approving the policies laid down by the Authorised Management that implement the internal governance strategies and guiding principles;
- Assessing and approving the adequacy between the risks incurred, the Bank's ability to manage these risks and the own funds and internal and regulatory capital reserves.

The Board has delegated the daily management to the ExCom in line with the articles of incorporation. All members of the Board and of the ExCom have to be fully aware of the structure, responsibilities and division of tasks between these two management bodies. The Board and the ExCom have to interact effectively and provide each other with sufficient information to allow them to perform their respective roles.

The ExCom is in charge of the effective, sound and prudent day-to-day business (and inherent risks) management. The ExCom shall engage actively in the business of NBL and take decisions on a sound and well-informed basis. The ExCom is in charge of, among other:

- Verifying the implementation and compliance with internal policies and procedures;
- Verifying the soundness of the central administration and internal governance arrangements on a regular basis;
- Evaluate the key risks associated with the activities and functions for which individual members of Authorised Management are directly responsible;
- Examining the implementation, adequacy, effectiveness, and compliance with the internal governance arrangements, including the state of compliance, internal control, ICAAP report;
- Management of the risks related to internal and regulatory own funds, liquidity (reserves), and inform the Board accordingly;
- Ensuring compliance with the laws and applicable standards, with emphasis on solvency, liquidity and large exposures based on reports from business units and control functions;
- Approving/rejecting the significant changes in the business activities, especially if they have significant impact on the risk profile of the Bank, and inform control functions accordingly.

NBL Management Body hereby represents that the disclosures required under Part EIGHT of CRR are made in accordance with formal policies, and internal processes, systems and controls.

The following table showing directorships held by members of the Board as of end of March 2025:

<b>Director</b>	<b>Position at NBL / in Nomura Group</b>	<b>Number of internal directorships outside NBL</b>	<b>Number of external directorships outside NBL</b>
Shinichi OKADA	Chair, Non-executive director	2	0
Katsuya IMANISHI	Executive director	2	0
Stephen FUGGLE	Non-executive director	3	0
Daisy LE VAY	Non-executive director	0	0
Alfred BRAUSCH	Independent Non-executive director	0	7

### 3. Risk management framework

The Board is ultimately responsible for the maintenance of a sound system of internal controls and risk management that ensures risks are appropriately and effectively managed within NBL. The Board delegates authority for the definition and oversight of the NBL Risk management framework to the ExCom, which can be advised by the Enterprise Risk Management Division ('ERM') and the Risk Management Committee ('RMC').

The risk management framework of the Bank is maintained by ERM and embedded in the overall governance of the Bank. It comprises the Risk Appetite Statement of the Bank, the body of risk policies and procedures, the identified risk classes toward which the Bank is exposed and the tools and measures used to control and manage these risks.

#### 3.1 Three lines of defence model

In order to ensure sound and prudent business management, the Bank has adopted the 'Three Lines of Defence' model:

- 1<sup>st</sup> line of defence - risk owners: the business owns and manages its risks in accordance with agreed risk policies, limits and controls, at the operational level. It is composed of the Bank's business activities, including Fund Administration function, Custody function, Banking Services function, Client Support function and IT function;
- 2<sup>nd</sup> line of defence - risk control functions: formed of the internal control and the support functions, responsible for defining risk policies and risk processes and controls that contribute to the Bank's overall risk control. It is composed of the Enterprise Risk Management Division (including Risk Management as control function, ICT and Security Risk Management Department, previously Information Security Department), Corporate Governance Division (including Compliance Department as control function, Corporate Legal Department, Fund Legal Department, Project Management and Depository Control and Oversight Department), and the Data Privacy Manager.
- 3<sup>rd</sup> line of defence - risk assurance function: provides objective, critical review and independent assessments to the Audit Committee and NBL management on the adequacy and effectiveness of risk management, control environment, governance systems and operating processes of NBL and its subsidiaries.

By implementing the three lines of defence model, the Bank has designed a sound risk management framework, integrated at every level of the Bank.

Furthermore, and to appropriately embed risk governance across the Bank, a number of committees have been instated, among which is the Risk Management Committee, which is chaired by the Chief Risk Officer or the ExCom member in charge of Risk Management and has the purpose of assisting the ExCom in fulfilling its oversight responsibilities over the NBL risk management framework. The Risk Management Committee is held on a monthly basis and comprises of ExCom members and Division heads and also held at least semi-annually with the Board.

#### 3.2 Risk appetite

Nomura Group defines the risk appetite as the types and level of risk that the Nomura Group is willing to assume in pursuit of its corporate vision, strategic objectives and business plan given the constraints determined by regulatory capital, liquidity and business conditions. It must be within its risk capacity which is determined by constraints including regulatory capital, leverage, liquidity, and business conditions. NBL risk appetite equates to this definition and is aligned with the Nomura Group framework. However, through its local governance framework, the Bank does apply specific risk management controls and defines its risk appetite to ensure that business activities of NBL and any local regulatory expectations are adequately reflected.

The risk appetite is articulated across the following concepts:

- 1) Risk Appetite Statement: This is a qualitative statement that complements NBL approach with regards to the management of certain risks.
- 2) Risk Appetite Escalation Level: These are quantitative statements set as the lower level threshold for risk appetite that is used as an early warning indicator for the ExCom to take pre-emptive actions if deemed necessary to ensure the relevant Risk Appetite Action Level is not exceeded. Some specific limits may lead to the activation of the Bank's Contingency Funding Plan ('CFP') and the Recovery Plan, when the situation requires it.
- 3) Risk Appetite Action Level: These are quantitative statements that represents a risk appetite threshold that, if exceeded, must be escalated to the Board and the Board must approve actions to resolve the excess. This is the level that triggers the activation of the Bank's CFP or the Recovery Plan for specific limits. Escalation to regulatory authorities may also be necessary when it relates to regulatory metrics.

NBL has implemented frameworks to evaluate and control the possibility of potential losses arising from NBL various operations and transactions. NBL seeks to quantify risks materially impacting the Bank as far as possible. In the quantification process, NBL uses a variety of methods including both statistical analysis and non-statistical methods, such as stress testing.

The NBL risk appetite includes, among others, the following components: capital adequacy, liquidity risk, market risk, credit risk and operational risk.

These risks are controlled through quantitative metrics that include, but are not limited to:

- Capital adequacy metrics, such as Tier 1 and total capital ratios, leverage ratio and economic capital usage;
- Liquidity risk metrics, such as Maximum Cumulative Outflow under different scenarios, Liquidity Coverage Ratio;
- Market risk metrics, such as Open FX position limits and IRRBB limits;
- Credit risk metrics, such as internal credit limits and Large Exposures limits;
- Operational risk metrics, such as the financial losses limit and the risk event rating methodology.

### **3.3 Monitoring and Escalation**

Management information is developed, aggregated and reported in order to monitor risk and provide a basis for sound decision-making:

- 1) The Risk Appetite measures are monitored by ERM and are reported at least monthly to the Risk Management Committee (including the ExCom) and at least semi-annually to the Board.
- 2) Any breach of NBL's Risk Appetite must be escalated to the ExCom, and ultimately to the Board, as appropriate.

### **3.4 Declaration of the Management**

#### **Declaration of the adequacy of risk management arrangements:**

The Management Body of NBL affirms that the institution has established robust risk management systems and internal control frameworks that are appropriate and proportionate to the nature, scale, and complexity of its activities. These arrangements are regularly reviewed and are deemed adequate to ensure that all material risks are identified, assessed, monitored, and managed in line with the Bank's strategic objectives and risk appetite. The Management Body is satisfied that the risk management framework supports the Bank's ability to operate safely and soundly in a dynamic financial environment.

#### **Concise risk statement:**

NBL maintains a conservative risk profile aligned with its business model as a custodian and investment services provider. The Bank's risk appetite is defined by the Management Body and is embedded in its governance, risk management, and decision-making processes. The Bank's capital and liquidity positions remain strong, with a Common Equity Tier 1 ('CET1') ratio of 28.85%, a quarterly average Liquidity Coverage Ratio ('LCR') of 135%, and a Leverage Ratio of 6.08% as of 31 March 2025. These metrics reflect the Bank's prudent approach to risk-taking and capital planning.

Intragroup transactions are conducted on an arm's length basis and are subject to rigorous internal review and approval processes. As of the reporting date, no intragroup or related-party transactions were identified as having a material impact on the Bank's risk profile. The Bank continues to monitor such exposures closely to ensure compliance with internal policies and regulatory expectations.

#### **Attestation of disclosure compliance:**

In accordance with Article 431(3) of Regulation (EU) No 575/2013 ('CRR III'), the NBL Management Body hereby attests that NBL has made the disclosures required under Part Eight of the CRR in accordance with NBL's formal disclosure policies and internal processes, systems, and controls. These disclosures are accurate, complete, and reflect NBL's risk profile and regulatory obligations as of 31 March 2025.

#### 4. Own Funds and Capital Requirement

NBL evaluates the adequacy of its capital in order to guarantee that the Bank has sufficient capital to sustain its strategy and profitability, while complying with regulatory and internal capital objectives.

##### Template EU OV1 – Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		T	T-1	T
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>622,134,555</b>		<b>49,770,764</b>
2	Of which the standardized approach	622,134,555		49,770,764
3	Of which the Foundation IRB (F-IRB) approach			
4	Of which slotting approach			
EU 4a	Of which equities under the simple risk weighted approach			
5	Of which the Advanced IRB (A-IRB) approach			
<b>6</b>	<b>Counterparty credit risk - CCR</b>	<b>273,837,306</b>		<b>21,906,984</b>
7	Of which the standardized approach	273,837,306		21,906,984
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
9	Of which other CCR			
<b>10</b>	<b>Credit valuation adjustments risk - CVA risk</b>	<b>58,914,326</b>		<b>4,713,146</b>
EU 10a	Of which the standardized approach (SA)			
EU 10b	Of which the basic approach (F-BA and R-BA)	58,914,326		4,713,146
EU 10c	Of which the simplified approach			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk			
16	Securitization 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			



		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		T	T-1	T
EU 19a	Of which 1250% / deduction			
20	Position, foreign exchange and commodities risks (Market risk)			
21	Of which the Alternative standardized approach (A-SA)			
EU 21a	Of which the Simplified standardized approach (S-SA)			
22	Of which Alternative Internal Model Approach (A-IMA)			
EU 22a	Large exposures			
23	Reclassifications between the trading and non-trading books			
<b>24</b>	<b>Operational risk</b>	<b>156,611,348</b>		<b>12,528,908</b>
EU 24a	Exposures to crypto-assets			
25	Amounts below the thresholds for deduction (subject to 250% risk weight)			
26	Output floor applied (%)			
27	Floor adjustment (before application of transitional cap)			
28	Floor adjustment (after application of transitional cap)			
<b>29</b>	<b>Total</b>	<b>1,111,497,534</b>		<b>88,919,803</b>


**Template EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements**

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period end	As at period end	
<b>Assets - Breakdown by asset classes according to the balance sheet in the published financial statements</b>			
1	Cash, cash balances at central banks and other demand deposits	1,379,453,642	
2	Derivatives held for trading	128,735,907	
3	Financial assets at fair value through profit or loss: Debt instruments	869,526,704	
4	Financial assets at amortized cost: Loans and advances to credit institutions	2,329,651,322	
5	Financial assets at amortized cost: Loans and advances to customers	203,377,723	
6	Financial assets at fair value through other comprehensive income: Equity instruments	27,985,827	
7	Other Assets	22,590,444	
8	Tangible Assets	6,760,832	
9	Intangible Assets	1,284,775	
10	Tax assets: Current Tax Assets	12,145,932	
11	Tax Assets: Deferred Tax Assets	1,232,492	
	<b>Total assets</b>	<b>4,982,745,600</b>	
<b>Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements</b>			
1	Derivatives held for trading	126,222,854	
2	Deposits at amortised cost: Amounts due to credit institutions	20,180,837	
3	Deposits at amortised cost: Amounts due to customers	4,395,395,658	
4	Deposits at amortised cost: Other financial liabilities	9,912,591	
5	Other liabilities and Provisions: Other liabilities	5,473,666	
6	Other liabilities and Provisions: Provisions	6,752,388	
7	Tax liabilities: Current Tax Liabilities	23,683,534	
8	Tax Liabilities: Deferred Tax Liabilities	3,285,023	
	<b>Total liabilities</b>	<b>4,590,906,551</b>	
<b>Shareholders' Equity</b>			
1	Issued capital	28,000,000	
2	Reserves (including Retained earnings)	296,606,261	
3	Accumulated other comprehensive income	25,348,363	
4	Profit for the year	41,884,425	
	<b>Total shareholders' equity</b>	<b>391,839,049</b>	



Template EU CMS2 – Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level

	a	b	c	d	EU d
	Risk weighted exposure amounts (RWEAs)				
	RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardized approach	Total actual RWEAs	RWEAs calculated using full standardized approach	RWEAs that is the base of the output floor
1	Central governments and central banks				
EU 1a	Regional governments or local authorities				
EU 1b	Public sector entities				
EU 1c	Categorized as Multilateral Development Banks in SA				
EU 1d	Categorized as International organizations in SA				
2	Institutions			436,678	436,678
3	Equity			144,720	144,720
4	Not applicable				
5	Corporates			21,189,354	21,189,354
5.1	Of which: F-IRB is applied				
5.2	Of which: A-IRB is applied				
EU 5a	Of which: Corporates - General				
EU 5b	Of which: Corporates - Specialized lending			21,189,354	21,189,354
EU 5c	Of which: Corporates - Purchased receivables				
6	Retail			738,049	738,049
6.1	Of which: Retail - Qualifying revolving				
EU 6.1a	Of which: Retail - Purchased receivables				
EU 6.1b	Of which: Retail - Other			738,049	738,049
6.2	Of which: Retail - Secured by residential real estate				
7	Not applicable				
EU 7a	Categorized as secured by immovable properties and ADC exposures in SA				
EU 7b	Collective investment undertakings (CIU)				
EU 7c	Categorized as exposures in default in SA				
EU 7d	Categorized as subordinated debt exposures in SA				
EU 7e	Categorized as covered bonds in SA				
EU 7f	Categorized as claims on institutions and corporates with a short-term credit assessment in SA			578,306,063	578,306,063
8	Other non-credit obligation assets			12,637,636	12,637,636
9	Total			613,452,501	613,452,501

## 5. Credit risk

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 the agreed terms.

### 5.1 Credit risk governance

Credit risk is managed in accordance with the Credit Risk Management Policy that defines the fundamental principles, framework and governance for the management of credit risk. Credit exposures from counterparty transactions are managed by means of setting credit limits and credit exposures are monitored and managed within those limits.

ERM is responsible for developing and maintaining the credit risk framework and methodology and it is supported by the Nomura Group in reviewing counterparties, setting credit limits and monitoring credit exposures.

Besides, the Financial Accounting Department ('ACC') is responsible for prudential reporting to the Bank's regulators.

The process for managing credit risk includes the assessment and review of counterparties, the assignment of internal ratings, the establishment of credit limits, the monitoring of current and potential future exposures, the setup of credit terms in legal documentation and the use of appropriate credit risk mitigants.

NBL credit risk exposure arises from over-the-counter ('OTC') FX transactions executed with its clients, cash placements with financial institutions (reverse repo transactions, interbank lending and long nostro balances), securities investments held for the purpose of constituting a liquidity buffer or for collateral needs, as well as credit facilities provided to its clients.

### 5.2 Credit risk mitigation

NBL has put in place several risk controls and credit mitigation techniques to reduce and manage credit risk exposures.

NBL collateral management framework is defined in NBL Collateral Management Methodology and it is based on the principle of meeting CRR standards and any other applicable regulations. It is consistent with the relevant Nomura Group credit risk and collateral requirements.

NBL mitigates counterparty credit risk through standardized ISDA (International Swaps and Derivatives Association) master agreements. These agreements enable the netting of exposures and are supplemented by collateral arrangements including Credit Support Annexes ('CSAs'), Credit Support Deeds ('CSDs'), and Global Master Repurchase Agreements ('GMRAs').

The aforesaid legal framework is designed to secure three key rights:

- 1) The ability to accelerate, terminate, and close-out on a net basis all transactions under the agreement;
- 2) The right to promptly liquidate or offset collateral upon an event of default, including in bankruptcy or insolvency proceedings, or similar proceeding;
- 3) The enforceability of these rights across relevant jurisdictions, with the understanding that they cannot be stayed or voided under applicable law (except where special resolution regimes apply to certain financial institutions).

These legally enforceable netting and collateral arrangements effectively reduce potential losses from counterparty defaults by allowing NBL to offset exposures against held collateral.

Part of the collateral management framework is also the management of wrong way risk, the risk that an exposure is highly correlated with the deterioration of the creditworthiness of the counterparty generating that exposure. In order to minimize this type of risk, NBL does not accept collateral issued by the collateral provider and monitors the amount and type of collateral issued by financial institutions.

Additionally, collateral shall be reasonably diversified and meet the following concentration limits: The collateral value issued by a government, or an entity assimilated to a government as per CRR definition shall not exceed 10% of the issued amount of instrument. The limit shall be 5% for collateral issued by any other type of entities.

With respect to the collateral composition, the main findings can be found below:

- **Type of Collateral:** Collateral is composed of fixed income securities, equity and cash, held in segregated accounts.
- **Concentration:** A reasonable diversification level in terms of concentration against any single issuer is respected. Government of the United States and World Bank Group (Government bonds and Supranational bonds) are the most represented issuers in the collateral pool, with 23.97% and 11.91% of the total pool respectively.
- **Quality:** NBL aligns its collateral eligibility to the Nomura Group and the regulatory requirements. The exposures are covered by good quality securities collateral (99.1% of the overall pool is investment grade and the rest is unrated) and cash collateral.
- **Haircuts:** The Bank applies conservative haircuts to the market value of the securities collateral. Regulatory haircuts are applied to the collateral eligible according to the CRR III.

NBL is reasonably confident that the current collateral pool could be an adequate substitute if a counterparty default would occur.

In addition to the above, NBL received guarantees from a Group company, which are used to mitigate the exposure towards Funds dealing FX derivatives. The substitution approach as defined under the CRR has been selected to account these guarantees as Credit Risk Mitigation techniques.



**Template EU CQ3: Credit quality of performing and non-performing exposures by past due days**

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
005	Cash balances at central banks and other demand deposits	1,379,453,808	1,379,453,808									
010	Loans and advances	2,533,036,840	2,533,036,840									
020	Central banks											
030	General governments											
040	Credit institutions	2,329,655,180	2,329,655,180									
050	Other financial corporations	202,470,970	202,470,970									
060	Non-financial corporations											
070	Of which SMEs											
080	Households	910,691	910,691									
090	Debt securities	869,526,704	869,526,704									
100	Central banks											
110	General governments	869,526,704	869,526,704									
120	Credit institutions											
130	Other financial corporations											
140	Non-financial corporations											
150	Off-balance-sheet exposures	60,077,440										
160	Central banks											
170	General governments											
180	Credit institutions											
190	Other financial corporations	60,000,000										
200	Non-financial corporations											
210	Households	77,440										
<b>220</b>	<b>Total</b>	<b>4,842,094,792</b>	<b>4,782,017,352</b>									



**5.2.1 Exposures in default and value adjustments**

As of end of March 2025, the Bank does not have any exposure in default, or any non-performing exposure. Furthermore, the Bank has a very limited amount of ECL amounting to EUR 11,671.

**Template EU CR1: Performing and non-performing exposures and related provisions**

		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						
005	Cash balances at central banks and other demand deposits	1,379,453,808	1,379,453,808					- 166	- 166								
010	Loans and advances	2,533,036,840	2,533,036,840					- 7,793	- 7,793								
020	Central banks																
030	General governments																
040	Credit institutions	2,329,655,180	2,329,655,180					- 3,857	- 3,857								
050	Other financial corporations	202,470,970	202,470,970					- 22	- 22								
060	Non-financial corporations																
070	Of which SMEs																
080	Households	910,691	910,691					- 3,914	- 3,914								
090	Debt securities	869,526,704															
100	Central banks																
110	General governments	869,526,704															
120	Credit institutions																
130	Other financial corporations																
140	Non-financial corporations																
150	Off-balance-sheet exposures	60,077,440	60,077,440					- 1,857	- 1,857								
160	Central banks																
170	General governments																
180	Credit institutions																
190	Other financial corporations	60,000,000	60,000,000														
200	Non-financial corporations							- 1,857	- 1,857								
210	Households	77,440	77,440														
220	<b>Total</b>	<b>4,842,094,792</b>	<b>3,972,568,088</b>					<b>- 9,816</b>	<b>- 9,816</b>								



**Template EU CQ1: Credit quality of forbore exposures: (none)**

		a	b	c	d	e	f	g	h
		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 forbore exposures	
		Performing forbore	Non-performing forbore		On performing forbore exposures	On non-performing forbore exposures			Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired					
005	Cash balances at central banks and other demand deposits								
010	Loans and advances								
020	Central banks								
030	General governments								
040	Credit institutions								
050	Other financial corporations								
060	Non-financial corporations								
070	Households								
080	Debt Securities								
090	Loan commitments given								
100	<b>Total</b>								

**Template EU CQ7: Collateral obtained by taking possession and execution processes: (none)**

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)		
020	Other than PP&E		
030	Residential immovable property		
040	Commercial Immovable property		
050	Movable property (auto, shipping, etc.)		
060	Equity and debt instruments		
070	Other collateral		
080	<b>Total</b>		



**5.2.2 Exposures per exposure classes, before and post CRM, excluding derivatives.**

**Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques**

		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	3,912,482,688				
2	Debt securities	869,526,704				
3	Total	4,782,009,391				
4	<i>Of which non-performing exposures</i>					
EU-5	<i>Of which defaulted</i>					

**Template EU CR4 – standardised approach – Credit risk exposure and CRM effects**

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEAs and RWEAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEAs	RWEAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	2,010,426,704		2,010,426,704			
2	Non-central government public sector entities						
EU 2a	Regional governments or local authorities						
EU 2b	Public sector entities						
3	Multilateral development banks						
EU 3a	International organizations						
4	Institutions	1,857,062		1,857,062		436,678	0.24
5	Covered bonds						
6	Corporates	15,189,354	5,998,143	15,189,354	5,998,143	21,189,354	1
6.1	Of which: Specialized Lending	15,189,354	5,998,143	15,189,354	5,998,143	21,189,354	1
7	Subordinated debt exposures and equity	144,720		144,720			1
EU 7a	Subordinated debt exposures						
EU 7b	Equity	144,720		144,720		144,720	1
8	Retail	906,626	77,440	906,626	77,440	738,049	0.75
9	Secured by mortgages on immovable property and ADC exposures						
9.1	Secured by mortgages on residential immovable property - non IPRE						
9.2	Secured by mortgages on residential immovable property - IPRE						

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEAs and RWEAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEAs	RWEAs density (%)
		a	b	c	d	e	f
9.3	Secured by mortgages on commercial immovable property - non IPRE						
9.4	Secured by mortgages on commercial immovable property - IPRE						
9.5	Acquisition, Development and Construction (ADC)						
10	Exposures in default						
EU 10a	Claims on institutions and corporates with a short-term credit assessment	1,917,942,739		1,917,942,739		578,306,063	0.3
EU 10b	Collective investment undertakings (CIU)						
EU 10c	Other items	31,214,882		31,214,882		12,637,636	0.4
11	not applicable						
12	<b>TOTAL</b>	3,977,682,087	6,075,583	3,977,682,087	6,075,583	613,452,501	0.15

### **5.2.3 Counterparty credit risk**

Counterparty credit risk is the risk that the counterparty to a transaction defaults before the final settlement of the transaction's cash flows. The counterparty credit risk related to derivatives arises from all OTC transactions such as interest rate swaps, foreign exchange swaps, inflation or commodity swaps and credit default swaps. For NBL the exposure is arising from FX forwards and FX swaps activity.

NBL exposure to FX transactions with both its clients and external counterparties is covered by cash and securities collateral. Daily exchange of cash collateral is governed by CSAs. In addition, some clients are also required to cover their exposures by pledging securities they typically hold for investment.

Regulatory measures and methods are also used by the Bank in the monitoring of the Credit Risk, with particular emphasis to the Large Exposures regime, which seeks to reduce the concentration risk in NBL's counterparties. In particular, the Standardized Approach for Counterparty Credit Risk ('SA-CCR') method is used for the Exposure Valuation of the OTC FX transactions and the Financial Collateral Comprehensive Method is applied for the valuation of the financial collateral. NBL monitors daily the Large Exposures of the Bank and anticipates collateral requirements of clients' exposure to ensure the respect of regulatory and internal limits.

## **6. Market risk**

Market risk is defined as the risk of losses arising from movements in market prices. The risks subject to market risk include but are not limited to:

1. Equity risk, interest rate risk, credit spread risk, equity risk, foreign exchange (FX) risk and commodities risk for trading book instruments; and
2. FX risk and commodities risk for banking book instruments.

### **6.1 Market risk governance**

Market risk is managed in accordance with the Market Risk Management Policy, which defines the fundamental principles, framework and governance for the management of market risk.

ERM is responsible for developing and maintaining the framework and methodology to identify, measure, monitor and report market risk in accordance with the Market Risk Management Policy. This also includes the development of the market risk appetite.

The Forex Dealing Department ('FXD') is responsible for the management of the Bank's open FX position, in accordance with the Market Risk Management Policy and the Open Currency Position Policy. In addition, ERM is responsible for the monitoring and internal reporting of the daily exposures and ACC is responsible for prudential reporting to the Bank's regulators.

NBL does not keep any trading activity and only the FX Forwards activity with their clients generates positions to be evaluated against market prices. For this activity, NBL has defined a zero exposure policy that leads to fully hedge all the positions opened with clients, back-to-back with market counterparties.

Bonds portfolio positions, due to their short maturity, are considered impacting in the Net Interest Income, and as such, managed as Interest Rate Risk in the Banking Book.

Furthermore, the Bank's limits for the Open Currency Position (the overall net foreign-exchange position calculated in accordance with Article 352 of the CRR) allows NBL to stay below the threshold requiring.

## **7. Operational risk**

Operational Risk is defined as the risk of financial loss or non-financial impact arising from inadequate or failed internal processes, people, and systems or from external events. It includes in its definition Compliance, Legal, IT and Cyber Security, Fraud, Third Party and other non-financial risks. It does not include strategic risk and reputational risk, however, some operational risks can lead to reputational issues and as such, operational and reputational risks may be closely linked.

### **7.1 Operational risk governance**

Operational risk is managed in accordance with the Operational Risk Management (ORM) Policy which defines its fundamental principles, framework and governance.

The NBL approach to operational risk is proactive risk identification where all employees are expected to proactively identify, report and escalate operational risk on ongoing basis where employees can raise concerns or report incidents without fear of adverse consequences. Operational risk is managed under the model of three lines of defence, and its appetite for operational risk is embedded in Risk Appetite statement through a combination of quantitative metrics and qualitative statements. ERM is responsible for maintaining the framework and methodology for the identification, assessment, management, monitoring and reporting of operational risk. It provides periodic reporting on operational risk to the Risk Management Committee on a monthly basis and to the Board of Directors at least on a semi-annual basis. ERM also reports on a daily basis the operational risk events to the ExCom, regardless of their financial impact.

Besides, each NBL business units own and manage their risks. The business units are responsible for ensuring they meet their responsibilities in implementing the core ORM products and services.

The framework supporting the operational risk management is based on the following tools:

1. Risk and Control Self-Assessment ('RCSA'): This process is used to identify the inherent risks the business faces and the key controls associated with those risks. In case the residual risk assessment is exceeding defined risk level, the risk has to be accepted by management as well as the relevant actions to mitigate the residual risks. ERM is responsible for maintaining the RCSA process and supporting the business in its implementation. The business units are responsible for identifying, assessing and managing their own RCSAs and are the formal owner of those RCSAs. Key Controls with material risk mitigation are tested by ERM on regular basis to validate their effectiveness and address potential identified weakness.
2. Key Risk Indicators ('KRIs'): These metrics are used to monitor the business' exposure to operational risk. ERM support the business units in the implementation of appropriate KRIs. Business units must consider KRIs for all risks rated high on an inherent basis in RCSAs. In case of KRI breaching thresholds, the causes have to be explained and are shared within the RMC as well as potential action plans to bring the risk back to the desired level.
3. Operational Risk Event Reporting: This process is used to identify, assess and report any event which resulted in or had the potential to result in a loss or gain or other impact associated with inadequate or failed internal processes, people and systems, or from external events. Operational risk events identified by the business are required to be reported to ERM. Action plans are agreed with the event owner and followed up by ERM mitigate the causes of the events and prevent their re-occurrence.
4. Scenario analysis: This process is used to assess potential high impact, low likelihood, tail risks, and agree actions to improve controls where required. ERM selects which scenarios to run based on inputs arising from emerging risks, RCSAs, operational risk events, in conjunction with input and discussion from the business and establishes who will participate in the process.

All these items are shared and discussed in the RMC.

## **7.2 Risk mitigation strategies**

### *Insurance*

NBL has entered into certain contractual agreements ensuring multi-layered insurance approach that facilitates transfer of specific risk through targeted insurance program. Bank maintains insurance coverage both on entity level and group level. During the reporting period, the Bank continued to update and refine these risks transfer mechanisms in alignment with its operational risk profile and the economic environment in which it operates.

### *Business Continuity Plan ('BCP')*

The primary objective of BCP is to ensure the recovery of all critical business processes within a predefined timeframe. The plans establish procedures to successfully manage business disruptions, and minimize the impacts to NBL and its customers. In addition, to face the evolution of cyber risks, NBL has developed a dedicated cyber-attack plan allowing appropriate incident response and recovery of activities.

### *Disaster Recovery Planning ('DRP')*

Disaster recovery planning covers the processes and procedures to recover NBL's technical infrastructure, within a predefined period, hence allowing the recovery of critical business processes and minimising the impacts of a disaster on the global business chain.

## 8. Liquidity risk

Liquidity risk is the risk of losses arising from difficulty in securing necessary funding or from a significantly higher cost of funding than normal levels due to deterioration of the Bank's creditworthiness or deterioration in market conditions. It is also the risk of losses arising from an inability to easily liquidate assets at the market price because of market stresses or inadequate market depth.

NBL maintains a conservative liquidity risk profile that is aligned with its business strategy as a custodian and investment services provider. The Bank's liquidity management framework is designed to ensure that sufficient liquid resources are available to meet obligations as they fall due, even under stressed conditions. Liquidity risk is managed centrally and monitored daily through a combination of internal metrics and regulatory ratios.

As of 31 March 2025, the Bank reported a quarterly average LCR of 135% and a Net Stable Funding Ratio ('NSFR') of 181%, both comfortably above regulatory minima. These figures reflect the Bank's prudent approach to liquidity risk and its strong funding profile.

The Management Body regularly reviews the Bank's liquidity strategy, which includes maintaining a diversified funding base, holding high-quality liquid assets ('HQLA'), and conducting regular stress testing. The Bank does not rely on volatile funding sources and maintains minimal maturity mismatches.

Liquidity risk is integrated into the Bank's overall risk appetite framework and is subject to oversight by the Risk Committee. The institution's liquidity position is supported by intragroup arrangements, which are structured to avoid undue reliance and are monitored to ensure they do not materially affect the Bank's liquidity risk profile.

### 8.1 Liquidity risk governance

Liquidity risk is managed in accordance with the Liquidity Risk Management Policy which defines its fundamental principles, framework and governance.

ERM is responsible for developing and maintaining the framework and methodology to identify, measure, monitor and report Liquidity Risk in accordance with the Liquidity Risk Management Policy.

Besides, ACC is responsible for liquidity risk prudential reporting to the Bank's regulators, while the NBL Assets and Liabilities Committee ('ALCO') is responsible for liquidity and capital management oversight, and the Liquidity Management Department ('LMD') is responsible for the management of the Bank's Liquidity Risk, in accordance with the Liquidity Risk Management Policy and the NBL Investment Policy.

The NBL approach to liquidity risk management is founded on the objective of prudent liquidity management. In particular, the Bank aims at maintaining sufficient liquidity to meet all contractual and contingent liabilities as they fall due, including during a period of stress. Additionally, NBL aims at keeping assets under custody fully available to its clients (highly liquid) while seeking the most appropriate trade-off between risk and return on their usage. The restrictions imposed in the Risk Appetite Statement and in the NBL Investment Policy are designed to meet these overarching goals.

Liquidity is managed daily on a self-sufficiency basis, given no reliance is placed on incremental unsecured borrowing from the Group, Central Bank facilities or financial market access. Furthermore, NBL does not carry out any business activity with special funding needs, being the principal source of liquidity is clients' cash deposits which drive the investment capacity of the Bank. Nevertheless, capacity to access to financial market funding, in order to ensure an effective NBL operational readiness and the availability of potential funding among the Bank's external counterparties is regularly assessed and tested.

This liquidity is placed with both, external and intra-group financial counterparties and in both secured and unsecured form, mainly on a very short-term basis. Therefore, NBL has very limited exposure to funding Liquidity Risk and market Liquidity Risk.

In addition, ISDA and CSA agreements are in place to cover hedging services that the Bank offers to funds clients' portfolios using FX Forwards, which are then hedged with market counterparties following the back-to-back principle detailed under section 6.1. Collateral is received and posted in the form of cash, which results in flows of collateral from/to the funds clients, on the one hand, and to/from the market counterparties, on the other hand. The net flows from this activity corresponds to the possible differences in the arrangements of the CSAs with clients and those with market counterparties and is therefore limited, but well considered as part of the Liquidity monitoring activities of the Bank.

ERM monitors the Bank's liquidity risk by mean of internally designed liquidity stress tests and regulatory metrics, such as the LCR. The Maximum Cumulative Outflow ('MCO') is the Bank's primary internal tool to measure and monitor on a daily basis the liquidity pool available against two internally defined stress scenarios impacting the most sensitive variables for NBL such as the client's cash account balances, the collaterals received as well as the market value of the securities at disposal.

The time horizon for the analysis is twofold: 12-month under the Stressed Scenario and 30-day under the Acute Scenario. This 30-day survival horizon covered by the latest is deemed sufficient to execute actions contained within the CFP, in case it would be necessary. Additionally, LMD is required to maintain a Liquidity Buffer of HQLA.

## **8.2 Internal Liquidity Adequacy Assessment Process ('ILAAP')**

The appropriateness of the Bank's liquidity is assessed through stress tests as part of the annual ILAAP. The ILAAP requires the Bank to qualitatively and quantitatively assess its liquidity risk management framework, including its funding strategy, its liquidity risk governance and controls, the adequacy of the liquidity buffer and of the contingency funding plan.

Based on the ILAAP, it is concluded that NBL has an adequate liquidity risk management framework in regards of its business activity and complexity. Additionally the Bank holds sufficient liquidity to meet cash flows in normal and stressed conditions as modelled under internal and regulatory stress tests.

## **8.3 Contingency Funding Plan ('CFP')**

The CFP defines action plans to manage a range of stressed environments, establishes clear lines of responsibility and includes clear invocation and escalation procedures. The CFP can be triggered by either qualitative or quantitative triggers.

The CFP is tested and reviewed jointly by LMD and ERM at least on an annual basis.

## **8.4 Liquidity Coverage Ratio (LCR)**

The LCR is the main short-term liquidity reference indicator and requires the Bank to hold sufficient HQLA in order to cover its total net cash outflows over 30 days.

Template EU LIQ1 here below discloses the quarterly average quantitative information of LCR from 30 June 2024 until 31 March 2025, in which it demonstrates that NBL is compliant with the regulatory LCR requirements whereby the minimum ratio level must be 100%.

The composition of the ratio has not changed from past years:

- Outflows are primarily composed of clients' cash balances, which have had a growing tendency over the fiscal year.
- Cash at the Luxembourg Central Bank ('BCL') and government bonds have been the principal elements of the HQLA throughout FY 2024/25.
- NBL has roughly 20% of its liquidity pool denominated in JPY and, to optimise the currency risk management, the portfolio is heavily composed of Japanese Government Bonds.



- Inflows are the most variable components of the LCR, affected by the short term of the cash placements largely below 30 days. Variations in the proportion of the shorter investments influence the LCR.
- More than half of NBL's inflows as of 31 March 2025 is denominated in USD and consists mainly of exposures in Interbank Deposits transactions.

**Template EU LIQ1 - Quantitative information of LCR**

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	T	T-1	T-2	T-3	T	T-1	T-2	T-3
EU 1b	Number of data points used in the calculation of averages								
<b>HIGH-QUALITY LIQUID ASSETS</b>									
1	Total high-quality liquid assets (HQLA)								
<b>CASH - OUTFLOWS</b>									
2	Retail deposits and deposits from small business customers, of which:								
3	<i>Stable deposits</i>								
4	<i>Less stable deposits</i>								
5	Unsecured wholesale funding	4,179,357,896	3,769,053,062	3,806,564,488	3,246,159,941	3,014,071,009	2,713,587,336	2,729,595,698	2,358,817,563
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	1,553,715,850	1,407,287,634	1,435,958,386	1,183,123,171	388,428,962	351,821,909	358,989,597	295,780,793
7	<i>Non-operational deposits (all counterparties)</i>	2,625,642,047	2,361,765,428	2,370,606,102	2,063,036,771	2,625,642,047	2,361,765,428	2,370,606,102	2,063,036,771
8	<i>Unsecured debt</i>								
9	<i>Secured wholesale funding</i>					4,056,718,043	3,700,579,615	3,512,105,720	2,835,731,374
10	Additional requirements	1,043,876,272	985,509,496	801,454,144	475,112,484	1,014,480,360	978,582,814	774,295,675	472,496,785
11	<i>Outflows related to derivative exposures and</i>	1,023,806,562	985,434,973	801,376,654	475,049,344	1,014,480,360	978,582,814	774,295,675	472,496,785

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYYY)	T	T-1	T-2	T-3	T	T-1	T-2	T-3
	<i>other collateral requirements</i>								
12	<i>Outflows related to loss of funding on debt products</i>								
13	<i>Credit and liquidity facilities</i>	20,069,710	74,523	77,490	63,140	20,000,000			
14	<i>Other contractual funding obligations</i>	8,166,674	8,409,465	8,214,346	4,417,026	8,166,674	8,409,465	8,214,346	4,417,026
15	<i>Other contingent funding obligations</i>								
16	<b>TOTAL CASH OUTFLOWS</b>					4,056,718,043	3,700,579,615	3,512,105,720	2,835,731,374
<b>CASH - INFLOWS</b>									
17	<i>Secured lending (e.g. reverse repos)</i>	640,037,654	531,589,974	707,051,171	391,903,411	238,181,298	122,333,095	169,911,435	170,709,712
18	<i>Inflows from fully performing exposures</i>	1,950,212,746	1,744,604,594	1,635,521,052	1,340,067,200	1,950,196,190	1,744,587,911	1,635,504,044	1,340,050,902
19	<i>Other cash inflows</i>	517,072,065	699,381,636	36,294,609	140,927,118	516,484,796	699,378,073	658,894,856	401,934,878
EU-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)								
EU-19b	(Excess inflows from a related specialized credit institution)								

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	T	T-1	T-2	T-3	T	T-1	T-2	T-3
20	TOTAL CASH INFLOWS	3,107,322,466	2,975,576,203	2,378,866,832	1,872,897,728	2,704,862,284	2,566,299,079	2,464,310,334	1,912,695,492
EU-20a	<i>Fully exempt inflows</i>								
EU-20b	<i>Inflows subject to 90% cap</i>								
EU-20c	<i>Inflows subject to 75% cap</i>	3,107,322,466	2,975,576,203	2,378,866,832	1,872,897,728	2,704,862,284	2,566,299,079	2,464,310,334	1,912,695,492
<b>TOTAL ADJUSTED VALUE</b>									
EU-21	LIQUIDITY BUFFER					1,821,138,037	1,504,533,826	1,455,262,265	1,252,195,162
22	TOTAL NET CASH OUTFLOWS					923,035,882	1,351,855,759	1,134,280,536	1,047,795,386
23	LIQUIDITY COVERAGE RATIO					1.35	1.33	1.40	1.36



### 8.5 Net Stable Funding Ratio ('NSFR')

As per EU Regulation 575/2013 as amended by EU Regulation 2024/1623 article 451a(3) the Bank is required to report on a quarterly basis the items providing stable funding and the items requiring stable funding, according to defined maturity buckets. As at 31 March 2025, the NSFR amounts to 181.35% (2024: 160.23%).

Template EU LIQ2 here below discloses the net stable funding ratio (NSFR), which contains quantitative information on Available Stable Funding items and Required Stable Funding items based on their unweighted values by residual maturity ladder, and total weighted values. As shown in the table, NBL is compliant with the regulatory NSFR requirements whereby the minimum ratio level must be 100%.

#### Template EU LIQ2: Net Stable Funding Ratio

(in currency amount)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
<b>Available stable funding (ASF) Items</b>						
1	Capital items and instruments				349,954,623	349,954,623
2	Own funds				349,954,623	349,954,623
3	Other capital instruments					
4	Retail deposits					
5	Stable deposits					
6	Less stable deposits					
7	Wholesale funding:		4,421,095,994			874,289,117
8	Operational deposits		1,748,578,233			874,289,117
9	Other wholesale funding		2,672,517,761			
10	Interdependent liabilities					
11	Other liabilities:					
12	NSFR derivative liabilities	2,146,203				
13	All other liabilities and capital instruments not included in the above categories		10,335,762	23,636,364	9,615,578	21,433,760
14	<b>Total available stable funding (ASF)</b>					<b>1,245,677,500</b>
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)					1,100,701,921
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes		40,198,079			
17	Performing loans and securities:					
18	Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut					

19	<i>Performing securities financing transactions with financial customer collateralized by other assets and loans and advances to financial institutions</i>				
20	<i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>	160,998	180,394	565,385	651,273
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk</i>				
22	<i>Performing residential mortgages, of which:</i>				
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk</i>				
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>	809,014,683		27,985,827	432,493,169
25	Interdependent assets				
26	Other assets:				
27	Physical traded commodities				
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>			45,407,741	38,596,580
29	NSFR derivative assets				
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>			103,223,532	5,161,177
31	<i>All other assets not included in the above categories</i>	2,550,817,866	17,275,127	8,045,607	206,973,970
32	Off-balance sheet items			60,075,583	3,003,779
<b>33</b>	<b>Total RSF</b>				<b>686,879,948</b>
<b>34</b>	<b>Net Stable Funding Ratio (%)</b>				<b>1.81</b>

## 9. Leverage ratio

The CRR and CRD IV framework introduced a non-risk based leverage ratio in the aim to act as a supplementary measure to the risk based capital requirements. The leverage ratio indicates the level of capitalization of the Bank in comparison with its total exposure. The leverage ratio is equal to the Tier 1 Capital divided by the total of on-balance sheet and off-balance sheet exposures. According to CRD IV rules, NBL leverage ratio stands at 6.08% as of end of March 2025 (as compared to 7.52% as of end of March 2024), is compliant with the regulatory Leverage Ratio requirements whereby the minimum ratio level must be 3%.

### Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		a
		Applicable amount
1	Total assets as per published financial statements	
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	4,982,745,600
3	(Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference)	
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	
5	(Adjustment for fiduciary assets recognized 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) 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	312,326,462
9	Adjustment for securities financing transactions (SFTs)	2,532,644
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	6,077,440
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	
12	Other adjustments	(31,831,865)
13	<b>Total exposure measure</b>	<b>5,271,850,281</b>



**Template EU LR2 - LRCOM: Leverage ratio common disclosure**

		CRR leverage ratio exposures	
		a	b
		T	T-1
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	4,006,780,624	3,204,241,527
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)		
4	(Adjustment for securities received under securities financing transactions that are recognized as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	(31,833,722)	(26,093,054)
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>3,974,946,902</b>	<b>3,178,148,473</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	145,426,503	236,367,211
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardized approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	295,635,866	309,729,157
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardized approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardized approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives		

		CRR leverage ratio exposures	
		a	b
		T	T-1
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	<b>Total derivatives exposures</b>	<b>441,062,369</b>	<b>546,096,368</b>
<b>Securities financing transaction (SFT) exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	847,230,926	508,645,001
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	Counterparty credit risk exposure for SFT assets	2,532,644	2,838,140
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	<b>Total securities financing transaction exposures</b>	<b>849,763,570</b>	<b>511,483,141</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposures at gross notional amount	24,077,440	83,940
20	(Adjustments for conversion to credit equivalent amounts)	18,000,000	
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	<b>Off-balance sheet exposures</b>	<b>6,077,440</b>	<b>83,940</b>
<b>Excluded exposures</b>			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)		
EU-22g	(Excluded excess collateral deposited at triparty agents)		

		CRR leverage ratio exposures	
		a	b
		T	T-1
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k	(Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)		
EU-22l	(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)		
EU-22m	(Total exempted exposures)		
<b>Capital and total exposure measure</b>			
23	<b>Tier 1 capital</b>	320,721,006	318,456,635
24	<b>Total exposure measure</b>	<b>5,271,850,281</b>	<b>4,235,811,922</b>
<b>Leverage ratio</b>			
25	Leverage ratio (%)	0.06	0.07
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	0.06	0.07
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)		
26	Regulatory minimum leverage ratio requirement (%)	0.03	0.03
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	of which: to be made up of CET1 capital		
27	Leverage ratio buffer requirement (%)		
EU-27a	Overall leverage ratio requirement (%)	0.03	0.03
<b>Choice on transitional arrangements and relevant exposures</b>			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
<b>Disclosure of mean values</b>			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable		
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		



		CRR leverage ratio exposures	
		a	b
		T	T-1
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)		

**Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)**

		CRR leverage ratio exposures
EU-1	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	4,006,884,021
EU-2	Trading book exposures	
EU-3	Banking book exposures, of which:	4,006,884,021
EU-4	Covered bonds	
EU-5	Exposures treated as sovereigns	2,010,426,704
EU-6	Exposures to regional governments, MDB, international organizations and PSE, not treated as sovereigns	
EU-7	Institutions	1,857,062
EU-8	Secured by mortgages of immovable properties	
EU-9	Retail exposures	906,626
EU-10	Corporates	15,189,354
EU-11	Exposures in default	
EU-12	Other exposures (eg equity, securitizations, and other non-credit obligation assets)	1,978,504,275

## **9.1 Movements in Leverage Exposure over the period**

The decrease of the Bank's Leverage Ratio can be attributed to the increase of the Assets size over the past fiscal year. This increase is mainly driven by an expansion of sovereign exposures compared to March 2024.

## **9.2 Management of the risk of excessive leverage**

NBL approach in managing the risk of excess leverage is based on the following controls and principles:

- Weekly capital monitoring: The Bank's Total Capital Ratio is estimated and monitored weekly and reported to ExCom.
- Risk Appetite: The Leverage Ratio is part of the Bank's risk appetite with an internal limit set higher than the regulatory limit at 4.5% and 3.5% for the Risk Appetite Escalation and Action levels, respectively.
- Funding Strategy: Liquidity is managed daily on a self-sufficiency basis, given no reliance is placed on external funding. NBL does not finance any activities other than custody services provided to its clients and the principal source of liquidity is clients' cash deposits.
- Investment Strategy: NBL only invests in relatively short-term instruments, as specified in its internal Policies and Procedures. This allows for fast responses in case of an excessive increase in leverage.
- Daily Large Exposures monitoring: Allowing the control of excessive concentration to largest counterparties.
- New Product Approval Committee (NPAC): New products are reviewed to ensure among others that capital impacts are taken into account.

In addition, a stressed Leverage Ratio is computed as part of NBL's ICAAP exercise. The stress applied mainly affects FX Forwards business, which represents the main and most sensitive to external factors source of exposures, and allows to measure how sensitive the Bank's exposures to market movements are.

Finally, the Leverage Ratio metric was also selected as part of NBL's Recovery Indicators. Within the Bank's Recovery plan, several Recovery Options have been elaborated to take timely actions, in case of a breach of the related Risk Appetite levels.

## 10. Remuneration

The Board of Directors has implemented a Remuneration Policy providing guidelines on compensation and benefits at NBL in line with its activities, objectives, values and long-term interests.

The Remuneration Policy promotes sound and effective risk management and does not encourage excessive risk-taking. It strives to support NBL's business, risk, and Human Resources strategies.

Remuneration proposals for all staff members at NBL are determined during the annual review process by ExCom & HR Committee in consensus with the Board of Directors.

The Board of Directors determines and oversees the remuneration of the Authorized Managers of the Bank and the Head of Control Functions together with the Audit Committee.

The Audit Committee deliberates on a regular basis on the quality of the work carried out by the internal control functions and is involved in the appraisal process of the Chief Compliance Officer, the Chief Risk Officer and the Chief Internal Auditor.

All proposals remain subject to confirmation by the Group Compensation Committees outside Luxembourg.

Apart from the specialist taking part in these committees, no other external consultants were sought for advice.

### 10.1 NBL risk management strategy and risk appetite

A significant volume of the Bank's business is concluded directly with companies of the Nomura Group or with their Japanese clients. Within this context, and as a key service provider for depositary, custody and fund administration services to the Nomura Group, the Bank's main objective is to keep a conservative and moderate risk strategy ensuring an utmost quality service to its clients in a cost effective manner. In this light, NBL does not positively consider, neither encourages risk-taking behaviours in relation with performance and their potential rewards, whereas it encourages proper risk management in accordance with the objectives set up within the NBL Risk Appetite Statement (including AML Risk Appetite) and within the NBL Risk Management Policy, which defines the fundamental principles, framework and governance for the management of Risk at NBL in accordance with the NBL risk appetite. Finally, NBL encourages proper risk management in accordance with the description of tasks defined in individual job description and/or departments' roles and missions.

In this regard, first and second line of defence shall assess and monitor risks according their responsibilities and considering all factors that affect risk to which NBL is exposed. Identified staff members play a key role in managing the Banks' risks for their area of responsibility. This is reflected in their job descriptions and objectives. The appropriate risk management is a main criteria when determining their annual performance rating.

### 10.2 Proportionality principle

In accordance with the article 5 of the Circular CSSF 22/797 on the application of the EBA guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04), and respecting the criteria of CSSF circular 12/552, as amended for the application of the proportionality principle, NBL applies the proportionality principle on the institution level given its risk profile, risk appetite, strategy, type of activities performed, size of its balance sheet and capital requirements. As such, NBL neutralizes the following requirements:

- Part of variable remuneration payable in financial instruments;
- Partial deferral of the variable remuneration;
- Application of malus and claw back instruments on previously granted variable remuneration;
- Creation of a remuneration committee.

### 10.3 Compensation Committees

Formal compensation committees are in place, both at European and Global level. These committees approve Group Compensation policies. They review any bonus decisions on business division, regional and individual basis.

At NBL, the ExCom & HR Committee is responsible for the proper supervision of compensation at the local level. It is composed of ExCom members and the Head of HR and is held on a regular basis (at least bi-annually). Control Functions (Risk, Compliance and Internal Audit) are requested to provide a quarterly report to the ExCom & HR Committee that includes relevant metrics such as compliance breaches, risk breaches or internal audit report ratings.

The NBL ExCom & HR Committee reviews performance ratings, market compensation data and compensation elements for all local staff members. Based on these assessments and considering proposals from functional unit Heads, the Committee feeds further final proposals on all base salaries and bonus payments for all local staff members in compliance with the Remuneration Policy, into the Group Compensation Committees outside Luxembourg.

NBL neutralizes the requirement to have a Remuneration Committee since NBL applies proportionality on the institution level. Therefore, the 'ExCom & HR Committee' shall not be considered as a Remuneration Committee as per the law and the EBA guidelines.

### 10.4 Fixed remuneration

The initial fixed remuneration of staff is set following the mandatory requirements of the CBA and criteria such as the employee's job description, skills, knowledge and experience. Subsequent compensation decisions at NBL are also based on merit (set of technical, behavioural and social skills which enable the staff member to perform work) reflecting the individuals' performance during the past year.

### 10.5 Variable remuneration

The bonus pool is approved by Nomura Group based on the quality of service delivered during the past year and the expected financial results of the company. Individual bonus amounts are influenced by individuals' performance appraisals, their presences' ratio during the review period and the individual's hierarchical level and responsibilities.

Fixed remuneration is reflecting relevant professional experience and organisational responsibility while variable remuneration reflects performance in excess of that. It is only paid or vested if financially sustainable for NBL. The variable remuneration is aligned with the profit situation of NBL during any period considering its long term health. Furthermore, the total variable remuneration shall not limit the ability of NBL to strengthen its capital basis.

NBL is considering paying rather conservative variable amounts, reflecting its business model and limited individual impact on operational results. Consequently the variable payments at NBL will always and for all roles and hierarchical levels, including material risk takers, remain below the 100% of fixed remuneration ratio as defined by CRD IV and Article 94(1)(g) of Directive 2013/36/EU. Such ratio was not reached or exceeded during the period by any staff member.

NBL's objectives are related to quality aspects reflecting its mission to deliver the best possible administrative services to its clients being mostly the Nomura Group. This being said, staff members may also have quantitative, financial target figures set in their objectives as the basis for the annual performance appraisal. However, such objectives may only strive for cost efficiency or for a better service, indirectly attracting more business for the Bank.

Based on their objectives, all staff members are evaluated on an annual basis by their line manager in collaboration with the authorized management, HR and the Heads of Control Functions. The final performance rating feeds into the allocation process of variable remuneration as one of the main criteria (beside the hierarchical level / internal title) determining the proposed amount of variable remuneration.

The performance of NOMURA group is not considered when determining variable remuneration proposals for staff members at NBL. However the Group performance may influence the overall budget available and may indirectly influence decisions taken by the Compensation Committees on Group level. Said committees may confirm NBL proposals or challenge or ask for amendments.

NBL does not apply any scheme of remuneration in shares and options. In case of need, NBL may make use of corresponding existing group schemes.

The variable remuneration is not a contractual right and it is paid at the discretion of the ExCom in consensus with the Board of Directors as confirmed by the Compensation Committees on European and global level.

In relation to the Climate and Environmental risks factors NBL has assessed the materiality impact of those factors in the current risk profile, concluding that in the short term they would have limited effect and in the medium to long term impacts would be manageable. NBL has defined Climate and Environmental objectives in terms of limiting sectors to invest.

#### **10.6 Identified staff remunerated EUR 1 million or more per financial year**

No staff member has been remunerated EUR 1 million or more during the financial year.

#### **10.7 Recruitment and diversity policy**

The Bank is devoted to creating an inclusive culture and is committed to promoting diversity across its business and ensuring that individuals or groups are not discriminated against. NBL's principles apply across all areas including training, promotion, transfer and pay and benefits, performance appraisal and recruitment process. This is also in line with the Nomura Group Diversity and Inclusion statement, which highlights that Nomura is committed to fostering the corporate culture which respects our people's values regardless of their background, such as gender, nationality, ethnic origin, age, sexual orientation or gender identity.

Whilst the Bank has a very diverse work force on staff level (employed under the scope of the Collective Bargaining Agreement), the management level (employed out of the scope of the Collective Bargaining Agreement) is still dominated by male. This is triggered by historical influence and the very low turnover rate on management level.

However, the Bank set itself the target to reach 30 % female staff on management level by 2030.

Moreover, when approving the appointments, NBL strives to bring diversity within the Board of Directors and Authorised Management, including in terms of age, gender, geographical origin and educational and professional background.

By 2030 the Bank strives to have one female member in its authorized management. This may obviously depend on the availability / departure of current members.

Already in 2025 the Bank expanded its Management Body in its supervisory function by one female colleague.

Each selection and appointment of a new member of the Management Body must be preceded by the individual assessment of the relevant person and the collective assessment of the relevant management body. To enable NBL to perform the necessary assessments and to reach an informed decision, the applicants are requested to provide all the necessary evidence demonstrating that they have an adequate: (a) knowledge, skills and experience. (b) reputation, honesty and integrity; (c) independence of mind; and (d) ability to commit sufficient time to the functions in the Bank.

In terms of succession within the Board/Authorised Management, the collective assessment provides an insight whether or not the member who departed should be replaced and by which type of profile or if the



remaining members can ensure that the Management Body is still sufficient in number and collectively adequately composed to fully meet its responsibilities.

NBL has developed a template to assess the individual and collective suitability of Management Body members on an ongoing basis, which is proportionate to its size, nature and complexity of NBL's business and which takes into account the following elements:

- Experience criteria – The assessment of person's experience considers both the theoretical experience attained through education and training and the practical experience gained in previous occupations. The Bank takes into account the skills, knowledge and experience acquired and demonstrated by the professional conduct. Particular consideration is given to the level and profile of the education and whether it relates to banking and financial services or other relevant areas. A thorough analysis of the individual's practical experience is conducted. Consideration is given to theoretical and practical experience relating to financial markets, regulatory framework and requirements, strategic planning and understanding of Bank's business strategy, risk management, ability to assess the effectiveness of Bank's governance arrangements and the ability to interpret Bank's financial information.
- Governance criteria – The criteria considered are, among others, potential conflicts of interest, the ability to commit sufficient time to the position, and the ability to perform the duties independently without undue influence from other persons. In assessing independence, the Bank considers the person's past and present positions, any relationships with the members of the Management Body and with the controlling shareholders in the Bank, its parent company or subsidiaries.

#### **Actual qualifications or competencies of current members**

- Board of Directors: Mr. Shinichi OKADA has joined Nomura Group 35 years ago where he has occupied a number of management positions in several different areas of activity mainly in Japan, and where he gained significant experience in asset management, retail business and wealth management. Mr. Katsuya IMANISHI has been in Nomura Group for over 25 years, occupying senior management positions in Nomura entities in Japan, Thailand, USA and now Luxembourg, with extensive experience in management, corporate planning and strategy. Ms. Daisy LE VAY has an extensive legal experience from both external companies and Nomura Group in the UK where she is currently occupying a senior management position. Mr. Stephen FUGGLE has been working for Nomura Group in the UK since almost 25 years where he occupies senior management positions, specializing in finance, financial reporting and financial controls. Mr. Alfred BRAUSCH is an independent director with almost 40 years of legal experience and a very broad understanding of the Luxembourg financial sector.

All Board members demonstrate strategic vision, judgment on risks, leadership and sufficient required experience to provide constructive challenge to the decisions and effective oversight.

- Authorised management: Mr. Katsuya IMANISHI has been in Nomura Group for over 25 years, occupying senior management positions in Nomura entities in Japan, Thailand, USA and now Luxembourg, with extensive experience in management, corporate planning and strategy. Mr. Dan TABATA has been in Nomura Group in Japan, Singapore, Thailand and now Luxembourg, where he obtain skills in financial advisory, private banking, wealth management, product and business planning, human resources, client support and administration. Mr. Eric SOUBRY has been working in several financial institutions mainly in Luxembourg, with extensive skills in legal, compliance, regulatory matters, governance, management strategies and planning and Luxembourg financial industry in general. Mr. Francois JOHN has been working in Nomura Group in Luxembourg for over 25 years, where he obtained significant skills in business operations, treasury, custody and depositary fields. All Authorised Managers have a very deep understanding of the Bank's business and management, financial markets, Luxembourg financial sector in general.



**10.8 Quantitative information**

Pursuant to the article 450 (g) and (h) of the CRR, Table 31 and Table 32 here below disclose the aggregate quantitative information on remuneration of financial year ending March 2025, broken down by business area and aggregate quantitative information on remuneration broken down by senior management and members of staff whose actions have a material impact on the risk profile of the Bank.

**Template EU REM1 - Remuneration awarded for the financial year**

		a	b	c	d	
		MB Supervisory function	MB Management function	Other senior management	Other identified staff	
1	Fixed remuneration	Number of identified staff	4	4	24	
2		Total fixed remuneration	48,000	876,352	602,702	3,026,416
3		Of which: cash-based	48,000	876,352	602,702	3,026,416
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership				
5		Of which: share-linked instruments or				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms				
8	(Not applicable in the EU)					
9	Variable remuneration	Number of identified staff	4	4	24	
10		Total variable remuneration		283,868	98,292	584,238
11		Of which: cash-based		283,868	98,292	584,238
12		Of which: deferred				
EU-13a		Of which: shares or equivalent ownership				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15	Of which: other forms					
16	Of which: deferred					
17	Total remuneration (2 + 10)		48,000	1,160,220	700,994	3,610,654

**Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)**

	a	b	c	d
	MB Supervisory function	MB Management function	Other senior management	Other identified staff
<b>Guaranteed variable remuneration awards</b>				
1	Guaranteed variable remuneration awards - Number of identified staff	0	0	0
2	Guaranteed variable remuneration awards -Total amount	0	0	0
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap			
<b>Severance payments awarded in previous periods, that have been paid out during the financial year</b>				
4	Severance payments awarded in previous periods, that have been paid out during the financial	0	0	0
5	Severance payments awarded in previous periods, that have been paid out during the financial	0	0	0
<b>Severance payments awarded during the financial year</b>				
6	Severance payments awarded during the financial year - Number of identified staff	0	0	0
7	Severance payments awarded during the financial year - Total amount	0	0	0
8	Of which paid during the financial year	0	0	0
9	Of which deferred	0	0	0
10	Of which severance payments paid during the financial year, that are not taken into account in	0	0	0
11	Of which highest payment that has been awarded to a single person	0	0	0

**Template EU REM3 - Deferred remuneration**

		a	b	c	d	e	f	EU - g	EU - h
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	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	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	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	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	0	0	0	0	0	0	0	0
2	Cash-based	0	0	0	0	0	0	0	0
3	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
4	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
5	Other instruments	0	0	0	0	0	0	0	0
6	Other forms	0	0	0	0	0	0	0	0
7	MB Management function	0	0	0	0	0	0	0	0
8	Cash-based	0	0	0	0	0	0	0	0
9	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
10	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
11	Other instruments	0	0	0	0	0	0	0	0
12	Other forms	0	0	0	0	0	0	0	0
13	Other senior management	0	0	0	0	0	0	0	0
14	Cash-based	0	0	0	0	0	0	0	0
15	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
16	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
17	Other instruments	0	0	0	0	0	0	0	0
18	Other forms	0	0	0	0	0	0	0	0
19	Other identified staff	0	0	0	0	0	0	0	0
20	Cash-based	0	0	0	0	0	0	0	0
21	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
22	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
23	Other instruments	0	0	0	0	0	0	0	0
24	Other forms	0	0	0	0	0	0	0	0
25	Total amount	0	0	0	0	0	0	0	0

**Template EU REM4 - Remuneration of 1 million EUR or more per year**

		a
	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	0
2	1 500 000 to below 2 000 000	0
3	2 000 000 to below 2 500 000	0
4	2 500 000 to below 3 000 000	0
5	3 000 000 to below 3 500 000	0
6	3 500 000 to below 4 000 000	0
7	4 000 000 to below 4 500 000	0
8	4 500 000 to below 5 000 000	0
9	5 000 000 to below 6 000 000	0
10	6 000 000 to below 7 000 000	0
11	7 000 000 to below 8 000 000	0
x	To be extended as appropriate, if further payment bands are needed.	

## 11. Appendices

### 11.1 Template EU KM1 – Key metrics template

		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	320,721,006				318,456,635
2	Tier 1 capital	320,721,006				318,456,635
3	Total capital	320,721,006				318,456,635
<b>Risk-weighted exposure amounts</b>						
4	Total risk exposure amount	1,111,497,534				1,376,645,067
4a	Total risk exposure pre-floor	1,111,497,534				1,376,645,067
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	0.29				0.23
5a	Not applicable					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	-				-
6	Tier 1 ratio (%)	0.29				0.23
6a	Not applicable					
6b	Tier 1 ratio considering unfloored TREA (%)					-
7	Total capital ratio (%)	0.29				0.23
7a	Not applicable					
7b	Total capital ratio considering unfloored TREA (%)					-
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>						
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0.21				0.15
EU 7e	of which: to be made up of CET1 capital (percentage points)	0.24				0.19
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	0.23				0.17

EU 7g	Total SREP own funds requirements (%)	0.08				0.08
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>						
8	Capital conservation buffer (%)	0.02				0.02
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9	Institution specific countercyclical capital buffer (%)	0.00				0.00
EU 9a	Systemic risk buffer (%)					
10	Global Systemically Important Institution buffer (%)					
EU 10 a	Other Systemically Important Institution buffer (%)					
11	Combined buffer requirement (%)	0.03				0.03
EU 11 a	Overall capital requirements (%)					
12	CET1 available after meeting the total SREP own funds requirements (%)	0.24				0.19
<b>Leverage ratio</b>						
13	Total exposure measure	5,271,850,281				4,230,071,255
14	Leverage ratio (%)	0.06				0.08
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>						
EU 14 a	Additional own funds requirements to address the risk of excessive leverage (%)					-
EU 14 b	of which: to be made up of CET1 capital (percentage points)					
EU 14 c	Total SREP leverage ratio requirements (%)					
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>						
EU 14 d	Leverage ratio buffer requirement (%)					
EU 14 e	Overall leverage ratio requirement (%)	0.03				0.03

<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	1,873,437,272				1,388,313,526
EU 16 a	Cash outflows - Total weighted value	4,124,126,811				2,758,524,648
EU 16 b	Cash inflows - Total weighted value	2,690,518,907				1,699,787,021
16	Total net cash outflows (adjusted value)	1,433,607,904				1,058,737,626
17	Liquidity coverage ratio (%)	1.31				1.31
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	1,245,677,500				1,002,951,034
19	Total required stable funding	686,879,948				625,928,098
20	NSFR ratio (%)	1.81				1.60

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Template EU CR1: Performing and non-performing exposures and related provisions	20
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### 11.3 Compliance checklist

Article	Description	Reference to the report
<b>431</b>	<b>Disclosure Requirements and policies (General Principles)</b>	
<b>431 (1)</b>	Disclosures in accordance with Titles I and II	1
<b>431 (2)</b>	Disclosure of information regarding use of approaches behind NCA's approval	5.2
<b>431 (3)</b>	Attestation that disclosures are made in accordance with formal policies, and internal processes, systems and controls.	1
<b>431 (4)</b>	All quantitative disclosures should be accompanied by qualitative narrative and any other supplementary information.	General principle covered through the entire report
<b>431 (5)</b>	If requested, institutions should explain (in writing) rating decisions to SMEs and other corporate applicants for loans.	Done on an as-needed basis (outside scope of this report)
<b>432</b>	<b>Non-material, proprietary or confidential information (General Principles)</b>	
<b>432 (1) to (3)</b>	Institutions may omit the disclosure of: 1) Non-material information (except for info requested under Art 435(2), 437 and 450). 2) Proprietary or confidential (except for info requested under Art 437 and 450). Application of materiality, proprietary and confidentiality, in the context of disclosures should be in line with Art. 16 of Reg (EU) 1093/2010.	General principle covered through the entire report
<b>433</b>	<b>Frequency and scope of disclosures (General Principles)</b>	
<b>433</b>	Frequency of disclosures (annual, quarterly or semi-annual) depends on a number of criteria set out in Art. 433a, 433b and 433c, while means of disclosure are tackled in Art. 434. Disclosures shall be published on the EBA website on the same day as institutions publish their FS (or soon after).	1
<b>433a</b>	<b>Disclosure by large institutions</b>	
<b>433a (1)-(3)</b>	Large institutions (depending on whether they are listed or not) are subject to more or less stringent disclosure requirements, both on an annual and semi-annual basis. The definition of 'large institution' is as per Art. 4 (146).	Not applicable
<b>433b</b>	<b>Disclosure by small non-complex institutions (SNCIs)</b>	
<b>433b (1)-(2)</b>	SNCIs are expected to disclose a reduced amount of information compared to large institutions and to do so on an annual basis only.	Not applicable
<b>433c</b>	<b>Disclosure by other institutions</b>	
<b>433c (1)-(2)</b>	Other institutions (ie, those that do not qualify neither as large nor as SNCI) are expected to disclose annually more or less information depending on whether they are listed or not. If listed, some disclosures are meant to be done on a semi-annual basis.	1

<b>434 Means of disclosures</b>		
<b>434 (1)-(6)</b>	Institutions (except SNCIs) must submit all required information in electronic format to the EBA, no later than the date on which FS are published. Resubmissions are allowed. The disclosures can be done in standalone documents or as a distinctive section in the FS. Disclosures of remuneration policy (Art 450) can be submitted up to 2 months after the date on which FS are published.	Applicable effective 30 June 2025
<b>435 Risk management objectives and policies</b>		
<b>435 (1) (a)</b>	Strategies and processes to manage, hedge, and mitigate risk	3
<b>435 (1) (b)</b>	Information on the risk governance structure for each type of risk	Not Applicable
<b>435 (1) (c)</b>	Disclosure on the scope and nature of risk disclosure and/or measurement systems (covering liquidity, market risk and OpRisk) Information on risk reporting (covering liquidity, market risk and OpRisk)	Not Applicable
<b>435 (1) (d)</b>	Policies for hedging and mitigating risk: 1) for liquidity risk and market risk, information on the monitoring of the effectiveness of hedges and mitigants; 2) for credit risk, the criteria and approach used for defining credit risk management policy and setting credit;	Not Applicable
<b>435 (1) (e)</b>	Declaration of the management body on the adequacy of risk management arrangements	3.4
<b>435 (1) (f)</b>	Concise risk statement approved by the management body	3
<b>435 (2) (a)</b>	Number of directorships held by members of the management body	2
<b>435 (2) (b)</b>	Recruitment policy for the selection of members of the management body	10
<b>435 (2) (c)</b>	Policy on diversity with regard to selection of members of the management body	10
<b>435 (2) (d)</b>	Information on whether or not the institution has set up a separate risk committee and the frequency of the meetings	Not Applicable
<b>435 (2) (e)</b>	Description of the information flow on risk to the management body	Not Applicable
<b>436 Scope of application</b>		
<b>436 (a)</b>	Name of the institution	Not applicable
<b>436 (b)</b>	Reconciliation between the consolidated financial statements prepared in accordance with the applicable accounting framework and the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation	Not applicable
<b>436 (c)</b>	Breakdown of assets and liabilities of the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation	Not applicable
<b>436 (d)</b>	Reconciliation identifying the main sources of differences between the carrying value amounts in the financial statements under the regulatory scope of consolidation	Not applicable
<b>436 (e)</b>	For exposures from the trading book and the non-trading book that are adjusted in accordance with Article 34 and Article 105, a breakdown of the amounts of the constituent elements of an institution's prudent valuation adjustment	Not applicable
<b>436 (f)</b>	Any current or expected material practical or legal impediment to the prompt transfer of own funds or to the repayment of liabilities between the parent undertaking and its subsidiaries	Not applicable

436 (g)	The aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation, and the name or names of those subsidiaries	Not applicable
436 (h)	Where applicable, the circumstances under which use is made of the derogation referred to in Article 7 or the individual consolidation method laid down in Article 9	Not applicable
<b>437</b>	<b>Own funds</b>	
437 (a)	Full reconciliation of own funds and the balance sheet in the audited financial statements	4, Template EU CC2
437 (b)	Description of the main features of own funds instruments	Not applicable
437 (c)	Full terms and conditions of own funds instruments	Not applicable
437 (d)	Disclosure of the nature and amounts of items deducted from own funds	Not applicable
437 (e)	Description of all restrictions applied to the calculation of own funds	Not applicable
437 (f)	Comprehensive explanation of the basis on which own funds are determined (if different from CRR treatment)	Not applicable
<b>437a</b>	<b>Disclosure of own funds and eligible liabilities</b>	
437a	Disclosure of information regarding own funds and eligible liabilities, for EU and nonEU G-SIIs	Not applicable
<b>438</b>	<b>Capital requirements</b>	
438 (a)	Summary of the approach to assessing the adequacy of the internal capital	Not applicable
438 (b)	Amount of additional own funds requirements (Pillar 2) based on SREP	Not applicable
438 (c)	Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process	Not applicable
438 (d)	Total RWEA and corresponding own funds, broken down by different risk categories or risk exposure classes (incl. explanation of effect of capital floors and non-deductions)	4, Template EU CMS1
438 (da)	Total U-TREA and standardised-TREA, broken down by different risk categories or risk exposure classes	Not applicable
438 (e)	On- and off-balance sheet exposures, RWEA and associated expected losses for each category of specialised lending; on- and off-balance sheet exposures and RWEA for equity exposures	Not applicable
438 (f)	Disclosure of exposure value and RWEA of own funds instruments (non-deducted) held in insurance / re-insurance undertakings or insurance holdco	Not applicable
438 (g)	Supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate	Not applicable
438 (h)	Variations in the risk-weighted exposure amounts of the current disclosure period compared to the immediately preceding disclosure period that result from the use of internal models	Not applicable
<b>439</b>	<b>Exposure to counterparty credit risk</b>	
439 (a)	Description of methodology used to assign internal capital and credit limits for counterparty credit exposures	Not applicable
439 (b)	Description of policies (related to guarantees and other credit risk mitigants) for securing collateral and establishing credit reserves	Not applicable
439 (c)	Policies with respect to wrong-way risk exposures	Not applicable
439 (d)	Impact of the amount of collateral to provide in case of a credit rating downgrade	Not applicable

439 (e)	Amount of segregated and unsegregated collateral received and posted per type of collateral, broken down between derivatives and SFTs	Not applicable
439 (f)	Exposure values of derivative transactions before and after the effect of the credit risk mitigation	Not applicable
439 (g)	Exposure values of SFTs before and after the effect of the credit risk mitigation	Not applicable
439 (h)	Exposure values after CRM effects and the associated risk exposures for CVA capital charge	Not applicable
439 (i)	Exposure value to CCPs and the associated risk exposures	Not applicable
439 (j)	Notional amounts and fair value of credit derivative transactions, broken down by product type	Not applicable
439 (k)	Estimate of alpha (behind NCA's permission)	Not applicable
439 (l)	Disclosure of CCR exposures under the Standardized Approach (by exposure class and risk-weight) and the IRB Approach (by exposure class and PD scale)	Not applicable
439 (m)	For institutions using the IMM approach, disclosure of on- and off-balance sheet derivative business	Not applicable
<b>440</b>	<b>Capital buffers</b>	
440 (a)	Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer	Not applicable
440 (b)	Amount of the specific countercyclical capital buffer	Not applicable
<b>441</b>	<b>Indicators of global systemic importance</b>	
441	Disclosure of the values of the indicators used for determining the score	Not applicable
<b>442</b>	<b>Exposure to credit risk and dilution risk</b>	
442 (a)	Definitions of 'past due' and 'impaired'	Not applicable
442 (b)	Description of the approaches and methods for determining specific and general credit risk adjustments	Not applicable
442 (c)	Disclosure of amount and quality of performing, non-performing and forborne exposures	5.2, Templates EU CR1, EU CQ1 and EU CQ7
442 (d)	Ageing analysis of accounting past due exposures	5.2, Template EU CQ3
442 (e)	Distribution of defaulted and non-defaulted exposures geographical area and industry type	Not applicable
442 (f)	Changes in the gross amount of defaulted on- and off-balance- sheet exposures	Not applicable
442 (g)	Breakdown of loans and debt securities by residual maturity	Not applicable
<b>443</b>	<b>Disclosure of encumbered and unencumbered assets</b>	
443	Carrying amount per exposure, broken down by asset quality and total amount	Not applicable
<b>444</b>	<b>Use of ECAs</b>	
444 (a)	Names of nominated ECAs	Not applicable
444 (b)	Exposure classes for which ECAs are used	Not applicable
444 (c)	Description of the process used to transfer the issuer and issue credit assessments onto items not included in the trading book	Not applicable
444 (d)	Association of the external rating of each nominated ECA or ECA with the risk weights that correspond with the credit quality steps	Not applicable
444 (e)	Exposure values associated with each credit quality step	Not applicable

<b>445</b>	<b>Exposure to market risk</b>	
<b>445</b>	A general overview of the trading book positions for institutions that use the Simplified Standardised Approach or the Alternative Standardised Approach	Not applicable
<b>445a</b>	<b>Disclosure of CVA risk</b>	
<b>445a (1)(a)</b>	Overview of the processes to identify, measure, hedge and monitor their CVA risk and a description of policies for hedging and mitigating risk, and strategies and processes for monitoring the continuing effectiveness of hedges	Not applicable
<b>445a (1)(b)</b>	Explanation of whether conditions are met to use the simplified method and the own funds requirements for CVA risk in accordance with that approach	Not applicable
<b>445a (1)(c)</b>	Total number of counterparties for which the standardised approach is used	Not applicable
<b>445 (2)(a)</b>	For institutions using the standardised approach, structure and the organisation of their internal CVA risk management function and governance	Not applicable
<b>445 (2)(b)</b>	Total own funds requirements for CVA risk under the standardised approach	Not applicable
<b>445 (2)(c)</b>	Overview of the eligible hedges used in the calculation, with a breakdown by type of instruments	Not applicable
<b>445 (3)(a)</b>	For institutions using the basic approach, total own funds requirements for CVA risk under the basic approach, and the components BACVA <sub>total</sub> and BACVA <sub>csr-hedged</sub>	Not applicable
<b>445 (3)(b)</b>	Overview of the eligible hedges used in the calculation, with a breakdown by type of instruments	Not applicable
<b>446</b>	<b>Operational risk</b>	
<b>446 (1)(a)</b>	Disclosure should include: 1) Description of the risk management objectives and policies; 2) Disclosure of the structure and organisation of the operational risk management function; 3) Description of the scope and nature of the measurement system; 4) Description of the scope and nature of the operational risk reporting framework; 5) Description of the policies and strategies of the risk mitigation and risk hedge	Not applicable
<b>446 (1)(b)</b>	Own funds requirement for operational risk	Not applicable
<b>446 (1)(c)</b>	The business indicator and the amounts of each of the business indicator components and their sub-components	Not applicable
<b>446 (1)(c)</b>	The amount of the reduction of the business indicator for each exclusion from the business indicator	Not applicable
<b>446 (2)(a)</b>	The annual operational risk losses for each of the last 10 financial years	Not applicable
<b>446 (2)(b)</b>	The number of exceptional operational risk events and the amounts of the corresponding aggregated net operational risk losses that were excluded from the calculation of the annual operational risk loss	Not applicable
<b>447</b>	<b>Disclosure of key metrics</b>	
<b>447 (a)</b>	Composition of own funds and own funds requirements	Template EU KM1
<b>447 (aa)</b>	Where applicable, the risk-based capital ratios calculated using the U-TREA	Not applicable
<b>447 (b)</b>	TREA and U-TREA	Template EU KM1

447 (c)	Amount and composition of additional own funds, which the institutions are required to hold	Template EU KM1
447 (d)	Combined buffer requirement which the institutions are required to hold	Template EU KM1
447 (e)	Leverage ratio and the total exposure measure	Template EU KM1
447 (f)	Averages of Liquidity Coverage Ratio (LCR)	8.4, Template Template EU LIQ1
447 (g)	Net Stable Funding Ratio (NSFR)	8.5, Template Template EU LIQ2
447 (h)	Own funds and eligible liabilities ratios and their components, numerator and denominator	Not applicable
448	<b>Exposure to interest rate risk on positions not included in the trading book</b>	Not applicable
448 (1)(a)	Changes in the economic value of equity calculated under the six supervisory shock scenarios	Not applicable
448 (1)(b)	Changes in the net interest income calculated under the two supervisory shock scenarios;	Not applicable
448 (1)(c)	Description of key modelling and parametric assumptions used to calculate changes in the economic value of equity and in the net interest income required under points (a) and (b) of this paragraph	Not applicable
448 (1)(d)	An explanation of the significance of the risk measures disclosed under points (a) and (b) of this paragraph and of any significant variations of those risk measures since the previous disclosure reference date;	Not applicable
448 (1)(e)	Description of how institutions define, measure, mitigate and control the interest rate risk of their non-trading book activities including: (i) a description of the specific risk measures that the institutions use to evaluate changes in their economic value of equity and in their net interest income; (ii) a description of the key modelling and parametric assumptions used in the institutions' internal measurement systems that would differ from the common modelling and parametric assumptions; (iii) a description of the interest rate shock scenarios that institutions use to estimate the interest rate risk; (iv) the recognition of the effect of hedges against those interest rate risks; (v) an outline of how often the evaluation of the interest rate risk occurs	Not applicable
448 (1)(f)	Description of the overall risk management and mitigation strategies for those risks	Not applicable
448 (1)(g)	Average and longest repricing maturity assigned to non-maturity deposits	Not applicable
449	<b>Securitization activity</b>	
449 (1)(a)	Description of securitization and re-securitization activities, including risk management and investment objectives in connection with those activities, their role in securitization and re-securitization transactions,	Not applicable
449 (1)(b)	Type of risks exposed to in securitization and re-securitization activities by level of seniority of the relevant securitization positions	Not applicable
449 (1)(c)	Approaches for calculating the risk-weighted exposure amounts that they apply to their securitization activities	Not applicable
449 (1)(d)	List of SSPEs including derivative contracts	Not applicable

449 (1)(e)	List of any legal entities in relation to which the institutions have disclosed that they have provided support	Not applicable
449 (1)(f)	List of legal entities affiliated with the institutions and that invest in securitizations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institution	Not applicable
449 (1)(g)	Summary of accounting policies for securitisation activity	Not applicable
449 (1)(h)	Names of the ECAs used for securitizations and the types of exposure for which each agency is used	Not applicable
449 (1)(i)	Description of the Internal Assessment Approach	Not applicable
449 (1)(j)	Separately for the trading book and the non-trading book, the carrying amount of securitization exposures	Not applicable
449 (1)(k)	For the non-trading book activities, the following information: (i) the aggregate amount of securitization positions where institutions act as originator or sponsor and the associated risk weighted assets and capital requirements; (ii) the aggregate amount of securitisation positions where institutions act as investor and the associated risk-weighted assets and capital requirements	Not applicable
449 (1)(l)	For exposures securitised by the institution, the amount of exposures in default and the amount of the specific credit risk adjustments made by the institution during the current period, both broken down by exposure type	Not applicable
449a	<b>Disclosure of environmental, social and governance risks (ESG risks)</b>	
449a (1)	Disclosure of information on ESG risks, distinguishing environmental, social and governance risks, and physical risks and transition risks for environmental risks	Applicable effective 31 March 2027 for NBL
449a (2)(a)	Total amount of exposures to fossil fuel sector entities	Applicable effective 31 March 2027 for NBL
449a (2)(b)	How institutions integrate the identified ESG risks in their business strategy and processes, and governance and risk management	Applicable effective 31 March 2027 for NBL
449b	<b>Disclosure of aggregate exposure to shadow banking entities</b>	
449b	Disclosure of information concerning aggregate exposure to shadow banking entities	Applicable effective 31 March 2027 for NBL
450	<b>Remuneration policy</b>	
450 (1) (a)	Decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, if applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders	10
450 (1) (b)	Information on link between pay and performance	10
450 (1) (c)	Most important design characteristics of the remuneration system, criteria used for performance measurement, deferral policy	10
450 (1) (d)	Ratios between fixed and variable remuneration set in accordance with Article 94(1)(g) of Directive 2013/36/EU	10
450 (1) (h)	Aggregate quantitative information on remuneration, broken down by senior management and members of staff with material impact	10

<b>450 (1) (e)</b>	Information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based	Not applicable
<b>450 (1) (f)</b>	Main parameters and rationale for any variable component scheme and any other non-cash benefits	Not applicable
<b>450 (1) (g)</b>	Aggregate quantitative information on remuneration, broken down by business area	Not applicable
<b>450 (1) (h) (i)</b>	Amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries	10, Template EU REM1
<b>450 (1) (h) (ii)</b>	Amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types separately for the part paid upfront and the deferred part;	10, Template EU REM1
<b>450 (1) (h) (iii)</b>	Amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years;	10, Template EU REM3
<b>450 (1) (h) (iv)</b>	Amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments;	10, Template EU REM3
<b>450 (1) (h) (v)</b>	Guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards;	10, Template EU REM2
<b>450 (1) (h) (vi)</b>	Severance payments awarded in previous periods, that have been paid out during the financial year;	10, Template EU REM2
<b>450 (1) (h) (vii)</b>	Amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person	10, Template EU REM2
<b>450 (1) (i)</b>	Number of individuals being remunerated EUR 1 million or more per financial year	10, Template EU REM4
<b>450 (1) (j)</b>	Total remuneration for each member of the management body or senior management (upon demand)	Not applicable
<b>450 (1)(k)</b>	Information on whether the institution benefits from a derogation under Art. 94(3) of CRD	Not applicable
<b>450 (2)</b>	For large institutions, the quantitative information on the remuneration of institutions' collective management body	Not applicable
<b>451</b>	<b>Leverage ratio</b>	
<b>451 (1) (a)</b>	Leverage ratio and application of Art. 499(2)	9, Templates EU LR1 – LRSum and EU LR2 - LRCom
<b>451 (1) (b)</b>	Breakdown of total exposure measure (as per Art. 429(4)) and reconciliation with financial statements	9, Templates EU LR1 – LRSum, EU LR2 – LRCom, and EU LR3 - LRSpI
<b>451 (1) (c)</b>	Amount of exposures calculated in accordance with Articles 429(8) and 429a(1) and the adjusted leverage ratio calculated in accordance with Article 429a(7)	Not applicable
<b>451 (1) (d)</b>	Description of the process used to manage the risk of excessive leverage	9
<b>451 (1) (e)</b>	Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers	9

<b>451 (2)</b>	Adjusted leverage ratio for public development credit institutions	Not applicable
<b>451 (3)</b>	Additional disclosure of leverage ratio and breakdown of total exposure for large institutions	Not applicable
<b>451 a</b>	<b>Liquidity requirements</b>	
<b>451a (2) (a)-(c)</b>	Average of liquidity coverage ratio, total liquid assets, outflows, inflows and net liquidity based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period	8, Template EU LIQ1
<b>451a (3) (a)-(c)</b>	Figures of their net stable funding ratio calculated for each quarter of the relevant disclosure period, the amount of available stable funding and required stable funding	8, Template EU LIQ2
<b>451a (4)</b>	Arrangements, systems, processes and strategies put in place to identify measure, manage and monitor liquidity risk	8
<b>452</b>	<b>Use of the IRB Approach to credit risk</b>	Not applicable
<b>453</b>	<b>Use of credit risk mitigation techniques</b>	
<b>453 (a)</b>	Core features of the policies and processes for on- and off-balance-sheet netting and an indication of the extent of use of balance sheet netting	5.2
<b>453 (b)</b>	Core features of the policies and processes for eligible collateral evaluation and management	5.2
<b>453 (c)</b>	Description of the main types of collateral taken by the institution	5.2
<b>453 (d)</b>	Guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purpose of reducing capital requirements, excluding those used as part of synthetic securitisation structures	5.2
<b>453 (e)</b>	Market and credit risk concentrations within the credit mitigation taken	5.2
<b>453 (f)</b>	Total exposure value not covered by any eligible credit protection and the total exposure value covered by eligible credit protection after applying volatility adjustments	5.2, Template EU CR3
<b>453 (g)</b>	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	5.2, Template EU CR4
<b>453 (h)</b>	On- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any associated credit risk mitigation (under the Standardised Approach)	5.2, Template EU CR4
<b>453 (i)</b>	Risk-weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure (under the Standardised Approach)	5.2, Template EU CR4
<b>453 (j)</b>	Risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives (under the IRB Approach)	Not applicable
<b>454</b>	<b>Use of the Advanced Measurement Approaches to operational risk</b>	Not applicable
<b>455</b>	<b>Use of Internal Market Risk Models</b>	Not applicable



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