Mizuho International plc

Annual Report for year ended 31 March 2026


More London Riverside

Table of contents

General Information

Directors as at the date of signature of the Reports and Financial Statements

Ms M. Erasmus	Chair and Independent Non-Executive Director
Mr M. Ponsonby	President and Chief Executive Officer
Mr Y. Imafuku	Deputy President and Managing Director
Mr D. Atkinson	Independent Non-Executive Director
Mr G. Bennett	Independent Non-Executive Director
Mr T. Waddell	Independent Non-Executive Director
Mr H. Kurakagi	Non-Executive Director
Mr Y. Nanjo	Non-Executive Director
Mr A. Shibukawa	Non-Executive Director

Company Secretary

Mr A. Richardson

Auditors

Forvis Mazars LLP
30 Old Bailey
London
EC4M 7AU
United Kingdom

Registered Office

30 Old Bailey
London EC4M 7AU
Tel: 020 7236 1090

Registered in England and Wales Number 1203696

Group Chair's Statement

Maureen Erasmus
Chair and Independent Non-Executive Director

The financial year 2025/26 was a significant year for Mizuho EMEA, with the continued development of a unified Corporate and Investment Banking ("CIB") franchise supporting greater integration across European jurisdictions and enhanced connectivity across our global Markets platform. Throughout the year, we remained focused on strengthening client coverage and expanding our capital markets, advisory, financing and risk solutions capabilities. These initiatives continued to advance the Group's strategic priorities and deepen relationships across the region. We continue to draw upon the strength of the wider Mizuho franchise across markets, products and geographies, driving Mizuho's shift towards a global financial institution deeply rooted in Japan.

The Group remained profitable during the year despite periods of significant market volatility. The Debt Capital Markets business delivered a strong performance, benefiting from favourable market conditions and increased client activity. Performance across the Markets franchise was more mixed, as described further in the Strategic Report, reflecting differing conditions across business lines. The Group maintained a strong balance sheet and capital position throughout the year, supporting continued delivery of its strategic priorities and future growth opportunities, including further enhancements to the Markets operating model designed to strengthen the Group's ability to capture transatlantic business opportunities.

A key strategic milestone during the year was the acquisition of Augusta & Co Limited, a leading European specialist advisory firm focused on the renewable energy and energy transition sectors. The acquisition further strengthens our advisory capabilities and complements the broader strategic development of our CIB franchise. Together with Greenhill and our existing Banking and Markets businesses, Augusta enhances our ability to support clients through increasingly complex strategic, financing and transition-related opportunities, while further deepening client relationships across the region.

The Board also oversaw a period of important leadership transition. Suneel Bakhshi stepped down as Head of EMEA CIB and President & CEO of Mizuho International plc following his appointment as Deputy President of Mizuho Financial Group. On behalf of the Board, I would like to thank Suneel for his significant contribution over the past seven years. His leadership played an important role in establishing and developing the CIB franchise across EMEA and creating the foundations upon which the business continues to build.

The Board undertook a comprehensive succession process, supported by an external executive search firm. The process considered both internal and external candidates and enabled the Board to assess a broad range of leadership capabilities and experience before reaching its decision. In this regard, I would like to welcome Matthew Ponsonby, who joined during the year as Head of EMEA CIB and President & CEO of Mizuho International plc following the conclusion of the Board's succession process and with the unanimous support of the Board. Matthew brings extensive international investment banking experience and a deep understanding of advisory-led client engagement. Together with Hiroki Kurakagi, CEO for EMEA, and the wider leadership team, he will play an important role in guiding the next phase of the Group's development.

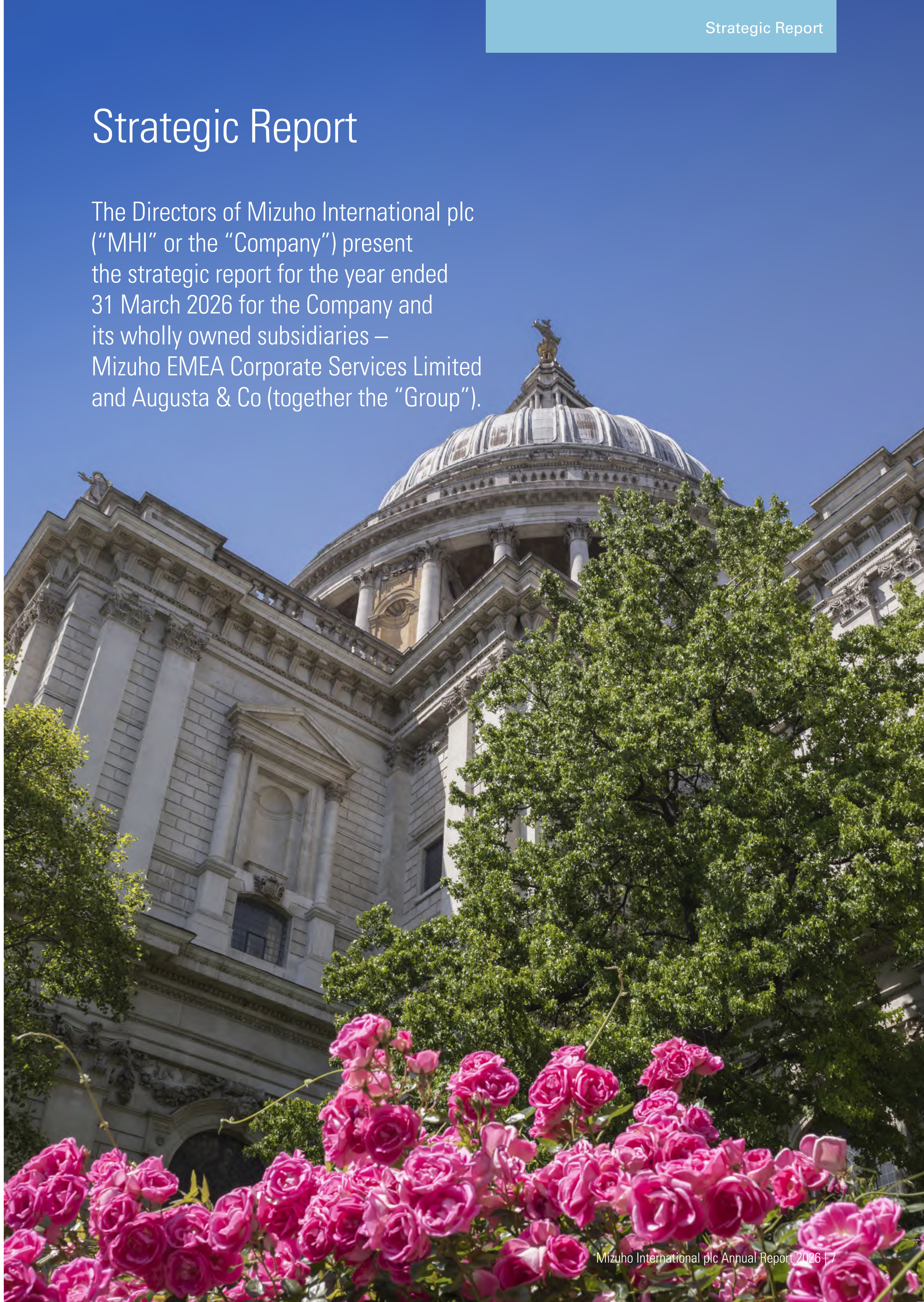
The foundations of the Group's strategic development are now firmly established. While the external environment continues to be characterised by geopolitical uncertainty, evolving regulatory expectations and changing market conditions, the Board believes the Group is well positioned to support its clients, execute its strategic priorities and deliver sustainable long-term growth across the EMEA region.

Alongside the milestones achieved in developing our CIB franchise, a proud highlight of 2025 was our involvement in the Grand Sumo Tournament, which was held at the iconic Royal Albert Hall in October 2025. It was an honour to be a key sponsor of the five-day tournament and play our part in bringing the historic return of Sumo to London for the first time in over 30 years. The event was a great success in raising our brand profile in the region.

Finally, I would like to thank my fellow Board members for their support, guidance and commitment throughout a year of significant executive transition. I would also like to thank our employees across the region for their continued professionalism, resilience and dedication to our clients. Their efforts have been instrumental in delivering the progress achieved during the year and positioning the Group for the future.

Strategic Report

The Directors of Mizuho International plc ("MHI" or the "Company") present the strategic report for the year ended 31 March 2026 for the Company and its wholly owned subsidiaries – Mizuho EMEA Corporate Services Limited and Augusta & Co (together the "Group").



Strategic Report

1. Overview of the Group

The Company is a wholly owned subsidiary of Mizuho Securities Co., Ltd. ("MHSC"), which is itself a wholly owned subsidiary of Mizuho Financial Group, Inc. ("MHFG"). The Company is authorised by the Prudential Regulation Authority ("PRA") and regulated by the PRA and the Financial Conduct Authority ("FCA"). It is a member of the London Stock Exchange and LCH Limited.

The Company operates a branch in the Dubai International Financial Centre, which is authorised and regulated by the Dubai Financial Services Authority ("DFSA").

Mizuho EMEA Corporate Services Limited ("MECS") is incorporated in England and Wales and provides a range of corporate support services to Group entities, as well as to Mizuho Bank, Ltd., London Branch and Mizuho Bank Europe ("MBE"). During the year, the Company acquired Augusta & Co Limited ("Augusta"), an FCA-authorised corporate finance advisory business specialising in the European renewable energy sector.

In April 2025, Mizuho Securities Europe GmbH ("MHEU", a subsidiary of the Company) was sold to, and subsequently merged with MBE, creating a more integrated operating model for the Mizuho Group within the European Union. Following completion of the merger, the former MHEU entity surrendered its regulatory licence.

The Group provides investment banking, advisory, capital markets, sales and trading services, financing and risk solutions across the EMEA region and facilitates client access to the broader capabilities of the Mizuho Group.

MHFG is a leading global financial services group with operations across approximately 40 countries and regions. Through its diversified business model, MHFG provides banking, corporate finance, investment banking, asset management, markets and transaction banking services to a broad international client base.

1.1. Business Divisions

The Group operates as an integrated investment bank with two underlying business divisions, being Banking and Markets. In addition, the Group provides corporate support services to certain Mizuho affiliates through MECS.

The Banking Division provides advisory, underwriting and capital markets services to corporate, financial institution and financial sponsor clients. Activities include Debt Capital Markets ("DCM") origination and execution, mergers and acquisitions advisory, advisory in the energy transition sector through Augusta, and equity and equity-linked capital markets transactions for both EMEA and Japanese clients.

The Markets Division provides sales & trading, financing and risk management solutions across fixed income, and derivatives markets. The division also offers pan-Asian equity sales, research, corporate access and execution services to institutional clients across the region.

2. Business Strategy and Results

2.1. Business Strategy

The Group plays an important role in advancing Mizuho EMEA's ambition to establish a recognised top-tier CIB franchise and contributes to the delivery of Mizuho Financial Group's broader strategic objectives across the region. As part of the wider Mizuho Group, the Group leverages regional expertise, global connectivity and product capabilities to deliver advisory, capital markets, financing and risk management solutions to clients across EMEA.

The Group's strategy is focused on delivering sustainable profitability through a diversified business model and the continued development of an integrated CIB platform. Through enhanced collaboration across its Banking and Markets divisions, the Group seeks to deepen strategic client relationships, broaden product capabilities and provide clients with a more comprehensive and coordinated service offering throughout the transaction lifecycle.

During the year, management focused on strengthening client coverage, enhancing product capabilities, improving organisational effectiveness and supporting sustainable long-term growth. Progress was made through the further development of the integrated Banking and Markets model, expansion of advisory, financing and risk solutions capabilities and enhanced connectivity across the wider Mizuho franchise.

2.2. Business Results

The Group remained profitable during the year despite an operating environment characterised by geopolitical uncertainty, evolving monetary policy expectations and periods of market volatility. Performance was supported by strong revenue growth within the Banking Division and continued contributions from corporate services activities. Performance across the Markets Division was mixed, with growth in rates, derivatives and financing activities offset by weaker results within credit markets.

2.3. 31 March 2026 Results Summary

	2026	**2025**
	£ millions	**£ millions**
Net income from operations	**396.7**	373.4
Administrative expenses & depreciation	**(368.7)**	(367.5)
Provision for liabilities	**(7.5)**	(0.1)
Profit on ordinary activities before taxation	**20.5**	5.8
Tax (charge) / credit on profit on ordinary activities	**(3.5)**	1.4
Profit for the year	**17.0**	7.2

The Banking Division delivered a strong performance during the year, driven primarily by DCM activity. Favourable primary market conditions supported higher issuance volumes and increased client activity across debt capital markets products. Revenue growth was supported by greater diversification across products and geographies, including continued expansion of the Group's franchise in the Middle East and Africa and increased cross-border activity. The acquisition of Augusta enhanced the Group's advisory capabilities and contributed to revenues during the year while broadening the Group's sector expertise and client offering.

The Markets Division delivered a mixed performance across its businesses. SSA Trading revenues increased compared with the prior year, supported by client activity, improved penetration across key client segments and positioning. Derivatives revenues also increased, reflecting stronger activity from corporate, project finance and sponsor-related clients, together with continued development of the Group's risk solutions offering. Financing revenues increased during the year, supported by growth in both traditional financing activities and structured financing transactions. Continued development of the structured financing platform, including expansion of the Group's securitised products capabilities, contributed positively to performance. These were offset by weaker performance within credit markets. Revenues were impacted by a combination of challenging market conditions, including compressed credit spreads and heightened competitive pressures. Management actions were taken to support the continued development of the platform.

The Group also benefited from increased corporate services activity provided through MECS to Mizuho Bank, Ltd., London Branch and MBE. The expansion of these activities contributed to growth in both revenues and operating expenses during the year.

The Group's balance sheet expanded during the year, reflecting increased customer financing activity and higher derivatives balances. Capital resources were strengthened through a capital injection from the parent company, supporting the acquisition of Augusta. Regulatory capital and liquidity ratios remained comfortably above internal risk appetite thresholds and applicable regulatory requirements throughout the year.

While continuing to invest in strategic initiatives and business development opportunities, the Group maintained a disciplined approach to cost management and capital allocation, supporting the resilience of its operating model and balance sheet.

2.4. Key Metrics

The Group monitors a range of financial and regulatory metrics to assess business performance and maintain a resilient capital and liquidity position. These measures support management's assessment of profitability, operating efficiency, capital adequacy and balance sheet strength.

Net income from operations

£396.7 m ↑ +6.2%

2025: £373.4 million

Leverage Ratio [1]

4.4%

2025: 4.2%

Operating expenses

£376.2 m ↑ +2.3%

2025: £367.6 million

Liquidity Coverage Ratio [2]

249.5%

2025: 268.7%

Cost to Income Ratio

95%

2025: 98%

CET1 Ratio [3]

26.2%

2025: 20.0%

Net Stable Funding Ratio [4]

147.4%

2025: 122.5%

1. Leverage Ratio defined as: Common Equity Tier 1 Capital / Total Exposure Measure
2. Liquidity Coverage Ratio defined as: Liquidity Buffer / Net Liquidity Outflows over a 30 day stress period
3. CET1 Ratio defined as: Common Equity Tier 1 Capital / Total Risk Exposure Amount
4. Net Stable Funding Ratio defined as: Available Stable Funding / Required Stable Funding

Inclusion and Diversity Indicators

Mizuho is represented by **58 nationalities**. (Data according to passports).

Mizuho Values Awards – **20** employees awarded.

Mizuho has **4 inclusion networks**. These comprise of Ability, Cultural Diversity, Gender Diversity and Pride networks.

Our networks ran **23 events** over the last 12 months.

3. Principal Risks and Uncertainties

As an international investment banking and securities business, the Group is exposed to a range of risks arising from its activities and the environment in which it operates. Effective risk management is fundamental to the Group's ability to deliver its strategic objectives while maintaining financial resilience and protecting clients, employees and stakeholders.

The Group's risk management framework comprises processes for the identification, assessment, monitoring and management of risk, supported by a clearly defined governance structure and risk appetite framework. The principal risks and uncertainties facing the Group are summarised below. Further information on the Group's risk management framework and risk profile is provided in the Risk Review section.

3.1. Geopolitical and Macro-economic Uncertainty

The Group operates in an environment that continues to be influenced by geopolitical tensions, evolving trade relationships, changes in monetary policy and broader macro-economic uncertainty. These factors have the potential to affect market liquidity, asset valuations, client activity and investor sentiment across the regions in which the Group operates.

As a diversified investment banking and markets business, the Group remains exposed to the impact of changes in market conditions and economic outlooks. Prolonged periods of uncertainty may affect transaction volumes, financing activity and overall market confidence. Lower levels of capital markets activity may reduce issuance volumes and client demand, while adverse market movements may result in mark-to-market losses within flow trading businesses and other market-facing activities.

The Group maintains a comprehensive framework for monitoring and assessing geopolitical and macro-economic developments. Risk mitigation measures include active management of market exposures, disciplined inventory management and the use of hedging strategies where appropriate. These measures support the Group's ability to operate effectively through changing market conditions while continuing to support its clients.

3.2. Digital, Cyber and Emerging Technology Risk

The Group operates in an increasingly interconnected and technology-dependent environment, where cyber threats continue to evolve in scale, sophistication and frequency. A significant cyber incident, technology failure or disruption to critical infrastructure could adversely affect the Group's operations, clients, reputation and financial performance.

To mitigate these risks, the Group maintains a comprehensive control framework incorporating security monitoring, incident response capabilities, vulnerability management, access controls, resilience testing and network security measures. The Group continues to invest in technology infrastructure, cyber security capabilities and operational resilience initiatives in order to address emerging threats, strengthen the resilience of critical systems and services and support the delivery of important business services.

The Group's operational resilience framework focuses on the identification and management of important business services, strengthening business continuity capabilities and enhancing the resilience of key operational processes. These arrangements support the Group's ability to respond effectively to potential disruptions while continuing to deliver services to clients and other stakeholders.

The Group also recognises the opportunities and risks associated with the increasing adoption of Artificial Intelligence ("AI") technologies. While AI has the potential to enhance operational efficiency and support innovation, it also introduces risks relating to governance, model integrity, data management and operational decision-making.

The Group continues to develop its AI capabilities within a controlled governance framework. Oversight is provided through dedicated governance arrangements, including the Mizuho EMEA AI Governance Council, which supports the responsible adoption and monitoring of AI-related activities across the business, and through the existing risk management framework and the EMEA Risk Management Committee

3.3. Business Transition and Transformation Risk

The Group is progressing a number of strategic initiatives designed to strengthen its long-term competitive position and support delivery of its CIB strategy. These initiatives include the integration of Augusta, continued development of the EMEA operating model and investment in technology and infrastructure transformation programmes.

The successful delivery of these initiatives requires effective programme management, operational execution and organisational alignment. Failure to execute strategic change effectively could result in delays, increased costs, operational disruption or the failure to realise anticipated business benefits.

The Group maintains appropriate governance and oversight arrangements for material transformation programmes, including regular management and Board-level review of progress, risks and delivery milestones. These arrangements are intended to support the successful implementation of strategic initiatives while maintaining operational resilience and effective risk management.

3.4. Regulatory and Compliance Risk

The Group operates within a highly regulated environment and is subject to extensive prudential, conduct and operational requirements across multiple jurisdictions. Regulatory expectations continue to evolve, increasing the complexity of the compliance environment and requiring ongoing investment in governance, controls and risk management capabilities.

Key areas of regulatory focus continue to include implementation of Basel 3.1 reforms, operational resilience, cyber resilience, financial crime prevention, sanctions compliance and prudent liquidity and capital management. Regulators also continue to maintain a strong focus on governance, culture and the effectiveness of risk management frameworks.

The Group is committed to maintaining a strong culture of compliance and constructive engagement with its regulators. Comprehensive policies, procedures and control frameworks are maintained to support compliance with applicable regulatory requirements and are regularly reviewed to reflect changes in the regulatory landscape. Ongoing training programmes are provided to employees to support awareness of regulatory obligations and reinforce the Group's compliance culture.

Further information on the Group's principal risks and risk management framework is provided in the Risk Review section.

4. Sustainability and Climate-related Disclosures

4.1. Sustainability Review

Sustainability remains an important consideration within the Group's business strategy, risk management framework and operations. As part of MHFG, the Group's approach is aligned with the wider Mizuho Group sustainability strategy, which seeks to support the transition to a sustainable economy while managing associated risks and opportunities.

MHFG has established a number of long-term sustainability commitments, including achieving net zero financed emissions by 2050, supporting clients through the transition to a lower-carbon economy and delivering sustainable finance across its global franchise. The Group contributes to these objectives through its client activities, risk management practices and operational initiatives. Further information on MHFG's sustainability commitments, targets and climate-related disclosures is available on the MHFG website.

Business strategy

The Group seeks to support clients across the EMEA region through advisory, financing and capital markets solutions that facilitate sustainability-related investment and transition activity. Sustainability considerations continue to be integrated into client engagement and business development activities, particularly within sectors undergoing significant transition.

The acquisition of Augusta during the year further strengthened the Group's advisory capabilities in the renewable energy and energy transition sectors, enhancing the breadth of services available to clients and supporting the Group's strategic focus on sustainable finance and advisory activities.

The Group continues to apply policies and processes designed to assess climate-related and sustainability considerations within client activities, in line with applicable Mizuho Group standards and governance frameworks.

Governance and Risk Management

The Board has oversight of sustainability-related matters through the Board Risk and Sustainability Committee ("BRSC"), which receives regular updates on sustainability strategy, climate-related risks, regulatory developments and other sustainability matters relevant to the Group.

During the year, the Mizuho EMEA Sustainability Committee was established to support oversight and implementation of sustainability-related initiatives across the region. The Committee reports into the BRSC and provides governance over sustainability-related policies, regulatory developments, learning and development activities and client engagement practices.

Responsibility for the management of climate-related financial risks remains assigned to the Group's Chief Executive Officer. The Risk Management Committee continues to oversee climate-related risk matters, supported by the Risk Management function, which is responsible for the identification, assessment, monitoring and reporting of climate-related risks.

Climate-related risks are managed within the Group's Risk Management Framework and are assessed in a manner consistent with other risk categories. The Group adopts a proportionate approach to climate-related risk management, reflecting the nature, scale and complexity of its activities.

The Group considers both transition and physical climate-related risks and their potential impact on existing risk categories, including credit, market, liquidity, operational and reputational risk. Climate-related risk exposures are monitored through established governance and reporting processes and are reviewed regularly by management and the Board.

Climate Stress Testing and Scenario Analysis

The Group undertakes climate scenario analysis and stress testing to assess the resilience of its business model and risk profile under a range of climate-related scenarios. These exercises support the identification, assessment and monitoring of climate-related risks and inform the ongoing development of the Group's climate risk management capabilities.

The results of climate scenario analysis continue to indicate a limited impact on the Group's capital and liquidity position over the short term, reflecting the nature of the Group's business model and risk profile. The Group continues to enhance its climate risk assessment capabilities in line with regulatory expectations and broader Mizuho Group initiatives.

Assessment of Climate-related risks for the Group

Climate-related risk in general is subject to the risk identification and assessment process described in the Risk Review section. Impact of climate-related risk on capital and liquidity adequacy for the Group is limited in the short term (less than 3 years). This is reviewed annually.

No changes have been assessed to the medium-term (3 to 5 years) and long-term (greater than 5 years) impact of climate-related risks. These are assessed by looking at how climate-related risks (transition and physical risks) impact traditional risk types (credit, market, business, liquidity, operational and reputational risk) through different transmission channels. Transition risk primarily will affect credit, business, operational and reputational risk while physical risk – especially acute events – will be more relevant for liquidity and reputational risk. Medium and long-term impact is assessed for materiality to determine further courses of action.

Key Risk Indicators, Risk Monitoring and Reporting

Risk reporting includes details of the Group's climate-related risk exposures and this is presented monthly at the Risk Management Committee and Board Risk and Sustainability Committee. Full details of risk reporting and monitoring are provided in the Risk Review section.

Own operations

The Group remains committed to managing its operational environmental footprint and supporting MHFG's objective of achieving carbon neutrality across Scope 1 and Scope 2 emissions by 2030.

Environmental management practices, including the Group's ISO 14001-certified environmental management system and compliance with the Energy Savings Opportunity Scheme ("ESOS"), support the management of operational environmental impacts. More details on the Group's own environmental footprint including greenhouse gas ("GHG") emission information as required under the Streamlined Energy and Carbon Reporting disclosures, are available in the Directors' Report.

The Group also recognises the importance of employee engagement and capability building in supporting its sustainability objectives. Sustainability-related training continues to be delivered across the organisation to enhance understanding of sustainability matters and support effective engagement with clients and other stakeholders.

Further information on the Mizuho Group's sustainability strategy, climate-related targets and disclosures is available in the MHFG Climate and Nature Report.

4.2. Responsible Business Practices

Modern Slavery and Procurement

The Group has a zero-tolerance approach to slavery and human trafficking and is committed to acting ethically and with integrity in all its business dealings and relationships. The Group has an Anti-Slavery and Modern Slavery Policy to which all employees must adhere.

The Group invests in learning and development for all of its employees, including contractors, to ensure adherence to the Modern Slavery Policy. The Group conducts due diligence in relation to suppliers to ascertain that appropriate responses have been received from all of its suppliers to related questionnaires sent to them by the Group.

The procurement of all goods and services is assessed for Sustainability and Climate-related Disclosures Risks within Mizuho. The pillars that are assessed include:

- Environment
- Labour & Human Rights
- Ethics
- Sustainability

Modern Slavery due diligence is covered and prioritised within both labour and human rights and supplier social practices within sustainability. The Group uses a third-party provider to carry out risk assessments and risk review of our suppliers. Supplier scorecards, thresholds and improvement areas are prioritised with suppliers via our third-party management forum.

Anti-Corruption and Anti-bribery

The Group is committed to carrying out business with the highest standards of integrity and fair dealing, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage. The Group has an Anti-Bribery Policy, which sets out the policy and key controls implemented by the Group which include management oversight, individuals' responsibilities, the conduct of risk assessments, and specific procedures in relation to gifts, hospitality, facilitation payments, use of business partners/ intermediaries and procurement.

Training and guidance in relation to this policy have been provided to employees. Employees are required to report any suspicions of bribery to the Compliance Department.

Anti-money laundering and counter-terrorist financing

The Group's Anti-Money Laundering ("AML") Policy is designed to ensure that the Group complies with the requirements and obligations set out in UK, EU and applicable local legislation, regulations, rules and industry guidance for the financial services sector, including the need to have adequate systems and controls in place to mitigate the risk that the Group may be used to facilitate financial crime.

The AML Policy sets out the minimum standards which must be complied with across the Group, including with regard to governance, training, risk assessment, customer due diligence, monitoring and screening, reporting and record keeping.

4.3. Our People & Culture

The Group's success is underpinned by the quality, engagement and integrity of its people. Maintaining a high-performing, inclusive and collaborative culture remains central to the delivery of the Group's strategic objectives and long-term success.

The Group's people strategy is focused on attracting, developing and retaining talented individuals while fostering an environment in which employees can contribute, develop and succeed. This approach is supported by the Group's core values of Integrity, Passion, Agility, Creativity and Empathy, which are embedded throughout the employee lifecycle, including performance management and reward.

Culture and Inclusion

The Board and Executive Committee remain committed to fostering an inclusive culture and receive regular updates on progress against the Group's inclusion and diversity objectives.

The Group continues to support a range of initiatives designed to promote diversity and inclusion across the organisation. As a founding signatory of the Women in Finance Charter, the Group remains committed to improving the representation of women in senior management and strengthening the pipeline of future female leaders. The Group also remains a signatory to the Race at Work Charter and continues to support initiatives aimed at improving socio-economic diversity and social mobility within the financial services sector.

Employee-led inclusion networks continue to play an important role in promoting awareness, supporting engagement and fostering a culture where employees feel valued and respected. These networks provide valuable insight into employee experiences and contribute to the ongoing development of the Group's people, policies and practices.

Talent Attraction, Development and Retention

Attracting and developing talent remains a strategic priority. The Group continues to invest in early-career recruitment programmes, leadership development initiatives and targeted learning opportunities designed to support individual development and business growth.

The Group continues to strengthen its talent pipeline through graduate and internship programmes and expanded its engagement with organisations that support access to employment opportunities for underrepresented groups.

The Group also maintained its focus on leadership development and capability building. Development programmes continue to support employees at all stages of their careers, while targeted initiatives are designed to strengthen management capability, support succession planning and develop skills aligned to the Group's strategic priorities.

Internal mobility remains an important component of talent development. The Group encourages employees to pursue opportunities across business lines and jurisdictions, supporting the development of a globally connected workforce and facilitating the sharing of knowledge and expertise across the organisation.

Employee Wellbeing

The wellbeing of employees remains an important priority. The Group continues to provide a range of wellbeing initiatives and support services designed to promote physical, mental and financial wellbeing and to support employees through different stages of life and career.

Flexible working arrangements, family-friendly policies, employee assistance services and mental health support programmes form part of the Group's broader commitment to creating a supportive and inclusive working environment. These initiatives are regularly reviewed to ensure they continue to meet the evolving needs of employees and the business.

Community Engagement

The Group seeks to make a positive contribution to the communities in which it operates through charitable partnerships, volunteering and fundraising activities. During the year, employees continued to support the Group's charity partner, Little Village, with whom we have partnered since April 2023, through a range of fundraising, volunteering and community engagement initiatives. As of April 2026, we have selected a new charity partner – City Harvest, with whom we will work going forward. Established in 2014, City Harvest rescues surplus food by diverting food waste to those facing food poverty. It provides life-changing support to communities across London through food, and helps reduce greenhouse gas emissions from waste.

Strategic Report

5. Section 172 Statement

The Board and its Directors recognise that the long-term success of the Group depends on maintaining strong relationships with its stakeholders. The table below sets out how key stakeholder considerations are taken into account by the Group in promoting the long-term success of the Company in accordance with section 172 of the Companies Act 2006.

	Who are our stakeholders?	Why do we focus on these stakeholders?	How do we engage with them?	What do they tell us?	How do we respond?
Our Clients	Our clients are Corporate, Financial Institutions and Institutional Investors across Japan and EMEA who seek our expertise, financial products and solutions. *See Section 1.1 – Business Divisions.*	Maintaining strong client relationships is fundamental to the Group's long-term success. We seek to provide products and services that meet our clients' evolving needs and support the achievement of their strategic objectives.	We have dedicated sales teams, relationship managers and advisory experts ensuring comprehensive client coverage. Regular investor roadshows and global conferences supplement our client engagement framework.	We receive feedback from clients through ongoing engagement, league table results, industry research and market surveys. Clients continue to value our expertise, international reach and ability to connect them to global markets, particularly Japan and Asia. They increasingly seek integrated advisory, financing and risk management solutions to support their evolving business requirements.	The Board receives regular updates on client activity, market developments and business performance through reports and briefings from senior management. Client feedback informs strategic decision-making and the continued development of products, services and capabilities designed to meet clients' evolving needs. The EMEA CIB model supports the delivery of more integrated and consistent client coverage across the region.
Our People	Our employees play a critical role in delivering the Group's culture, values and client proposition. Their integrity, commitment and expertise underpin the quality of service provided to clients and support the Group's reputation.	The Group's success depends on attracting, developing and retaining talented employees. We foster their development through an inclusive and collaborative working environment that encourages personal and professional growth.	We have a well-established method for engaging with our employees and gathering their insights through our bi-annual global employee engagement survey. These results guide some of our decision-making processes, benchmark our leaders, and are shared at the Executive Committee and Board level. Our leaders frequently communicate information on strategy, performance, and business outlook through town halls and webinars, both in-person and with remote attendance options. This fosters a transparent, two-way dialogue between management and employees, empowering them to share ideas and suggestions. We also utilise digital communication channels such as emails and intranet announcements. At Mizuho, we have active inclusion networks that support building an inclusive and diverse work culture. *See Section 4.3 Our People & Culture.*	A recent engagement survey indicated that employees view the working environment and culture positively, placing strong value on collaboration, teamwork and the continued development of Mizuho EMEA. Employees also indicated that improvements to work processes and IT systems would help enhance productivity.	Survey themes, comments and metrics are reviewed in detail at an Executive Committee level, and where appropriate, necessary actions are implemented. The Board also takes an active interest in employee engagement, wellbeing and development. Board members regularly attend employee town hall events and receive staff updates through regular formal HR briefings. The Board uses this feedback to inform decision-making.
Our Suppliers	Third parties who supply us with goods and services as well as financial intermediaries, contractors and consultants.	Our suppliers play an important role in supporting the delivery of services to our clients and the operation of our business. The Group's third-party strategy is determined by the Board in light of the Group's overall business strategy and objectives. We seek to build relationships based on trust, transparency and responsible business practices, supporting a resilient and sustainable supply chain.	We maintain a Third Party Risk Management Policy and a Procurement Policy which provide governance and oversight throughout the lifecycle of supplier relationships. These policies also include a focus on societal impact to ensure we are engaging with suppliers who share our principles and values.	Our suppliers continue to engage with us and keep an ongoing dialogue to develop partnerships further.	We continue to engage with suppliers in accordance with the Group's Third Party Risk Management Policy. Ongoing dialogue and monitoring support effective oversight of supplier performance and help ensure that suppliers' business and ethical standards remain aligned with those of the Group.

Strategic Report

	Who are our stakeholders?	Why do we focus on these stakeholders?	How do we engage with them?	What do they tell us?	How do we respond?
Our Communities and the Environment	Our communities comprise the local and global societies in which we operate.	A sustainable business model requires us to recognise the many global challenges facing individuals, our communities, our environment and to support our clients on their transition towards a lower-carbon future.	Locally, we engage with organisations and initiatives within the City of London and participate in industry groups such as Progress Together, which promotes socio-economic diversity within UK financial and professional services. We work with charitable organisations and community partners through volunteering, fundraising and skills-based initiatives. We also engage with clients on sustainability and climate-related matters across our business lines. *See Section 4. Sustainability and Climate-related Disclosures.*	Our communities in the Square Mile and across London need the support and strength from large organisations such as ours. Communities and stakeholders continue to place increasing emphasis on sustainability, climate-related matters and responsible business practices.	We continue to develop and enhance our sustainability framework and governance arrangements in response to stakeholder expectations and evolving market practices. The Group supports charitable and community initiatives through the work of its Charity Committee and broader employee engagement activities. *See Section 4. Sustainability and Climate-related Disclosures.*
Our Investors	Our sole shareholder is the parent, MHSC.	Our objective is to deliver long-term shareholder value via a sustainable and diverse business model.	Our shareholder is engaged through representation at our Board and the wider governance structure as well as regular informal and formal engagement with management. *See Directors' Report Section 5 – Corporate Governance.*	Our shareholder continues to demonstrate strong support for the Group, recognising the robustness of our infrastructure and governance framework, and maintaining an open and constructive dialogue with management. Looking ahead, our shareholder remains aligned with the Group's strategic direction and encourages continued progress in delivering a sustainable, long-term business. This includes continued development of the CIB model and broader collaboration initiatives on a global basis.	The Board remains focused on delivering a sustainable business model and executing the Group's strategic priorities while leveraging the strengths of the wider Mizuho Group. The Board includes representation from Mizuho Bank, Ltd., London Branch to support alignment on strategic initiatives and regional integration activities. *See Section 2.1 – Business Strategy.*
Our Regulators	The UK, EMEA and Japanese regulatory authorities.	The Group seeks to operate in a safe and sound manner, maintaining compliance with applicable regulatory requirements while supporting the integrity of the financial markets in which it operates.	We maintain an open and transparent dialogue with our regulators and seek to meet all applicable prudential and conduct requirements. Senior executives and Board members engage regularly with regulators through formal supervisory meetings, regulatory reviews and ongoing dialogue on matters relevant to the Group's business and regulatory obligations. The Head of Legal & Compliance attends Board meetings to provide advice on regulatory matters and the implications of regulatory developments for the Group.	Regulatory engagement and ongoing constructive dialogue with regulators continue to focus on governance, operational resilience, risk management, and prudent capital and liquidity management. Regulatory developments continue to emphasise the importance of maintaining a sustainable business model supported by effective governance and control frameworks.	We continue to invest in risk management, compliance and control capabilities, including the ongoing enhancement of the three Lines of Defence framework. The Board remains focused on maintaining a strong governance framework, operational resilience and effective risk management, supported by open and constructive dialogue with regulators. Through the Board Risk and Sustainability Committee, particular attention is given to stress testing, resilience, recovery and resolution planning. The Board also seeks to ensure that the Group maintains a sustainable and profitable business model while continuing to communicate effectively with regulators and other stakeholders.

6. Outlook for the coming Financial Year

The Group enters the new financial year with a clear strategic agenda that supports the broader objectives of Mizuho Financial Group. A key priority remains partnering with clients on their strategic objectives and delivering integrated capital markets, advisory, financing and risk management solutions across the global franchise. Continued development of the CIB model will remain central to this objective, supporting deeper client relationships and broader collaboration across the Mizuho Group.

The Group will continue to pursue a strategy designed to deliver sustainable and profitable performance through economic cycles. This strategy is underpinned by a diversified business model, a disciplined approach to risk management and a focus on delivering high-value solutions to clients across its core markets.

Long-term client relationships remain at the centre of the Group's business model. The Group continues to focus on expanding its capabilities across priority sectors, geographies and products, while maintaining a balanced and diversified revenue base. Continued investment in DCM, financing, risk solutions and advisory capabilities (including the integration of Augusta) is expected to enhance the Group's ability to meet clients' evolving needs and support future growth opportunities. The Group also benefits from the strength of the wider Mizuho network, leveraging global connectivity and collaboration to deliver solutions for clients across regions.

Mizuho EMEA continues to progress the transformation of its organisational and operating model, supporting the development of a more integrated, scalable and efficient platform. These initiatives are intended to enhance the Group's ability to serve clients, strengthen collaboration across business lines and improve operational effectiveness. Continued focus on efficiency and disciplined execution will remain important in the year ahead.

Sustainability considerations will continue to be integrated into the Group's operations, strategic planning and decision-making processes. As regulatory expectations and stakeholder focus continue to evolve, the Group remains committed to supporting clients in their transition towards a lower-carbon economy through its products, services and advisory capabilities. Sustainability also remains an important consideration within the Group's risk management framework and broader business strategy.

The Group continues to operate within a strong governance, risk and control framework supported by a clearly defined risk appetite. Maintaining prudent capital and liquidity positions, effective risk management and operational resilience will remain key priorities. The Group also continues to participate actively in Mizuho Financial Group's recovery and resolution planning and to invest in capabilities that support the resilience of its operations and services.

The external environment is expected to remain characterised by geopolitical uncertainty, evolving monetary policies and potentially volatile market conditions. While these factors may present challenges, they also reinforce the importance of trusted financial institutions capable of supporting clients through changing market environments. The Group believes that its diversified business model, strong client relationships, disciplined cost management and resilient operating platform position it well to navigate these conditions.

Through the continued development of its CIB model, investment in strategic growth areas and focus on operational excellence, the Group remains well placed to support its clients and deliver sustainable long-term value across the EMEA region.

Strategic Report

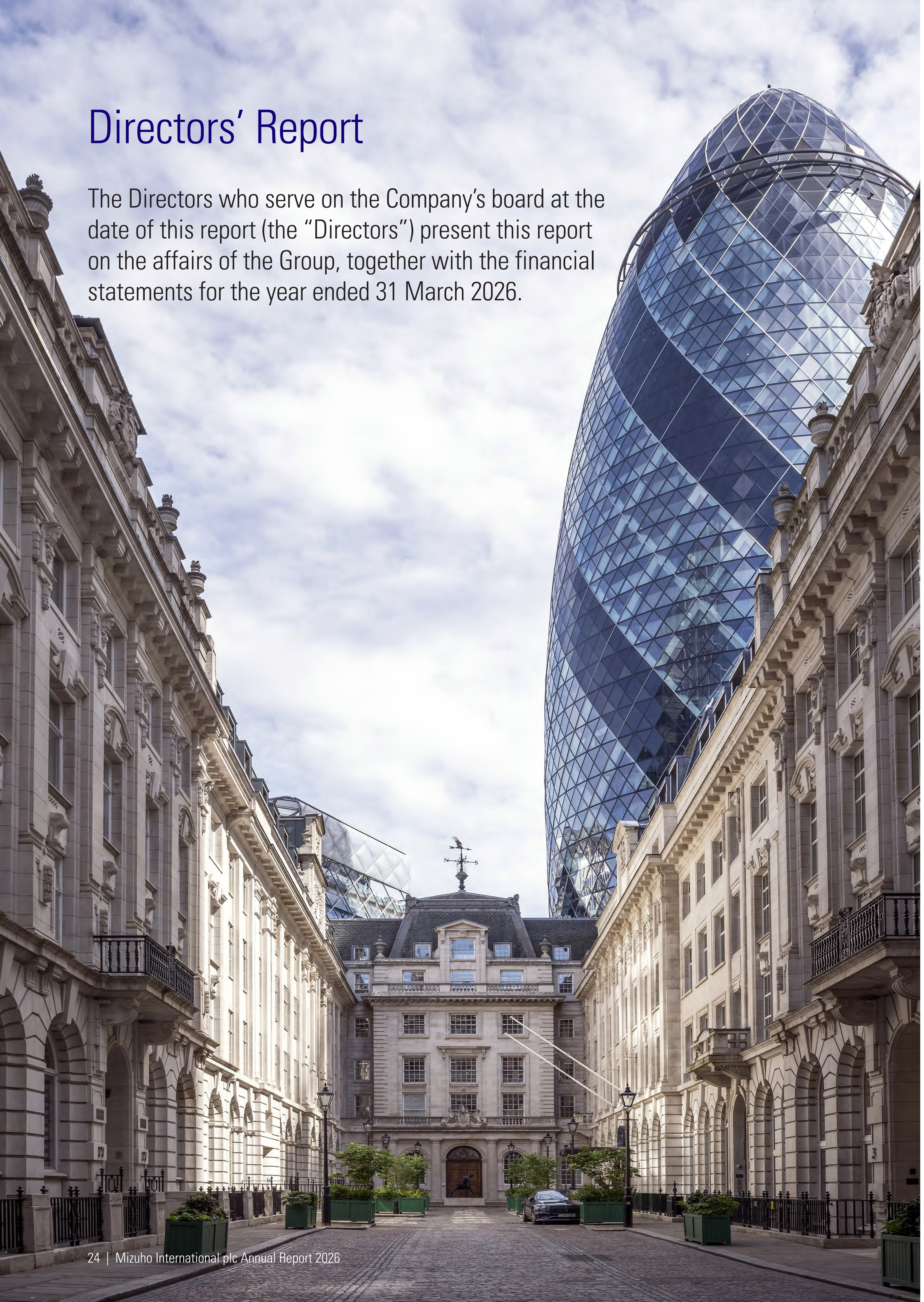
7. Non-Financial and Sustainability Information Statement

The non-financial and sustainability reporting requirements (including the climate-related financial disclosures) contained in Sections 414CA and 414CB of the Companies Act 2006 have been addressed through a combination of summary information and cross-referencing to other sections of the Annual Report.

Reporting requirement	Relevant policies and documents	Section of the annual report	Page
Environmental matters		• Sustainability and Climate-related Disclosures • Own Operational Footprint	14 29
Employees	• Employee Handbook • Diversity, Equity and Inclusion Policy	• Our People & Culture • S.172 Statement – Our People	16 18
Social matters		• S.172 Statement – Our Communities and the Environment	20
Respect for human rights	• Anti-Slavery and Modern Slavery Policy	• Responsible Business Practices	15
Anti-corruption and anti-bribery matters	• Anti-Bribery Policy • Anti-Money Laundering Policy	• Responsible Business Practices	15
Description of business model	• MHI Group Business Plan	• Overview • Business Strategy	8 8
Principal risks		• Principal Risks and Uncertainties • Risk Review	12, 37 34
Climate-related financial disclosures	• MHI Environmental, Climate and Social Risk Policy • MHFG Environmental and Social Management Policy for Financial Activities • MHFG Basic Policy on Sustainability Initiatives • MHFG Environmental Policy	• Sustainability and Climate-related Disclosures • Own Operational Footprint	14 29
Non-financial metrics		• Key Metrics	10

By Order of the Board

Mr A. Richardson
Company Secretary
29 June 2026



Directors' Report

The Directors who serve on the Company's board at the date of this report (the "Directors") present this report on the affairs of the Group, together with the financial statements for the year ended 31 March 2026.

1. Principal Activities

The Group provides financial services to corporate, institutional and financial services clients across the EMEA region, leveraging the global network and capabilities of MHFG. The Group forms a key part of Mizuho EMEA's CIB franchise and supports clients through close collaborations with other entities within the wider Mizuho group.

The Group holds permissions from the PRA for deposit taking and other activities relating to its investment businesses pursuant to the provisions of the Financial Services and Markets Act, 2000, and operates under the rules of the PRA and the FCA. Augusta, a wholly owned subsidiary of the Company, is authorised and regulated by the FCA. The Company also operates a branch in Dubai, which is authorised and regulated by the DFSA.

The Group also includes MECS, a London-based shared services entity that provides centralised corporate services to the Group, Mizuho Bank, London Branch and MBE.

2. Results and Dividends

The Group recorded a profit of £17 million for the year ended 31 March 2026 (2025: profit £7.2 million). The Directors do not recommend the payment of a dividend in respect of the current financial year (2025: £nil).

3. Going Concern

The Company's Directors believe that there are no material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. The Group's financial statements have been prepared on a going concern basis.

The Directors' assessment of the Group's ability to continue as a going concern is based upon an assessment of the Group's business plans, together with related forecasts in respect of the Group's capital adequacy and liquidity positions, and the underlying principal risks and stresses to those forecast positions. Consideration has been given to the inherent uncertainties arising from the current geopolitical environment, global macro-economic outlook and the impact of ongoing regulatory, technological and sustainability related developments. Further information on the Directors' assessment can be found in Note 1 to the financial statements.

4. Directors

The following served as Directors of the Company during the year ended 31 March 2026:

Executive Directors	Mr S. Bakhshi (resigned on 30 September 2025) Mr M. Ponsonby (appointed on 1 October 2025) Mr Y. Imafuku
Non-Executive Directors	Ms M. Erasmus (Chair and Independent Non-Executive Director) Mr D. Atkinson (Independent Non-Executive Director) Mr G. Bennett (Independent Non-Executive Director) Mr T. Waddell (Independent Non-Executive Director) Mr H. Kurakagi (Non-Executive Director) (appointed on 1 April 2025) Mr Y. Nanjo (Non-Executive Director) Mr A. Shibukawa (Non-Executive Director) (appointed on 1 April 2025)

There are no Directors' interests requiring disclosure under the Companies Act 2006. The Company has granted an indemnity to its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' Report.

5. Corporate Governance

The Company's equity shares are not listed, as it is wholly owned by MHSC, although certain debt securities issued by the Company are listed on the Euro MTF Market of the Luxembourg Stock Exchange. As a result, the UK Corporate Governance Code does not apply to the Company. Nevertheless, the Board recognises the importance of strong corporate governance and has adopted the following governance framework:

Board of Directors

- The Company's Board of Directors ("the Board") meets at least four times each year and more frequently where business needs require (in practice at least six times a year).
- As of 31 March 2026, the Board consisted of two Executive Directors, and seven Non-Executive Directors (including an Independent Chairman and three other Independent Non-Executive Directors).
- In order to facilitate the effective conduct of business across the Group, the Board delegates certain matters to five committees, which comprise an Audit and Compliance Committee, a Board Risk and Sustainability Committee, a Crisis Management Committee, a Nomination Committee and a Remuneration Committee. Whilst the Board ultimately remains responsible for all delegated matters, the affairs of those committees are organised to encompass the conduct of the Group's business. The responsibilities and constitution of those committees, referred to in the singular below, are as follows:

Audit & Compliance Committee

The Audit and Compliance Committee is responsible for the review and monitoring of internal control functions, financial reporting, audit effectiveness and regulatory compliance. The committee meets on a quarterly basis and more frequently if required. It is chaired by Mr G. Bennett (Independent Non-Executive Director) and its members are the other Independent Non-Executive Directors. The chair of the Committee is expressly entitled to invite other Board members, the external auditors, the Head of Internal Audit, Head of Legal and Compliance, the Chief Financial Officer and the Chief Risk Officer and also any other members of management to attend the Committee's meetings.

Board Risk and Sustainability Committee

The Board Risk and Sustainability Committee is responsible for reviewing the Group's risk appetite, risk profile, performance against risk appetite, risk management framework and risk culture. In addition, the Board Risk and Sustainability Committee also reviews the Group's environmental and climate risk reporting and provides oversight and challenge on the day-to-day management of climate risk and climate change stress testing. The Board Risk and Sustainability Committee meets not less than six times a year but may meet more often as deemed necessary. It is chaired by Mr D. Atkinson (Independent Non-Executive Director), and its members are the other Independent Non-Executive Directors. It is attended by members of management invited by the Chair.

Crisis Management Committee

The Crisis Management Committee is responsible for managing a crisis or other situation impacting the Group, including the breach of an operating stage trigger as set out in the Group's Recovery Plan. The committee does not meet under normal operating conditions but may be convened according to circumstances described in the terms of reference. The Chair of the Committee will be the President and CEO, and its members are the Chair of the Board, Chair of the Board Risk and Sustainability Committee, Chair of the Audit and Compliance Committee, the Function Heads, Deputy General Manager MHSC and Member of the Strategic Planning Group MHSC.

Nomination Committee

The Nomination Committee is responsible for the selection and recommendation of new members to the Board and the evaluation of the performance of the Board. The committee meets as often as necessary to fulfil its responsibilities but not less than twice a year. The Chair of the Nomination Committee is Ms M. Erasmus (Independent Non-Executive Director) and the other members of the committee are the three other Independent Non-Executive Directors. The meetings are also attended by the Company Secretary, and by invitation only, the Head of Human Resources and the Head of Legal and Compliance. External advisors and other individuals who are not members of the Committee may also be invited at the discretion of the Chair.

Remuneration Committee

The Remuneration Committee is responsible for approving the Group's remuneration policy for its employees generally and specific remuneration at or above certain senior levels including identified Material Risk Takers ("MRTs"). The Remuneration Committee meets at least four times a year with additional meetings as necessary. It is chaired by Mr T. Waddell (Independent Non-Executive Director) and the rest of its membership comprises the Chair of the Board and the two other Independent Non-Executive Directors. The Chair of the Committee is also entitled to invite any other staff members or external advisers to attend the Committee's meetings.

Key: Chief Executive Officer (CEO) | Chief Financial Officer (CFO) | Chief Operations Officer (COO) | Chief Risk Officer (CRO)

The Company's organisational structure is designed to ensure that responsibilities are defined and authority is delegated as appropriate. The Board is responsible for the overall stewardship of the Group and receives regular financial, risk and management information to support its oversight responsibilities and decision-making.

Responsibility for the day-to-day management of the Group is delegated by the Board to the CEO, who is supported by the Executive Committee. The Executive Committee comprises senior business and functional leaders and supports the CEO in the management and strategic development of the Group.

The EMEA Executive Committee comprises representatives from the Group, Mizuho Bank, Ltd., London Branch and MBE. A number of sub-committees support the governance of the business and operate at both Group and EMEA level, while maintaining appropriate entity-level governance through consideration of entity-specific matters where necessary.

The Executive Committee has delegated oversight and decision-making responsibilities to the following sub-committees:

- EMEA Audit and Compliance Committee
- EMEA Banking Front Office Supervision Committee
- EMEA CIB Operating Committee
- EMEA Corporate Services Committee
- EMEA Crisis Management Committee
- EMEA Distribution Risk Committee
- EMEA Health and Safety Committee (London)
- EMEA Markets Front Office Supervision Committee
- EMEA New Product Committee
- EMEA Operational Resilience Committee
- EMEA Outsourcing Committee
- EMEA Risk Management Committee
- EMEA Sustainability Committee
- EMEA Transformation Committee
- EMEA Transaction Approval Committee
- MHI Valuation Control Committee
- MHI Asset and Liability Committee

With the exception of the EMEA New Product Committee, EMEA Risk Management Committee (for certain matters) and the EMEA Sustainability Committee, these sub-committees act in a consultative capacity to their respective Chairs, who retain decision-making authority for matters within their remit. The EMEA New Product Committee and EMEA Risk Management Committee (for certain matters) operate under defined voting arrangements for matters within their respective mandates. Decisions arising at the EMEA Sustainability Committee shall be referred to the EMEA Executive Committee and to the MHI Board when the decision concerns these the Group.

6. Performance Measurement and Management

The Group and its business streams are managed in accordance with a variety of measures, which are reported on a regular basis to the Executive Committee. The primary measures that are used to monitor and manage performance within the Group include profit before taxation, capital utilisation, Value at Risk ("VaR") utilisation and stress test exposures (these are disclosed within the financial statements and in the Risk Review section).

6.1. Remuneration

The Group's Remuneration Policy is designed to comply with the remuneration requirements of the PRA Rulebook and the FCA Remuneration Code applicable to dual-regulated firms. The policy supports effective risk management and seeks to provide competitive remuneration arrangements that are aligned with the Group's business strategy and long-term objectives. When determining the size of the overall bonus pool, consideration is given to the need to maintain and strengthen the Group's capital position.

Individual variable remuneration awards are discretionary and contingent upon sustainable risk-adjusted performance. Variable remuneration awarded to Material Risk Takers ("MRTs") is subject to deferral arrangements in accordance with applicable regulatory requirements. A general deferral framework also applies to other employees whose bonus awards exceed thresholds set out in the policy. Variable remuneration is subject to malus provisions, including forfeiture, and deferred awards vest only to the extent determined by the Remuneration Committee, having regard to the matters set out in the policy.

At least 50% of variable remuneration awarded to MRTs (unless deemed de minimis) is delivered in the form of Mizuho Financial Group shares and may be subject to a retention period of up to twelve months. From FY25/26, this requirement applies to non-deferred awards only. The Group may also apply clawback provisions to variable remuneration awarded to MRTs for up to seven years following award, which may be extended to ten years for Senior Managers in certain circumstances.

6.2. Employment Policies

As set out in the Group's Diversity, Equity and Inclusion Policy, the Group is committed to fostering an inclusive culture and providing equality of opportunity for all. The Group opposes all forms of discrimination, including on the grounds of age, disability, gender (including gender reassignment), marriage and civil partnership, pregnancy and maternity, race, religion or belief and sexual orientation. The policy applies to all aspects of employment, including recruitment and selection, appraisal, learning and development, promotion, pay and conditions, and applies equally to permanent, temporary and part-time employees.

The Group values and respects the diverse skills, experience, backgrounds and perspectives of its employees. Promoting an inclusive working environment supports collaboration, innovation and business performance and remains an important element of the Group's people strategy.

All employees are made aware of the provisions of the Group's policy through regular awareness sessions and full details of the policy are available on the Group's intranet site. Employees have a positive responsibility to comply with this policy and ensure that its terms are put into effect.

The Group promotes a high-performance culture and learning environment and is committed to supporting employees in developing their skills and capabilities throughout their careers. Employees are encouraged to realise their full potential through a range of development, mentoring and learning opportunities.

Further information is available in the Our People & Culture section of the Strategic Report.

7. Financial Instruments

The Group uses financial instruments for trading and risk management purposes, as outlined in Accounting Policy 3C in the Notes to Financial Statements. Further information about the Group's risk management objectives and policies, and its exposure to various risks, can be found in the Risk Review section.

8. Own Operational Footprint

The Group is committed to managing its operational environmental footprint and to reducing its associated GHG emissions.

8.1. Introduction

The Group has established key environmental performance objectives which are tracked through metrics against targets. These targets focus on reducing the Group's most significant operational environmental impacts across Scope 1 and Scope 2 GHG emissions derived from its energy consumption along with Scope 3 GHG emissions derived from its business travel and supply chain emissions.

The Group has strengthened supply chain governance and has adopted an enhanced risk-based approach to improving third party environmental performance. The Group is continually improving a flexible and sustainable workplace strategy that incorporates environmental benefits through longer-term reductions in energy, water, waste, business travel and staff commuting.

Streamlined Energy and Carbon Reporting is a UK Government scheme requiring companies to disclose their energy usage and associated carbon emissions.

The Group has assessed greenhouse gas emissions using the UK Government's Greenhouse Gas reporting standards and guidelines.

The reporting scope includes the following energy sources:

- Electricity used for the Group's operations at the occupied buildings and data centres (Scope 2, see row 1 in table below)
- Biogas and natural gas used to heat the Group's operations at the occupied buildings in the UK, and fugitive emissions from refrigerants (Scope 1, see row 2 in table below)
- Transport fuel used for the Group UK operations under the Group's operational control (Scope 3, see row 3 in the table overleaf).

The scope currently excludes energy use at the business continuity sites. Energy use at these sites are not the direct responsibility of any entity within the Group, and are generally minimal.

8.2. Streamlined Energy and Carbon Reporting ("SECR") Metrics

For the FY25/26 reporting period, the Group's total operational energy consumption (in kWh) increased by 1% compared with the previous reporting year. Effective from 31 October 2025, the reported energy consumption and emissions data includes Augusta, which was acquired during the year and therefore affects year-on-year comparability.

Emissions per FTE on a location-based basis, decreased by 13% compared with the previous reporting period. This reduction is driven by a combination of increase in FTE numbers during the year and annual changes to the published GHG reporting carbon intensity factors.

The notable year on year changes to overall consumption are:

- Electricity usage increased by 4% compared with the previous year
- Gas usage decreased by 18% compared with the previous year.
- Scope 3 grey fleet activity in kWh decreased by 61% against the previous year. Whilst this represents a significant proportional reduction, the associated emissions continue to account for less than 1% of the Group's total emissions.
- Scope 1 emissions relating to biogas and refrigerant gas losses increased by 361% compared with the previous year, primarily due to a large top-up in refrigerant gas at the Group's 30 Old Bailey office during the year.

Group GHG emissions and energy use data for the financial year:

	2026 Energy (kWh)	**2026 Emissions (tCO_2e, location)**	**2026 Emissions (tCO_2e, market)**	2025 Energy (kWh)	2025 Emissions (tCO_2e, location)	2025 Emissions (tCO_2e, market)
Electricity[1]	**7,262,936**	**1,285.54**	**0**	6,964,850	1,442.07	0
Biogas / natural gas and refrigerant fugitive emissions[2]	**967,255**	**92.02**	**92.02**	1,181,144	19.96	19.96
Transport fuel (Scope 3)[3] business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel	**12,563**	**2.91**	**2.91**	32,508	7.27	7.27
Total	**8,242,754**	**1,380.47**	**94.93**	8,178,502	1,469.30	27.23
Intensity ratio: tCO_2e gross figure / Average FTE[4]	**6,142**	**1.03**	**0.07**	6,564	1.18	0.02

Explanatory notes

1. Electricity used for Group operations at the occupied buildings in the UK and data centres.
2. Gas used for heating and fugitive refrigerant emissions. No natural gas was consumed during the reporting period, all gas consumption related to biogas.
3. Fuel consumed in employee vehicles used for business purposes.
4. Full time employees.

Further explanatory notes

- All carbon emissions factors are taken from 'UK Government GHG Conversion Factors for Company Reporting' issued by DESNZ.
- The reporting scope covers energy consumption and associated emissions during the period from 1 April 2025 to 31 March 2026, consistent with the Group's financial reporting period. This includes energy consumption and emissions data for Augusta from the date of acquisition on 31 October 2025.
- Energy consumption data is derived from a combination of meter readings, utility invoices, expense records and other available operational data. Estimates have been used where complete information was not available at the reporting date or where detailed measurement was not practicable.
- Year-on-year changes in emissions do not necessarily correspond directly to an equivalent change in energy consumption, due to annual updates to emission factors published by the UK Government, which are used to calculate GHG emissions.

8.3. ISO 14001 Certification

ISO 14001 is an internationally recognised standard that sets out the requirements for an environmental management system and supports organisations in continually improving their environmental performance through the efficient use of resources and reduction of waste, while providing assurance to stakeholders that environmental impacts are being measured and managed.

The Company successfully achieved ISO 14001 certification for its operational functions at its London office in March 2021.

One of the key objectives of an ISO 14001 Environmental Management System is continual improvement. The principle of Plan-Do-Check-Act, supported by regular audits and reviews, underpins the achievement of this objective.

Annual surveillance audits by the external ISO 14001 certification body are required to maintain certification. The latest surveillance audit was successfully completed in March 2026, with the assessor recognising the effectiveness of the environmental management practices in place to manage the environmental impacts of the Company's operations.

A periodic environmental compliance review was conducted in December 2025 at 30 Old Bailey, London, to benchmark performance against industry best practice and current statutory requirements. The review was undertaken by an independent third-party consultant and included an assessment of the building, relevant documentation and operational processes. A high level of compliance was observed, and the review highlighted the effectiveness of the environmental management practices implemented across the business.

8.4. The Energy Savings Opportunity Scheme ("ESOS")

ESOS is a mandatory energy assessment scheme for qualifying organisations in the UK. An ESOS energy audit is undertaken every four years and includes an assessment of energy consumption and energy efficiency, together with the identification of opportunities to improve energy performance.

The Group has complied with the requirements of ESOS Phases 1, 2 and 3 and has developed an action plan with associated targets, which are reviewed and reported on annually. Further requirements are expected to apply under Phase 4 and beyond, and the Group continues to seek opportunities to improve the energy efficiency of its property portfolio and increase the use of renewable energy where appropriate.

The Group continues to implement initiatives designed to reduce energy consumption and associated emissions. Projects undertaken or in progress during the reporting year include:

- Deployment of an AI-enabled building management software platform to identify energy efficiency opportunities and optimise the operation of building plant and equipment, thereby reducing energy consumption and associated carbon emissions;
- An ongoing programme to replace fluorescent lighting with energy-efficient LED lighting systems;
- Replacement of Thermostatic Mixing Valves for domestic water supply with a smart heating solution; and
- Achievement of a BREEAM In-Use Excellent rating.

9. Future Developments

The future developments of the Group are discussed in the Strategic Report.

10. Events since the balance sheet date

There have been no events after the balance sheet date.

11. Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

12. Independent Auditors

During the year, Forvis Mazars LLP were appointed as the new statutory auditors for the Group, replacing Ernst & Young LLP, who completed the maximum tenure allowed under the Companies Act. Ernst & Young LLP resigned with effect from 17 September 2025, having confirmed to the Company and to the Financial Reporting Council that there were no matters connected with their resignation that needed to be brought to the attention of the Company's shareholders under the relevant requirements of the Companies Act 2006.

By Order of the Board

Mr A. Richardson
Company Secretary
29 June 2026

Directors' Report

Risk Review

1. Risk Management Framework

Risk culture and principles

As part of Mizuho EMEA, the Group manages risk in a manner that is aligned with MHFG's corporate foundations while reflecting local regulatory requirements. The qualitative Mizuho EMEA risk appetite statements also apply to the Group.

The Group believes that a strong risk management culture is fundamental to achieving its business objectives. With ultimate responsibility for risk governance, the Board promotes a strong risk culture through the establishment of an independent Risk Management function, which works closely with the business and supports a shared responsibility for effective risk management.

The Risk Management function provides independent oversight while maintaining close engagement with the Front Office. This collaborative approach is central to the Group's risk culture. Regular forums support day-to-day business discussions and foster alignment between business strategy and risk-taking activities. The Group's hedging policy further supports risk management by defining the approach to mitigating potential losses and operating within the approved risk appetite.

The Board sets, reviews and approves risk appetite statements and associated limits on an annual basis.

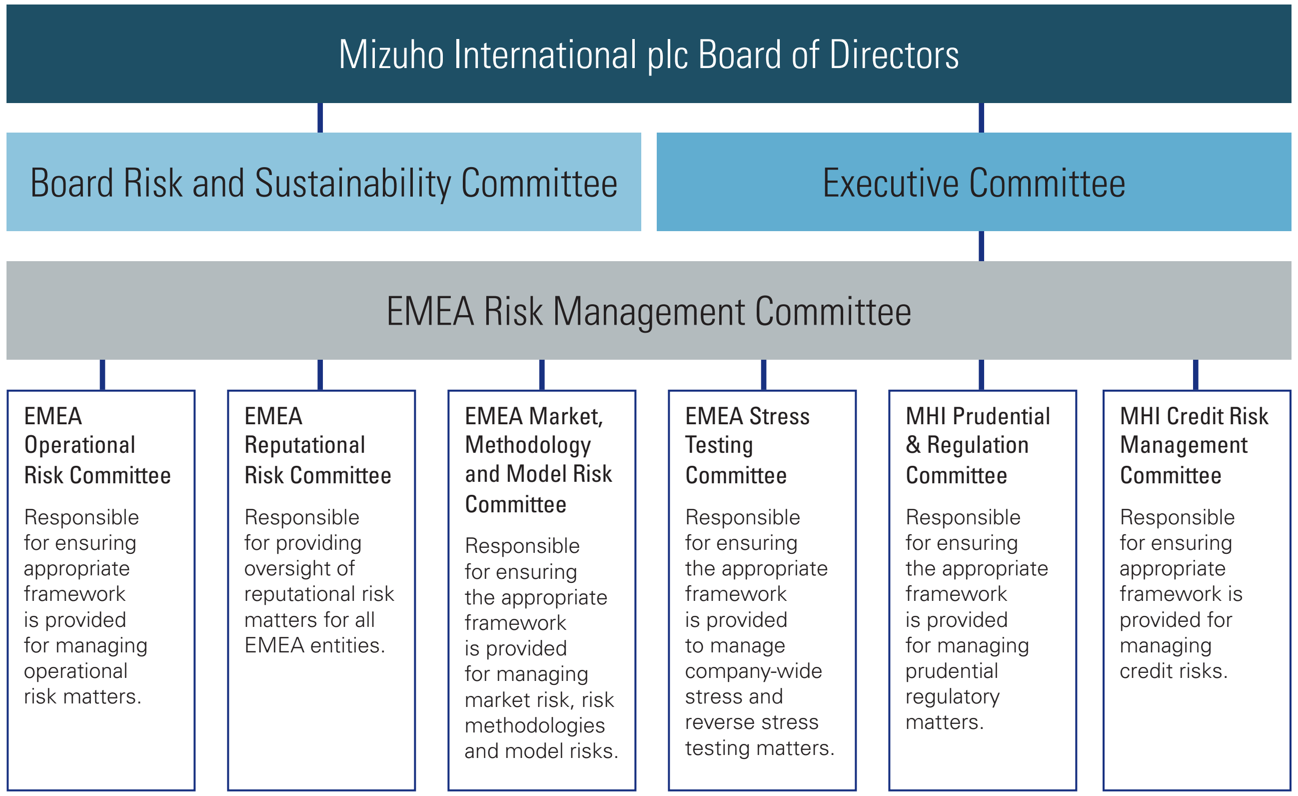
Risk governance

The Group has established a comprehensive framework based on the Three Lines of Defence ("LoD") model for managing financial and non-financial risks. The framework continues to evolve in response to changes in business activities, markets and products.

- The first line comprises the business and support functions that originate and own the risk and are responsible for its identification, assessment, management and control.
- The second line comprises a number of independent control functions responsible for providing oversight, challenge, risk reporting and validation of the management of risks by the first line of defence.
- The third line of defence is provided by the Internal Audit function, which is independent of both the first and second LoD and has a reporting line into the Chair of the Audit and Compliance Committee. Its role is to provide independent assurance over the effectiveness of the Group's risk management and control framework operated by the first and second lines, and to report any identified deficiencies to senior management and the relevant Board committees.

The principal risk control functions comprise Risk Management and Compliance functions, supported by the Finance and Legal functions. The Risk Management function is led by the Chief Risk Officer ("CRO") who reports directly into the CEO with independent oversight provided by the Chair of the Board Risk and Sustainability Committee.

The CRO chairs the EMEA Risk Management Committee which advises the Executive Committee and Board Risk and Sustainability Committee on risk methodologies, limits and policies across market, credit, liquidity, operational and model risk, and monitors compliance with those limits. Six decision making sub-committees support the governance framework across credit, market, operational and reputational risk, together with models, methodology, prudential matters and stress testing, as illustrated in the diagram below.



Risk appetite

The Board's risk appetite defines the levels and types of risk that the Group is prepared to accept in pursuit of its business strategy. The risk appetite is prudently calibrated with reference to scenario analysis and stress testing and is designed to ensure that the Group can maintain a sound financial position throughout economic cycles and under severe but plausible stress scenarios.

The Group's risk management framework comprises a number of interrelated components designed to support the effective identification, assessment, management and monitoring of risk in accordance with the Board-approved risk appetite. The framework is supported by clearly defined governance arrangements and delegated authorities.

Risk Identification and assessment

Risk drivers are identified based on the Group's risk profile, taking into consideration regulatory developments and emerging risks. Risk drivers are assessed for materiality using a High, Medium or Low classification derived from both quantitative and qualitative factors:

- Quantitative assessment considers the potential impact on the Group's capital base and risk appetite capital coverage limits; and
- A qualitative overlay is applied based on relevant management judgements.

Risk identification is performed across all Group activities and is captured within the Group's risk register, which records risks across all risk categories to which the Group is exposed. The risk register includes assessments of materiality together with mitigating actions and controls designed to support capital adequacy.

Risk drivers assessed as material are considered as part of the Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP") and are reviewed annually, or more frequently where there are material changes to the Group's risk profile, business model or regulatory environment.

As stated in Note 1 to the financial statements, the risk management disclosures relating to Market Risk, Credit Risk and Liquidity Risk form part of the audited financial statements. Audited disclosures are identified accordingly.

2. Principal Risk and uncertainties

The Group's principal risks reflect the nature of its activities as an international CIB franchise operating within MHFG and are summarised below.

	Description	How risk is managed
Market risk	The risk that changes in interest rates, foreign exchange rates, credit spreads, equity prices and other rates, prices, volatilities, correlations or other market conditions, such as liquidity, will have an adverse impact on the Group's financial condition or results.	Market risk in trading portfolios, including issuer default risk, is managed through position and sensitivity limits, profit and loss and VaR limits, and stress testing limits. Foreign currency exposures arising from assets, liabilities and trading activities are managed through matched funding strategies and the use of derivatives where appropriate. Limits and corresponding risk policies are approved by the delegated risk management authorities as defined in the Group's risk management framework. The Group's market risk profile is regularly reviewed at EMEA Risk Management Committee, the Board Risk and Sustainability Committee and the EMEA Executive Committee.
Credit and Counterparty risk	The risk of financial loss to the Group if a customer fails to meet its contractual obligations.	Independent credit analysis and due diligence are performed in respect of entities relevant to the Group's credit risk profile. Credit risk limits and policies support the operation of the Group's credit risk appetite framework. The framework is derived from the Board-approved risk appetite and includes limits by country, sector and/or counterparty. The Group's credit risk policies define roles, responsibilities and delegated authorities for the approval and management of credit risk. Approval authorities are determined with reference to the credit quality of the counterparty and the nature and risk profile of the underlying transaction. Counterparty credit exposures are monitored and measured using established methodologies that assess both current and potential future exposures. The Group's credit risk profile is reviewed by the EMEA Risk Management Committee and is also considered periodically by the MHI Credit Risk Management Committee, EMEA Executive Committee and the Board Risk and Sustainability Committee.
Liquidity risk	The risk that the Group, although solvent, does not have available sufficient financial resources to enable it to meet its obligations as they fall due.	The Group's liquidity risk management framework enables and ensures continuous review of the Group's liquidity position. Adequate liquidity resources both in amount and quality are maintained to ensure there is no significant risk of liabilities not being met as they fall due. Liquidity and funding are actively managed through access to wholesale funding markets, repurchase agreement markets and the Bank of England's Sterling Monetary Framework. The Group documents its approach to liquidity risk management, and its assessment of the appropriate level of liquidity resources consistent with its liquidity risk appetite, through its ILAAP. Liquidity mismatches and stress testing results are monitored and reported on a daily basis, and are formally reviewed at the EMEA Risk Management Committee, the MHI Asset and Liability Committee, the EMEA Executive Committee and the Board Risk and Sustainability Committee.

	Description	How risk is managed
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	Operational risk exposure is managed through the Operational Risk Framework, which includes operational risk identification and assessment, control and monitoring, and capital management. Operational risk exposures are assessed and measured using a variety of approaches including risk and control self-assessments, the setting and reporting of key operational risk indicators, internal loss event reporting, external loss event capture and scenario stress testing. Operational risk is monitored against approved risk tolerance statements through the Group's governance framework. The Group also maintains and regularly tests contingency arrangements to support operations in the event of business disruption and maintains insurance coverage where required by law or regulation and for selected business risks. The Group's operational risk profile is reviewed at EMEA Risk Management Committee and also periodically reviewed by the EMEA Operational Risk Committee, the EMEA Executive Committee and the Board Risk and Sustainability Committee.
Cyber risk	The risk of financial loss, operational disruption or reputational damage arising from a failure or compromise of the Group's information systems.	The Group maintains a comprehensive suite of policies, standards and controls to manage information and cyber security risk, aligned with Group-wide practices and recognised industry frameworks, including ISO 27001 and the NIST Cybersecurity Framework. Cyber risk is managed through a combination of security monitoring, vulnerability management, access controls, threat intelligence, incident response capabilities and resilience testing. These controls are regularly reviewed and enhanced in response to the evolving threat landscape. The Group's cyber risk profile is monitored through established governance arrangements and is regularly reported to senior management and relevant governance committees.
Legal risk	The risk that the Group's business activities give rise to unintended or unexpected legal consequences. This includes risks arising from inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty, uncertainty regarding the validity or enforceability of contractual arrangements, and non-compliance with applicable laws and regulations. Such failures may result in financial penalties, litigation, regulatory action or reputational damage.	The Group identifies and manages legal risk through its Legal and Compliance function, which operates independently of the Front Office, supported where appropriate by external legal advisers. Legal and regulatory developments are monitored on an ongoing basis and legal risk matters are escalated through established governance arrangements where appropriate.
Model risk	The potential for adverse consequences resulting from misinformed decision making based on inappropriate or misused models.	Risk management as a second line of defence conducts independent model validation reviews covering tests for conceptual soundness of the methodology, quality and appropriateness of inputs, model implementation, accuracy of outputs and downstream reports and appropriateness of model usage. The validation review covers Model limitations and corresponding actions to mitigate identified risks, are tracked to completion by the EMEA Market, Methodology & Model Risk Committee as part of ongoing monitoring.

	Description	How risk is managed
Business risk	Business risk arises where revenues are insufficient to cover costs or where the efficiency or effectiveness of the Group's business operations deteriorates. The risk may crystallise as a significant decline in earnings resulting from adverse macro-economic, geopolitical, industry, regulatory or other developments.	This risk is addressed through forward-looking stress testing and managed through the development of credible management actions to mitigate the impact of an adverse scenario and through the maintenance of appropriate capital resources to absorb residual impacts post-management actions of severe but plausible stress conditions.
Conduct risk	The risk that actions undertaken by the Group may lead to customer detriment or have an adverse effect on market integrity, including with regards to financial crime.	The Group identifies, manages and mitigates conduct risk through its conduct risk management framework. Whilst the Head of Legal & Compliance has overall responsibility for oversight of this framework, senior managers and staff are responsible for conduct risk management within their own business areas. Conduct risk is managed through a variety of means, which encompass clear communication of expected values, objective setting, articulation of policy, certification processes, training, conduct risk assessment, monitoring, reporting and appraisal processes. The Group has established a Code of Conduct which clearly articulates expectations and provides guidance with regard to conduct matters. The Group's objective setting, appraisal and remuneration processes are designed to incentivise good conduct and to discourage poor conduct. Conduct risk is subject to independent oversight provided by the Chair of the EMEA Audit & Compliance Committee which receives regular updates with regard to significant conduct risk matters and reviews key conduct risk metrics.
Reputation risk	Reputation risk arises from negative stakeholder perceptions that may adversely affect the Group's ability to maintain existing or establish new business relationships, or retain access to funding and liquidity. Such perceptions may arise from the execution of business activities, employee behaviour or external factors, including inaccurate information or market rumours. Stakeholders include clients, counterparties, shareholders, investors, debtholders, market analysts, suppliers, and regulators.	Reputation risk is considered when entering new products and markets, executing transactions, exiting business lines or customer groups, and assessing the suitability of business partners, including outsourcing arrangements. Staff behaviour is guided by the Group's values and supported by its Code of Conduct. The Group has a well-established policy and framework for identifying, assessing and managing reputation risk. The framework defines the Group's governance arrangements, responsibilities of staff, and escalation paths in the event of actual or potential damage to the Group's reputation. Compliance with the policy is attested to annually by staff.
Financial risks from climate change	These risks arise through two primary channels, or 'risk factors': Physical and Transition. Physical risks relate to acute weather events, such as heatwaves, floods, wildfires and storms, as well as longer-term changes in climate patterns, including changes in precipitation, sea level rise and increasing temperatures. Transition risks arise from the adjustment to a lower-carbon economy and may manifest through increased credit, market, operational, underwriting or business risks.	Financial risks from climate change have been embedded into existing risk management frameworks. It cuts across all risk types and can be considered and managed as part of the other principal risks. Climate-related risks are reviewed at the EMEA Sustainability Committee and Board Risk and Sustainability Committee.

Risk Review

	Description	How risk is managed
Fraud risk	Fraud is an intentional act by one or more individuals, including management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.	The Group seeks to minimise the risk of fraud and corruption and to ensure that any incidents are identified, investigated and addressed appropriately. The Group maintains an Anti-Fraud Policy which sets out the roles and responsibilities of relevant functions in preventing, detecting and responding to fraud. Staff are required to confirm compliance with the policy on an annual basis. The Group maintains controls designed to prevent and, where prevention is not possible, detect fraudulent activity. The design and operating effectiveness of these controls are reviewed regularly, with the results reported to senior management together with assessments of the associated risks. Established processes are in place for the escalation, investigation and resolution of actual or suspected fraud incidents.

A number of risks have also been identified which require closer senior management scrutiny and could cause disruption to delivery of the Group's strategy, material deviation of financial results or financial condition from the Group's business plan. These are typically emerging risks which have more uncertain components, with the impact crystallising over a longer time frame. Additionally, there may also be exacerbating factors which are beyond the Group's control which fall within this category of uncertainties, such as geopolitical risks and black swan events.

Risks and related uncertainties are discussed and monitored through the EMEA Risk Management Committee and other governance forums attended by members of the EMEA Executive Committee. Where significant events arise, management adopts an agile approach to monitoring developments, including enhanced management information, frequent review of key metrics and timely escalation processes to support effective decision-making and risk management.

3. Risk Control and Mitigation

The Group's risk management framework is underpinned by a three LoD model, which supports the effective management and oversight of risk across the organisation.

Business and support functions that originate or accept risk are responsible for managing and controlling those risks in accordance with the Group's risk appetite, supporting limit framework and related risk policies.

Independent risk and control functions provide the second line of defence through oversight, challenge and monitoring of risk management activities undertaken by the first line.

Risk limits

The Board-approved risk appetite is supported by a comprehensive framework of limits and policies, which are cascaded through delegated authorities to support the effective management and monitoring of risk across the Group.

Mitigation techniques

Risk exposures are managed through a range of techniques appropriate to the underlying risk. These include market-based hedging activities, credit risk mitigation techniques, diversification of funding sources and maturities, business continuity planning and the use of insurance where appropriate.

Key Risk Indicators, Risk Monitoring and Reporting

Risk limits and key risk indicators are established to support the effective monitoring and management of risk exposures and to ensure that the Group operates within its overall risk appetite. A comprehensive limit framework is maintained across risk categories, supported by clearly defined approval authorities and escalation procedures.

The Risk Management function, and the Compliance function in respect of conduct-related matters, provide regular reporting on risk exposures, compliance with risk limits, emerging risks and broader developments in the Group's risk profile. This reporting supports effective governance and enables timely management action where required. The Board and the Board Risk and Sustainability Committee receive regular updates on the Group's risk profile, key risk exposures and compliance with risk appetite.

In addition to monitoring current risk exposures, the Group maintains a suite of entity-specific early warning indicators designed to identify potential deterioration in capital and liquidity strength. Monitoring and reporting of these indicators forms an important part of the Group's contingency planning framework.

Most risk metrics and limits are monitored daily through automated processes, supporting timely management information, including daily reporting to the CEO and CRO and regular reporting to the EMEA Executive Committee, EMEA Risk Management Committee and Board Risk and Sustainability Committee.

Strategy and planning

The Group undertakes a formal annual business planning process through which the Board's strategic objectives are translated into detailed business plans. Commercial objectives and plans are established for all significant business lines and are supported by financial projections that take account of expected macro-economic and market conditions.

The Group's risk appetite is formally reviewed as part of the annual business planning cycle to ensure alignment between business strategy and risk management objectives. Business plans are reviewed by the Risk Management function to assess whether proposed developments are consistent with the Group's risk appetite and risk management capabilities.

Capital planning forms an integral part of the business planning process and is designed to ensure that an appropriate balance between capital resources and capital requirements is maintained throughout the planning period.

Stress Testing

Stress testing and scenario analysis form an important part of the Group's business planning and risk management framework. They are used to assess potential threats to the Group's business plan on a forward-looking basis, support the assessment of internal capital requirements and, in the case of reverse stress testing, identify scenarios that could render the Group's business model unviable.

As part of its capital planning framework, the Group uses stress testing to assess its ability to maintain a sound financial position under severe but plausible economic and market stress scenarios. Stress tests are developed with reference to the Group's risk profile and are applied consistently across market, credit and liquidity risks, taking account of relevant concentrations of exposure.

Under the Pillar 2 framework, the Group performs an internal assessment of its risks and capital requirements under severe but plausible scenarios and maintains additional capital resources to support resilience under stress conditions. Stress scenarios are developed and maintained within the Group's stress testing framework and are subject to review and approval by the EMEA Stress Testing Committee.

Adequacy of risk management arrangements

The Group assesses the adequacy of its risk management framework, together with the level of capital and liquidity required to support its risk profile, at least annually and more frequently where appropriate. This assessment is documented through the ICAAP and ILAAP and is approved by the Board.

The most recent ICAAP and ILAAP assessments concluded that the Group's risk management arrangements were appropriate for its risk profile and strategy. The Group continues to assess and enhance the effectiveness of its risk management framework through its risk appetite and limit structure, independent review processes and ongoing enhancement programmes.

Risk Review

4. Market Risk

Risk analysis – trading financial instruments

The Group measures and manages the market risk in its trading portfolios through position and sensitivity limits, as well as profit and loss and Value at Risk ("VaR") limits, and stress testing limits.

These limits and risk policies are approved by the delegated risk management authorities as defined in the Group's risk management framework. In addition, the Group has total VaR and Market Risk and Credit Risk Capital limits set by MHSC. Furthermore, the Group market risk appetite stress test and VaR limits are subject to approval by the Board Risk and Sustainability Committee.

The Group maintains a framework of controls and monitoring activities designed to support compliance with the Volcker Rule, operating through the Group's three LoD model and aligned to relevant business desk designations.

Stress Testing

Stress testing is an important component of the Group's market risk management framework and provides information regarding the risks borne by the Group. This assists senior management in understanding the potential impact of stress events on the Group's business strategy and capital resources.

Stress scenarios are selected from the Group's approved stress testing framework, with the scenario considered most relevant to prevailing market conditions and risk outlook used for risk appetite monitoring purposes.

Value at Risk ("VaR")

VaR is a statistical measure that estimates the potential decrease in the market value of a portfolio over a specified time horizon at a given confidence level under normal market conditions. The Group's VaR is calculated on a daily basis using a one-day holding period and a confidence level of 99 per cent. Regular back-testing is conducted to assess the effectiveness of the VaR model and its underlying assumptions.

A summary of the daily VaR statistics for the Group's trading portfolios, based on a 99 per cent confidence level and a one-day holding period, segregated by type of market risk, is presented below. There is no material difference between the Group and Company figures and, accordingly, Company figures have not been presented separately.

2026	**31 March 2026**	**Average**	**Maximum**	**Minimum**
VaR Risk Factor	**£ thousands**	**£ thousands**	**£ thousands**	**£ thousands**
Interest Rate	**921**	**1,196**	**1,878**	**787**
Credit Spread	**1,427**	**2,436**	**3,828**	**1,278**
Equity	**387**	**398**	**763**	**90**
FX Risk	**88**	**115**	**437**	**25**
Total VaR[1]	**1,597**	**2,810**	**4,092**	**1,582**

2025	31 March 2025	Average	Maximum	Minimum
VaR Risk Factor	£ thousands	£ thousands	£ thousands	£ thousands
Interest Rate	1,751	1,453	2,159	846
Credit Spread	2,829	2,847	5,598	1,374
Equity	144	132	460	17
FX Risk	93	110	534	16
Total VaR[1]	3,043	2,845	4,875	1,731

Explanatory note on VaR Risk Factor

1. The total VaR shown in the tables above is not a sum of the component risks due to offsets between them.

Sensitivity analysis – non trading financial instruments

Currency risk sensitivity

The Group's foreign currency loans and advances to banks and customers, together with its investments, are funded in matched currencies. Funding raised through debt securities issuance is also used to support trading activities on a matched currency basis. Foreign currency derivatives are used, where appropriate, to manage exposures arising between asset and liability currencies. As a result, the Group does not maintain significant currency exposures within its non-trading activities.

Interest rate risk sensitivity (Audited)

The Group's non-trading books comprise assets and liabilities that are not held or issued for trading purposes. These include the raising and provision of funding to support the Group's trading activities, the acceptance of customer deposits and investment activities. Funding and deposit-taking activities, including related derivative hedging, are conducted in a manner that seeks to minimise, where possible, exposure to interest rate risk.

The Group's market risk profile is reviewed by the EMEA Risk Management Committee and is also considered periodically by the EMEA Market, Methodology and Model Risk Committee, the EMEA Executive Committee and the Board Risk and Sustainability Committee.

The tables overleaf summarise the interest rate sensitivity gaps within the Group's non-trading book. Items are allocated to time bands by reference to the earlier of the next contractual interest rate repricing date or the contractual maturity date.

Risk Review

Group (Audited)

2026	Less than 3 months £ millions	3-6 months £ millions	6-12 months £ millions	1-5 years £ millions	Over 5 years £ millions	Non interest bearing £ millions	Total £ millions
Cash and balances at central banks	217.0	-	-	-	-	-	217.0
Loans and advances to banks	60.5	-	-	-	-	-	60.5
Loans and advances to customers	-	-	-	-	-	-	-
Reverse repurchase agreements with customers	-	-	-	12.6	-	-	12.6
Equity shares – other financial investments	-	-	-	-	-	0.5	0.5
Shares in group undertakings	-	-	-	-	-	29.8	29.8
Other assets	502.7	-	-	-	-	87.5	590.2
Prepayments and accrued income	-	-	-	-	-	103.9	103.9
Assets	780.2	-	-	12.6	-	221.7	1,014.5
Deposits by banks	398.2	227.1	-	-	-	-	625.3
Customer accounts	553.8	-	-	-	-	-	553.8
Repurchase Agreements with Banks	-	-	-	10.4	-	-	10.4
Debt securities in issue	366.7	43.6	236.8	330.2	38.1	-	1,015.4
Other liabilities	573.8	-	-	-	-	25.3	599.1
Accruals and deferred income	-	-	-	-	-	211.0	211.0
Provisions for liabilities	-	-	-	-	-	7.7	7.7
Shareholders' funds	-	-	-	-	-	845.2	845.2
Liabilities and Equity	1,892.5	270.7	236.8	340.6	38.1	1,089.2	3,867.9
Off balance sheet items[1]	(218.0)	(147.9)	(2.4)	330.2	38.1	-	-
Interest rate sensitivity gap	(1,330.3)	(418.6)	(239.2)	2.2	-	(868.5)	(2,854.4)
Cumulative gap	(1,330.3)	(1,748.9)	(1,988.1)	(1,985.9)	(1,985.9)	(2,854.4)	(2,854.4)

Group (Audited)

2025	Less than 3 months £ millions	3-6 months £ millions	6-12 months £ millions	1-5 years £ millions	Over 5 years £ millions	Non interest bearing £ millions	Total £ millions
Cash and balances at central banks	115.5	-	-	-	-	-	115.5
Loans and advances to banks	60.2	-	-	-	-	-	60.2
Loans and advances to customers	-	-	-	-	-	-	-
Reverse repurchase agreements with customers	50.0	-	-	248.6	-	-	298.6
Equity shares – other financial investments	-	-	-	-	-	1.2	1.2
Shares in group undertakings	-	-	-	-	-	17.6	17.6
Other assets	481.8	-	-	-	-	64.3	546.1
Prepayments and accrued income	-	-	-	-	-	106.7	106.7
Assets	707.5	-	-	248.6	-	189.8	1,145.9
Deposits by banks	446.3	232.4	-	-	-	-	678.7
Customer accounts	473.5	-	-	-	-	-	473.5
Repurchase Agreements with Banks	50.0	-	-	232.0	-	-	282.0
Debt securities in issue	522.0	244.9	253.8	242.0	41.4	-	1,304.1
Other liabilities	326.3	-	-	-	-	24.2	350.5
Accruals and deferred income	-	-	-	-	-	148.9	148.9
Provisions for liabilities	-	-	-	-	-	0.2	0.2
Shareholders' funds	-	-	-	-	-	773.5	773.5
Liabilities and Equity	1,818.1	477.3	253.8	474.0	41.4	946.8	4,011.4
Off balance sheet items[1]	(664.9)	228.2	153.3	242.0	41.4	-	-
Interest rate sensitivity gap	(1,775.5)	(249.1)	(100.5)	16.6	-	(757.0)	(2,865.5)
Cumulative gap	(1,775.5)	(2,024.6)	(2,125.1)	(2,108.5)	(2,108.5)	(2,865.5)	(2,865.5)

Risk Review

Company (Audited)

2026	Less than 3 months £ millions	3-6 months £ millions	6-12 months £ millions	1-5 years £ millions	Over 5 years £ millions	Non interest bearing £ millions	Total £ millions
Cash and balances at central banks	**217.0**	-	-	-	-	-	**217.0**
Loans and advances to banks	**52.9**	-	-	-	-	-	**52.9**
Loans and advances to customers	-	-	**5.9**	-	-	-	**5.9**
Reverse Repurchase agreements with customers	-	-	-	**12.6**	-	-	**12.6**
Equity shares – other financial investments	-	-	-	-	-	**0.5**	**0.5**
Shares in group undertakings	-	-	-	-	-	**72.0**	**72.0**
Other assets	**502.6**	-	-	-	-	**76.2**	**578.8**
Prepayments and accrued income	-	-	-	-	-	**91.7**	**91.7**
Assets	**772.5**	-	**5.9**	**12.6**	-	**240.4**	**1,031.4**
Deposits by banks	**398.2**	**227.1**	-	-	-	-	**625.3**
Customer accounts	**582.7**	-	-	-	-	-	**582.7**
Repurchase agreements with Banks	-	-	-	**10.4**	-	-	**10.4**
Debt securities in issue	**366.7**	**43.6**	**236.8**	**330.2**	**38.1**	-	**1,015.4**
Other liabilities	**574.1**	-	-	-	-	**16.9**	**591.0**
Accruals and deferred income	-	-	-	-	-	**180.4**	**180.4**
Provisions for liabilities	-	-	-	-	-	**7.6**	**7.6**
Shareholders’ funds	-	-	-	-	-	**831.0**	**831.0**
Liabilities and Equity	**1,921.7**	**270.7**	**236.8**	**340.6**	**38.1**	**1,035.9**	**3,843.8**
Off balance sheet items[1]	**(218.0)**	**(147.9)**	**(2.4)**	**330.2**	**38.1**	-	-
Interest rate sensitivity gap	**(1,367.2)**	**(418.6)**	**(233.3)**	**2.2**	-	**(795.7)**	**(2,812.4)**
Cumulative gap	**(1,367.2)**	**(1,785.8)**	**(2,019.1)**	**(2,016.9)**	**(2,016.9)**	**(2,812.4)**	**(2,812.4)**

Company (Audited)

2025	Less than 3 months £ millions	3-6 months £ millions	6-12 months £ millions	1-5 years £ millions	Over 5 years £ millions	Non interest bearing £ millions	Total £ millions
Cash and balances at central banks	115.5	-	-	-	-	-	115.5
Loans and advances to banks	35.3	-	-	-	-	-	35.3
Loans and advances to customers	21.2	-	-	-	-	-	21.2
Reverse Repurchase agreements with customers	50.0	-	-	248.6	-	-	298.6
Equity shares – other financial investments	-	-	-	-	-	1.1	1.1
Shares in group undertakings	-	-	-	-	-	50.4	50.4
Other assets	480.9	-	-	-	-	52.4	533.3
Prepayments and accrued income	-	-	-	-	-	95.0	95.0
Assets	702.9	-	-	248.6	-	198.9	1,150.4
Deposits by banks	446.3	232.4	-	-	-	-	678.7
Customer accounts	487.5	-	-	-	-	-	487.5
Repurchase agreements with Banks	50.0	-	-	232.0	-	-	282.0
Debt securities in issue	522.0	244.9	253.8	242.0	41.4	-	1,304.1
Other liabilities	326.3	-	-	-	-	16.3	342.6
Accruals and deferred income	-	-	-	-	-	124.3	124.3
Provisions for liabilities	-	-	-	-	-	0.1	0.1
Shareholders’ funds	-	-	-	-	-	758.8	758.8
Liabilities and Equity	1,832.1	477.3	253.8	474.0	41.4	899.5	3,978.1
Off balance sheet items[1]	(664.9)	228.2	153.3	242.0	41.4	-	-
Interest rate sensitivity gap	(1,794.1)	(249.1)	(100.5)	16.6	-	(700.6)	(2,827.7)
Cumulative gap	(1,794.1)	(2,043.2)	(2,143.7)	(2,127.1)	(2,127.1)	(2,827.7)	(2,827.7)

Explanatory note on interest rate sensitivity

1. *Off balance sheet items:*
   Where interest rate swaps are hedging debt securities in issue with greater than three months’ maturity, the notional of these swaps has been disclosed as an off balance sheet item banded with reference to its next floating rate reset date, to reflect the true sensitivity of the Group to interest rate risk on these structures.

Risk Review

5. Credit Risk

Maximum exposure and effects of collateral and other credit enhancements (Audited)

The maximum exposure to credit risk for financial assets, including derivatives, recognised on the Statement of Financial Position is typically the carrying amount and is represented on the table below which analyses maximum exposure to credit risk by asset class, representing credit risk arising from counterparty default.

The maximum exposure is shown gross of the use of master netting and collateral agreements unless such credit enhancements meet the offsetting requirements as set out in Note 3A of the Notes to the Financial Statements section.

Group (Audited)

2026	Maximum exposure £ millions	Collateral[1] £ million	Netting[2] £ millions	Net exposure to credit risk £ millions
On-balance sheet:				
Cash and balances at central banks	**217.0**	**-**	**-**	**217.0**
Loans and advances to banks	**60.5**	**-**	**-**	**60.5**
Reverse repurchase agreements with banks	**2,321.3**	**(2,318.4)**	**(0.2)**	**2.7**
Reverse repurchase agreements with customers	**5,981.7**	**(5,980.9)**	**-**	**0.8**
Debt and other fixed income securities	**5,327.2**	**-**	**-**	**5,327.2**
Derivative assets	**9,910.3**	**(329.0)**	**(9,523.8)**	**57.5**
Trade receivables[4]	**526.0**	**(5.4)**	**(129.5)**	**391.1**
Total on-balance sheet	**24,344.0**	**(8,633.7)**	**(9,653.5)**	**6,056.8**
Off-balance sheet:				
Credit lines and other commitments[3]	**127.1**	**(127.0)**	**-**	**0.1**
Total off-balance sheet	**127.1**	**(127.0)**	**-**	**0.1**
Total	**24,471.1**	**(8,760.7)**	**(9,653.5)**	**6,056.9**

Group (Audited)

2025	Maximum exposure £ millions	Collateral[1] £ million	Netting[2] £ millions	Net exposure to credit risk £ millions
On-balance sheet:				
Cash and balances at central banks	115.5	-	-	115.5
Loans and advances to banks	60.2	-	-	60.2
Reverse repurchase agreements with banks	4,055.8	(4,054.1)	(0.1)	1.6
Reverse repurchase agreements with customers	4,587.1	(4,586.2)	-	0.9
Debt and other fixed income securities	5,644.9	-	-	5,644.9
Derivative assets	8,520.1	(244.7)	(8,272.3)	3.1
Trade receivables[4]	516.5	(9.1)	(203.8)	303.6
Total on-balance sheet	23,500.1	(8,894.1)	(8,476.2)	6,129.8
Off-balance sheet:				
Credit lines and other commitments[3]	33.6	(33.5)	-	0.1
Total off-balance sheet	33.6	(33.5)	-	0.1
Total	23,533.7	(8,927.6)	(8,476.2)	6,129.8

Risk Review

Company (Audited)

2026	Maximum exposure £ millions	Collateral[1] £ million	Netting[2] £ millions	Net exposure to credit risk £ millions
On-balance sheet:				
Cash and balances at central banks	**217.0**	**-**	**-**	**217.0**
Loans and advances to banks	**52.9**	**-**	**-**	**52.9**
Loans and advances to customers	**5.9**	**-**	**-**	**5.9**
Reverse repurchase agreements with banks	**2,321.3**	**(2,318.4)**	**(0.2)**	**2.7**
Reverse repurchase agreements with customers	**5,981.7**	**(5,980.9)**	**-**	**0.8**
Debt and other fixed income securities	**5,327.2**	**-**	**-**	**5,327.2**
Derivative assets	**9,910.3**	**(329.0)**	**(9,523.8)**	**57.5**
Trade receivables[4]	**524.0**	**(5.4)**	**(129.5)**	**389.1**
Total on-balance sheet	**24,340.3**	**(8,633.7)**	**(9,653.5)**	**6,053.1**
Off-balance sheet:				
Credit lines and other commitments[3]	**127.1**	**(127.0)**	**-**	**0.1**
Total off-balance sheet	**127.1**	**(127.0)**	**-**	**0.1**
Total	**24,467.4**	**(8,760.7)**	**(9,653.5)**	**6,053.2**

Company (Audited)

2025	Maximum exposure £ millions	Collateral[1] £ million	Netting[2] £ millions	Net exposure to credit risk £ millions
On-balance sheet:				
Cash and balances at central banks	115.5	-	-	115.5
Loans and advances to banks	35.3	-	-	35.3
Loans and advances to customers	21.2	-	-	21.2
Reverse repurchase agreements with banks	4,055.8	(4,054.1)	(0.1)	1.6
Reverse repurchase agreements with customers	4,587.1	(4,586.2)	-	0.9
Debt and other fixed income securities	5,607.4	-	-	5,607.4
Derivative assets	8,520.1	(244.7)	(8,272.3)	3.1
Trade receivables[4]	515.6	(9.1)	(203.8)	302.7
Total on-balance sheet	23,458.0	(8,894.1)	(8,476.2)	6,087.7
Off-balance sheet:				
Credit lines and other commitments[3]	33.6	(33.5)	-	0.1
Total off-balance sheet	33.6	(33.5)	-	0.1
Total	23,491.6	(8,927.6)	(8,476.2)	6,087.8

Explanatory notes on collateral and other enhancements obtained

1. *Collateral received:*
   Collateral received in the form of securities or cash in respect of reverse repurchase transactions, derivative transactions under relevant credit support agreements, and from a related party under a collateralised funding arrangement is shown above within Collateral.
2. *Netting and set-off:*
   The impact of netting and set-off under legally enforceable master netting agreements is disclosed within Netting above, and is calculated after taking account of the effect of collateral described above as well as netting posted on the balance sheet in accordance with FRS102. The amount shown under Maximum exposure is after FRS 102 netting.
3. *Credit lines and other commitments:*
   Off-balance sheet balance includes a reverse repo commitment where the Group's maximum exposure is represented by the contractual principal amount of the commitment. Were this commitment to be drawn down, the counterparty would be expected to post collateral at least equal to the contractual principal amount and this is reflected as such in the collateral balance.
4. *Trade receivables:*
   Trade receivables consist mainly of cash collateral that has been pledged out in respect of derivative and repurchase transactions and unsettled repurchase receivables balances.

Concentrations of exposure to credit risk (Audited)

Concentrations of exposure to credit risk exist when a number of counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors and have similar economic characteristics so that their ability to meet contractual obligations is similarly impacted by changes in economic, political or other conditions. Significant concentrations of exposure to credit risk are discussed below.

Reverse repurchase agreements

The Group's repo trading activities give rise to counterparty risk exposures, which as noted above, are mitigated through the execution of netting agreements and the agreement of margin requirements such that net counterparty exposures are maintained at a low level. The largest counterparty exposure as at 31 March 2026 totalled £1.1 million (2025: £0.3 million), and no remaining exposures exceeded £1.0 million (2025: £0.3 million).

Debt and other fixed income securities

The Group's holdings of debt and other fixed income securities are diversified by issuer, geographic region and industry sector. A summary of the most significant geographic exposures by class of debt is set out below:

Group (Audited)

2026	Government £ millions	Other public sector £ millions	Other £ millions	Total £ millions
France	949.0	27.8	4.1	980.9
Germany	112.2	217.6	30.3	360.1
US	73.5	0.5	30.5	104.5
Japan	281.2	81.3	39.2	401.7
Italy	322.9	2.3	9.3	334.5
UK	115.9	-	146.9	262.8
Spain	148.6	0.2	18.3	167.1
Saudi Arabia	46.6	51.3	27.0	124.9
Canada	-	188.5	150.4	338.9
Ireland	-	-	270.3	270.3
Other	309.6	1,473.4	198.5	1,981.5
Total	**2,359.5**	**2,042.9**	**924.8**	**5,327.2**

2025	Government £ millions	Other public sector £ millions	Other £ millions	Total £ millions
France	129.7	65.8	100.5	296.0
Germany	232.0	265.1	88.0	585.1
US	145.5	-	239.6	385.1
Japan	314.4	212.9	24.6	551.9
Italy	697.4	14.1	30.2	741.7
UK	112.2	11.8	220.8	344.8
Spain	88.7	0.6	32.1	121.4
Netherlands	6.7	85.3	59.3	151.3
Canada	94.0	54.1	123.0	271.1
Ireland	-	5.2	216.2	221.4
Other	275.9	1,233.7	465.5	1,975.1
Total	**2,096.5**	**1,948.6**	**1,599.8**	**5,644.9**

Company (Audited)

2026	Government £ millions	Other public sector £ millions	Other £ millions	Total £ millions
France	949.0	27.8	4.1	980.9
Germany	112.2	217.6	30.3	360.1
US	73.5	0.5	30.5	104.5
Japan	281.2	81.3	39.2	401.7
Italy	322.9	2.3	9.3	334.5
UK	115.9	-	146.9	262.8
Spain	148.6	0.2	18.3	167.1
Saudi Arabia	46.6	51.3	27.0	124.9
Canada	-	188.5	150.4	338.9
Ireland	-	-	270.3	270.3
Other	309.6	1,473.4	198.5	1,981.5
Total	**2,359.5**	**2,042.9**	**924.8**	**5,327.2**

2025	Government £ millions	Other public sector £ millions	Other £ millions	Total £ millions
France	118.0	65.8	100.5	284.3
Germany	232.0	265.1	88.0	585.1
US	145.5	-	239.6	385.1
Japan	314.0	212.9	24.6	551.5
Italy	697.4	14.1	30.2	741.7
UK	112.2	11.8	220.8	344.8
Spain	83.7	0.6	32.1	116.4
Netherlands	-	85.3	59.3	144.6
Canada	94.0	54.1	123.0	271.1
Ireland	-	5.2	216.2	221.4
Other	264.2	1,233.7	463.5	1,961.4
Total	2,061.0	1,948.6	1,597.8	5,607.4

Derivatives

The Group's derivative trading activities give rise to counterparty risk exposures which as noted above are principally mitigated through the execution of netting agreements and the application of margin requirements. Total Counterparty exposure totalled £57.5 million as at 31 March 2026 (2025: £3.1 million) for the Group and Company. The largest individual counterparty exposure as at 31 March 2026 totalled £26.2 million (2025: £40.6 million). All exposures greater than £1 million were against investment grade-rated financial institutions, clearing houses or other Mizuho Financial Group subsidiaries. Historically, the Group has not experienced any defaults by these counterparties.

Risk Review

Credit quality (Audited)

The following table represents an analysis of the carrying value of reverse repurchase agreements based on the internal credit quality rating designation (or equivalent) of the underlying collateral received. Where credit ratings for the underlying collateral are not available, the client credit rating may be used as a proxy. For debt and other securities, loans and advances balances and cash balances at central banks, external credit ratings are used. The internal credit ratings are derived from S&P, Moody's and Fitch. For Japanese securities, the ratings may also be derived from Japanese rating agencies. Where external ratings are not available, an internal rating is assigned.

Reverse repurchase agreements with banks

Group & Company (Audited)

2026	Government £ millions	Bank £ millions	Corporate £ millions	Total £ millions
AAA	**36.3**	**593.4**	**61.2**	**690.9**
AA- to AA+	**136.4**	**299.1**	**116.4**	**551.9**
A- to A+	**79.1**	**96.8**	**170.9**	**346.8**
BBB+ to BBB-	**302.1**	**39.4**	**98.7**	**440.2**
BB+ to B-	**183.7**	**49.8**	**14.5**	**248.0**
CCC+ to CCC-	**-**	**-**	**43.5**	**43.5**
Total	**737.6**	**1,078.5**	**505.2**	**2,321.3**

Group & Company (Audited)

2025	Government £ millions	Bank £ millions	Corporate £ millions	Total £ millions
AAA	4.1	394.4	79.6	478.1
AA- to AA+	1,520.8	292.2	241.7	2,054.7
A- to A+	43.2	512.4	280.1	835.7
BBB+ to BBB-	123.0	96.3	200.1	419.4
BB+ to B-	141.3	61.1	65.5	267.9
Total	1,832.4	1,356.4	867.0	4,055.8

Reverse repurchase agreements with customers

Group & Company (Audited)

2026	**Government £ millions**	**Bank £ millions**	**Corporate £ millions**	**Total £ millions**
AAA	**233.6**	**256.7**	**6.3**	**496.6**
AA- to AA+	**4,160.3**	**-**	**9.2**	**4,169.5**
A- to A+	**997.2**	**-**	**14.8**	**1,012.0**
BBB+ to BBB-	**138.8**	**1.6**	**15.3**	**155.7**
BB+ to B-	**-**	**-**	**46.2**	**46.2**
CCC+ to C	**-**	**-**	**2.1**	**2.1**
Unrated	**-**	**25.0**	**74.6**	**99.6**
Total	**5,529.9**	**283.3**	**168.5**	**5,981.7**

Group & Company (Audited)

2025	Government £ millions	Bank £ millions	Corporate £ millions	Total £ millions
AAA	341.3	33.3	6.1	380.7
AA- to AA+	3,802.6	-	3.3	3,805.9
A- to A+	-	1.5	15.2	16.7
BBB+ to BBB-	-	-	129.8	129.8
BB+ to B-	-	-	254.0	254.0
CCC+ to C	-	-	-	-
Total	4,143.9	34.8	408.4	4,587.1

Risk Review

Debt and other fixed income securities, loans and advances and cash and balances at central banks

Group (Audited)

2026	**Debt and other fixed income securities £ millions**	**Loans and advances £ millions**	**Cash and balances at central banks £ millions**
AAA	**1,937.0**	**-**	**-**
AA- to AA+	**920.8**	**44.0**	**217.0**
A- to A+	**1,840.8**	**14.2**	**-**
BBB+ to BBB-	**500.7**	**-**	**-**
BB+ to B-	**119.9**	**-**	**-**
CCC+ to C	**0.3**	**-**	**-**
Unrated	**7.7**	**2.3**	**-**
	5,327.2	**60.5**	**217.0**

Credit quality (Audited)

2025	**Debt and other fixed income securities £ millions**	**Loans and advances £ millions**	**Cash and balances at central banks £ millions**
AAA	1,972.7	-	-
AA- to AA+	1,038.3	37.8	115.5
A- to A+	1,203.8	21.1	-
BBB+ to BBB-	1,289.3	-	-
BB+ to B-	135.5	-	-
CCC+ to C	0.8	-	-
Unrated	4.5	1.3	-
	5,644.9	60.2	115.5

Company (Audited)

2026	**Debt and other fixed income securities £ millions**	**Loans and advances £ millions**	**Cash and balances at central banks £ millions**
AAA	**1,937.0**	**-**	**-**
AA- to AA+	**920.8**	**44.0**	**217.0**
A- to A+	**1,840.8**	**6.7**	**-**
BBB+ to BBB-	**500.7**	**-**	**-**
BB+ to B-	**119.9**	**-**	**-**
CCC+ to C	**0.3**	**-**	**-**
Unrated	**7.7**	**8.1**	**-**
	5,327.2	**58.8**	**217.0**

2025	**Debt and other fixed income securities £ millions**	**Loans and advances £ millions**	**Cash and balances at central banks £ millions**
AAA	1,966.0	-	-
AA- to AA+	1,012.9	30.8	115.5
A- to A+	1,198.4	24.6	-
BBB+ to BBB-	1,289.3	-	-
BB+ to B-	135.5	-	-
CCC+ to C	0.8	-	-
Unrated	4.5	1.1	-
	5,607.4	56.5	115.5

Risk Review

6. Liquidity Risk

Residual contractual maturity of financial liabilities (Audited)

The tables below summarises the maturity profile of the financial liabilities:

Group (Audited)

2026	**Carrying Amount £ millions**	**Contractual Amount £ millions**	**Repayable on demand £ millions**	**Less than three months £ millions**	**3-6 months £ millions**	**6-12 months £ millions**	**1-5 years £ millions**	**Over 5 years £ millions**
Financial liabilities:								
Deposits by banks	**625.3**	**625.3**	**0.2**	**83.9**	**227.1**	**87.3**	**226.8**	**-**
Customer accounts	**553.8**	**553.8**	**-**	**553.8**	**-**	**-**	**-**	**-**
Repurchase agreements with banks	**6,118.5**	**6,118.9**	**1,314.2**	**3,844.5**	**67.4**	**357.9**	**534.9**	**-**
Repurchase agreements with customers	**2,872.6**	**2,873.7**	**201.7**	**2,671.6**	**0.4**	**-**	**-**	**-**
Debt securities in issue	**994.4**	**1,015.3**	**-**	**79.0**	**43.6**	**280.5**	**574.1**	**38.1**
Short positions[1]	**2,145.3**	**2,205.3**	**932.6**	**1,272.7**	**-**	**-**	**-**	**-**
Derivative liabilities[2]	**9,801.3**	**9,802.7**	**-**	**127.5**	**121.2**	**152.2**	**3,437.7**	**5,964.1**
Trade payables	**595.8**	**595.8**	**-**	**595.8**	**-**	**-**	**-**	**-**
Accruals and deferred income[3]	**145.1**	**221.4**	**-**	**138.6**	**9.0**	**14.7**	**56.8**	**2.3**
	23,852.1	**24,012.2**	**2,448.7**	**9,367.4**	**468.7**	**892.6**	**4,830.3**	**6,004.5**

Group (Audited)

2025	**Carrying Amount £ millions**	**Contractual Amount £ millions**	**Repayable on demand £ millions**	**Less than three months £ millions**	**3-6 months £ millions**	**6-12 months £ millions**	**1-5 years £ millions**	**Over 5 years £ millions**
Financial liabilities:								
Deposits by banks	678.7	678.7	9.8	47.2	316.1	87.9	217.7	-
Customer accounts	473.5	473.5	-	473.5	-	-	-	-
Repurchase agreements with banks	4,580.9	4,586.9	775.9	2,665.5	-	183.5	962.0	-
Repurchase agreements with customers	4,078.0	4,079.3	96.7	3,982.6	-	-	-	-
Debt securities in issue	1,292.3	1,304.0	-	159.1	370.5	287.2	445.8	41.4
Short positions[1]	2,889.1	2,976.3	1,304.8	1,671.5	-	-	-	-
Derivative liabilities[2]	8,548.4	8,548.8	-	84.5	117.7	291.4	3,378.2	4,677.0
Trade payables	356.8	356.8	-	356.8	-	-	-	-
Accruals and deferred income[3]	107.6	223.7	-	112.3	7.6	12.6	88.4	2.8
	23,005.3	23,228.0	2,187.2	9,553.0	811.9	862.6	5,092.1	4,721.2

Company (Audited)

2026	**Carrying Amount £ millions**	**Contractual Amount £ millions**	**Repayable on demand £ millions**	**Less than three months £ millions**	**3-6 months £ millions**	**6-12 months £ millions**	**1-5 years £ millions**	**Over 5 years £ millions**
Financial liabilities:								
Deposits by banks	**625.3**	**625.3**	**0.2**	**83.9**	**227.1**	**87.3**	**226.8**	**-**
Customer accounts	**582.7**	**582.7**	**28.9**	**553.8**	**-**	**-**	**-**	**-**
Repurchase agreements with banks	**6,118.5**	**6,118.9**	**1,314.2**	**3,844.5**	**67.4**	**357.9**	**534.9**	**-**
Repurchase agreements with customers	**2,872.6**	**2,873.7**	**201.7**	**2,671.6**	**0.4**	**-**	**-**	**-**
Debt securities in issue	**994.4**	**1,015.3**	**-**	**79.0**	**43.6**	**280.5**	**574.1**	**38.1**
Short positions[1]	**2,145.3**	**2,205.3**	**932.6**	**1,272.7**	**-**	**-**	**-**	**-**
Derivative liabilities[2]	**9,801.3**	**9,802.7**	**-**	**127.5**	**121.2**	**152.2**	**3,437.7**	**5,964.1**
Trade payables	**592.1**	**592.1**	**-**	**592.1**	**-**	**-**	**-**	**-**
Accruals and deferred income[3]	**159.6**	**235.9**	**-**	**153.1**	**9.0**	**14.7**	**56.8**	**2.3**
	23,891.8	**24,051.9**	**2,477.6**	**9,378.2**	**468.7**	**892.6**	**4,830.3**	**6,004.5**

Company (Audited)

2025	**Carrying Amount £ millions**	**Contractual Amount £ millions**	**Repayable on demand £ millions**	**Less than three months £ millions**	**3-6 months £ millions**	**6-12 months £ millions**	**1-5 years £ millions**	**Over 5 years £ millions**
Financial liabilities:								
Deposits by banks	678.7	678.7	9.8	47.2	316.1	87.9	217.7	-
Customer accounts	487.5	487.4	13.9	473.5	-	-	-	-
Repurchase agreements with banks	4,580.9	4,586.9	775.9	2,665.5	-	183.5	962.0	-
Repurchase agreements with customers	4,078.0	4,079.3	96.7	3,982.6	-	-	-	-
Debt securities in issue	1,292.3	1,304.0	-	159.1	370.5	287.2	445.8	41.4
Short positions[1]	2,889.1	2,976.3	1,304.8	1,671.5	-	-	-	-
Derivative liabilities[2]	8,548.3	8,548.7	-	84.4	117.7	291.4	3,378.2	4,677.0
Trade payables	354.3	354.3	-	354.3	-	-	-	-
Accruals and deferred income[3]	123.8	239.9	-	128.5	7.6	12.6	88.4	2.8
	23,032.9	23,255.5	2,201.1	9,566.6	811.9	862.6	5,092.1	4,721.2

Explanatory notes on residual contractual maturity of financial liabilities

1. *Short trading positions*
   Short trading positions principally comprise short trading positions in debt securities. The contractual maturity of short trading positions has been presented based upon the maturity of the related reverse repurchase contracts through which the Group has borrowed securities to facilitate the trading short trading positions.
2. *Derivative liabilities*
   The contractual maturity of derivative liabilities is based on contractual maturity date and has been represented based on the carrying value of the derivatives (net present value) rather than the contractual future cash flows.
3. *Accruals and deferred income*
   Included within accruals and deferred income are fees and other coupon related payables. In addition, there is no (2025: £nil) negative future interest on repurchase agreements included under contractual amount for both Group and Company.

7. Regulatory Capital Management

The primary objectives of the Group's capital management process is to ensure that the regulated Group entities comply with all externally imposed capital requirements and maintain a strong capital position in order to support the Group's business.

The Group maintains an effectively managed capital base to cover risks inherent in the business. The Group's capital adequacy is monitored under the requirements of CRD V as implemented by the PRA Rulebook, together with relevant supervisory statements and statements of policy issued by the PRA.

The Group also performs regular capital projections that include scenario analysis, which are reviewed by the senior management of the Group and are consistent with requirements under Basel Pillar II.

The methodology used by the Group for calculating capital is based upon PRA Rulebook standardised approach requirements for market, credit, settlement, credit valuation adjustment and counterparty risk and the Basic Indicator Approach for Operational Risk. The Group manages its capital structure and makes adjustments, where appropriate, in response to changes in economic conditions and the risk characteristics of its activities.

The Group's regulatory capital is analysed below:

	2026	2025
	£ millions	£ millions
Tier 1 Capital	**679.8**	670.5
Total capital resources	**679.8**	670.5

Regulatory capital consists solely of Tier 1 capital as of 31 March 2026. Tier 1 comprises share capital, share premium, retained earnings, current year profit and adjustments as required under the PRA Rulebook.

The Group complied with all regulatory capital requirements throughout the year.

Risk Review

8. Special Purpose Companies

Control environment

The Group may enter into transactions with customers in the ordinary course of business which involve the establishment of special purpose companies.

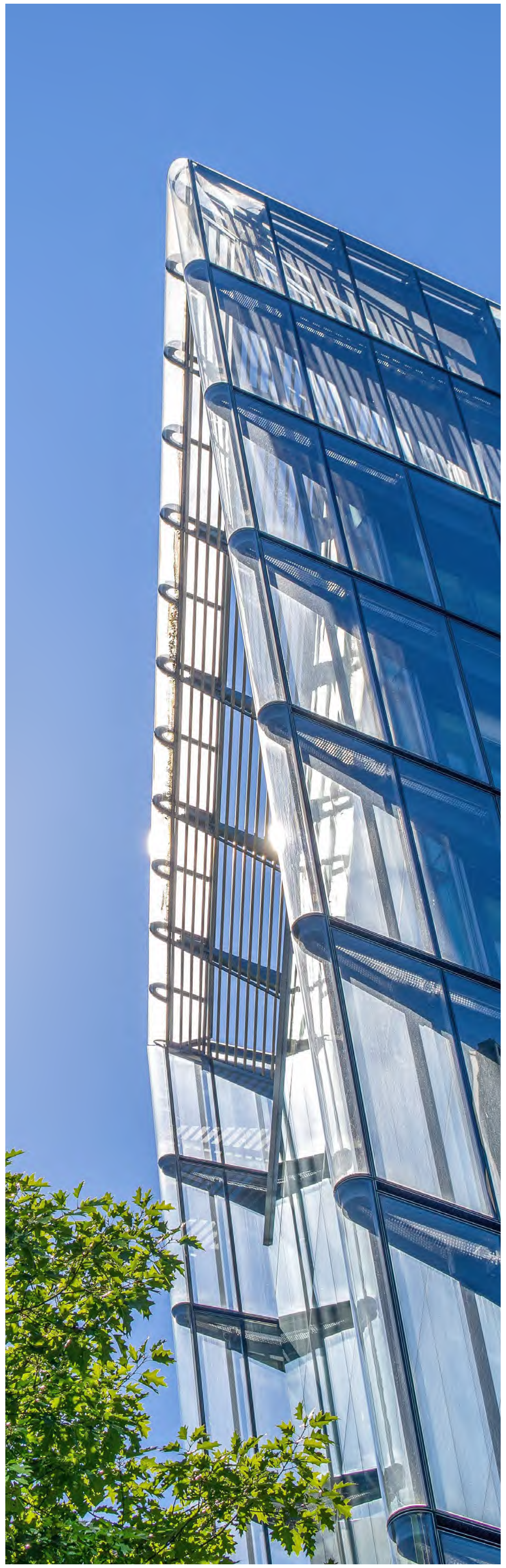
Where transactions involve the use of special purpose companies arranged by the Group, such entities are subject to an approval process upon establishment to ensure appropriate purpose and governance. The activities of the special purpose companies sponsored or administered by the Group are closely monitored by senior management. The Group's involvement with the most significant types of special purpose companies and related transactions is described below.

Structured credit intermediation transactions

The Group has used special purpose companies to intermediate structured credit transactions. The Group or its related Company enter into derivative transactions with these special purpose companies. Such special purpose companies were arranged by the Group.

The Group has also used special purpose companies to facilitate structured credit transactions for third parties seeking exposure to specific reference securities or asset classes. Such third parties obtain the risks and rewards associated with the reference assets through notes issued by these special purpose companies.

Consolidation assessments have been performed in respect of all such special purpose companies. Based on these assessments, the Group does not treat any of these entities as subsidiaries.



Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and parent Company financial statements in accordance with the Financial Reporting Standard FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing these financial statements, the Directors are required to:

- Select and apply suitable accounting policies consistently in accordance with Section 10 of FRS 102;
- Make judgements and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- State whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Statement of Directors' Responsibilities

Report of the Independent Auditor

Independent Auditor's Report to the Members of Mizuho International plc

Opinion

We have audited the financial statements of Mizuho International plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2026 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Parent Company Statements of Financial Position, Consolidated and Parent Company Statements of Changes in Equity, Consolidated Statement of Cash Flows, the notes to the Consolidated and Parent Company financial statements, including a summary of significant accounting policies, and information added within the Risk Review section identified as "audited" from page 34 to 63.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and, as regards the Parent Company's financial statements, as applied in accordance with the provisions of Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2026 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and as regards the Parent Company's financial statements, as applied in accordance with the provisions of Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Report of the Independent Auditor

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern;
- Obtaining the directors' going concern assessment including the cash flow forecasts for the going concern period covering at least 12 months from when the financial statements are authorised for the issue.
- Reviewing the directors' going concern assessment to determine that it appropriately considers key business risks including assessing the sufficiency of the Group's and the Parent Company's capital and liquidity taking into consideration the most recent Internal Capital Adequacy Assessment Process (ICAAP') and Internal Liquidity Adequacy Assessment Process (ILAAP') and evaluating the headroom against the minimum regulatory requirements;
- Assessing the appropriateness and reasonableness of the assumptions used in the forecasts and going concern assessment prepared by the directors, and considering the extent of reliance on capital invested by Mizuho Financial Group, Inc, Mizuho International plc's ultimate parent company;
- Assessing the accuracy of the forecasts and incorporating back-testing to determine the historical accuracy of management's forecasting and budgeting;
- Making inquiries of management, inspecting correspondence with the Prudential Regulation Authority (PRA') and the Financial Conduct Authority (FCA'), and inspecting minutes of meetings of the Board of Directors to identify events or conditions that may impact the Group's and the Parent Company's ability to continue as a going concern;
- Assessing key assumptions and mitigating actions put in place in response to external factors including, but not limited to geopolitical risk;
- Considering whether there were events subsequent to the balance sheet date or relevant information included in the financial statements of Mizuho Financial Group, Inc., which could have a bearing on the Group's and the Parent Company's going concern conclusion;
- Considering the consistency of the directors' forecasts with other areas of the annual accounts and our audit; and
- Evaluating the appropriateness of the disclosures in the financial statements in relation to the description of the directors' assessment of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key audit matter	How our scope addressed this matter
Recognition and valuation of software development expenditure. *During the financial year, the Group and the Company capitalised £51.4m (2025: £45.1m) and held a balance of £62.7m as at 31 March 2026 (2025: £51.2m) of software development expenditure as reported in note 17 of the financial statement.* The Group and the Company have continued enhancing their systems to address evolving business requirements and to fulfil commitments made by the broader Mizuho Group. These development costs are either capitalised as intangible assets or recognised as expenses and management applies significant judgement in determining whether such costs meet the capitalisation criteria under FRS 102. In addition, management performs an annual impairment assessment to substantiate the carrying value of intangible assets and capitalised development costs at the reporting date. This assessment is based on discounted cash flow models which are inherently sensitive to key assumptions such as estimated future cashflows and discount rates applied. The uncertainty and complexity associated with these key assumptions are further compounded by the Group's and Parent Company's historically volatile earnings and the ongoing high-interest rate environment. Consequently, given (i) the degree of judgement required in determining whether development costs qualify for capitalisation under FRS 102 and (ii) the significant estimation uncertainty inherent to the impairment assessment, we have determined this area to represent a significant risk of material misstatement and a key audit matter (KAM) in the current period.	To address the identified risks in relation to the recognition and valuation of software development expenditure, the audit procedures we have performed included, but were not limited to, those described hereafter. We performed walkthroughs and tested the design and operating effectiveness of key controls associated with the software capitalisation and impairment processes, including: • Initiation and approval of new software development projects; • Capitalisation criteria and approvals; • Work in Progress (WIP) monitoring and reviews; and • Annual impairment assessment (including individual asset level assessments). As part of our substantive procedures, we: • Gained an understanding of the Group's accounting policy in relation to the capitalisation and impairment of intangible assets and considered its compliance with FRS 102; • On a sample basis, performed testing over additions, disposals and transfers of intangible assets, agreeing work-in-progress capitalisations, approvals and transfers to the fixed asset register and underlying supporting documentation; • Performed sample-based testing of additions capitalised during the year to evaluate whether the recognition criteria for capitalisation under FRS 102 had been appropriately applied. With the support of our technical experts, we: • Assessed the appropriateness of management's impairment methodology for capitalised software assets (including assets under development), against FRS 102 requirements; • Assessed the appropriateness of CGU identification and allocation of intangible assets to CGUs, challenging management's assumptions where necessary; • Challenged the reasonableness of key assumptions such as forecasts, discount rates, value in use, arms length mark up for Global IT assets. This included independently deriving and benchmarking the Weighted average cost of capital (WACC) and Cost of Equity; and • Tested the mathematical accuracy of management's impairment assessment. We assessed the appropriateness and completeness of the disclosures made in relation to non-financial asset consistently with FRS 102. **Our observations** We concluded that the capitalisation of software development expenditure is appropriate and in line with the requirements of FRS 102 and determine that the valuation of these intangible assets is reasonable.

Key audit matter	How our scope addressed this matter
Revenue recognition risk (including risk of fraud and unauthorised trading) *For the year ended 31 March 2026, the Group reported fees and commissions of £234.4m (2025: £198.7m), as reported in the Consolidated Statement of Comprehensive Income. For Dealing Profit, the balance was £161.1m (2025: £175.1m). In relation to Other Operating Income the balance reported in the Consolidated Statement of comprehensive income was £170.9m (2025: £152.9m) and for interest income the balance at year end was £22.4m (2025: £28.4m).* *Please refer to the following notes to the financial statements:* • *Note 5 – Net Interest Payable* • *Note 6 – Fees and Commissions* • *Note 7 – Dealing Profit* • *Note 8 – Other Operating Income.* We identified a risk of fraud in revenue recognition, which is presumed under international standards on auditing, and considered as heightened in the current macro-economic environment. Indeed, market volatility, cost pressures and performance expectations may create incentives for management to influence the timing, existence and accuracy of revenue.	To address the identified risks in relation to the revenue recognition, the audit procedures we have performed included, but were not limited to, those described hereafter. We tested the design and operating effectiveness of key controls associated with revenue recognition, including those controls relating to: • Manual adjustments, including those covering dealing profits, fees and commissions, and transfer pricing • The definition and monitoring of trading limits • IT general controls, particularly segregation of duties and access control • The valuation process. As part of our substantive procedures in relation to dealing profit and fees and commission income, we: • Performed sample testing over receivables and payables balances related to fees and commission. • In relation to dealing profit, we performed testing regarding the inputs for interest accounts and also for unrealized and realized gains, relying on the IT systems in place for our testing. • We performed an analytical review on all material movements and balances for fees and commissions and dealing profit accounts. Specifically in relation to the risk of unauthorised trading: • We performed third-party confirmation procedures to ensure the existence and completeness of the recorded transactions; • We tested unconfirmed, unaffirmed, cancelled / modified derivatives by obtaining contractual evidence of existence and justification of cancellations/ modifications; • We tested limit breaches to assess whether they were indicative of potential unauthorised trading activity; • We reviewed year-end suspense accounts for material and/or aged items to understand their nature and validate their appropriate resolution; • We engaged our quantitative valuation specialists to assess the reasonableness of the valuation of the complex financial instruments; • We reviewed minutes of key risk and supervisory committees to evaluate whether there were indications of trading desks operating outside their approved limits or mandates; • We reviewed collateral disputes and assessed whether they are indicative of bias in management's valuation.

Key audit matter	How our scope addressed this matter
The Group generates revenue from trading activities, capital markets transactions and intragroup service arrangements, certain of which involve significant management judgement and manual intervention such as: • **Dealing profit**, including unrealised gains and losses on complex financial instruments, where valuation involves significant judgement, particularly in volatile or illiquid markets, creating a risk of bias in assumptions; • **Fees and commissions income**, notably in Debt Capital Market (DCM) and Equity Capital Market (ECM) fees, where revenue recognition and allocation involve manual adjustments, giving rise to risks over timing and existence; and • **Other operating income**, including transfer pricing revenues, which are manually calculated and requires significant management judgement in setting the terms of the service level agreements. As a result, we determined that each of the revenue streams described above represents a significant risk of material misstatement and, considering the level of auditor judgement and effort required, they were also deemed key audit matters.	As part of our substantive procedures in relation to Other operating income, we: • Engaged our transfer pricing specialists to assess the compliance of the transfer pricing policy against the applicable tax regulations; • We performed a full recalculation of the recharges made during the year. This involved obtaining the recharge invoices and working files for all 12 months and recalculating the amounts before reconciling to the general ledger. Finally, for each of the revenue streams, we: • Assessed the compliance of income recognised against the applicable accounting standards; • Performed testing over manual journals entries to ensure that any adjustments were reasonable, appropriately supported and not indicative of management bias; • Performed an analytical review over the financial year, and post-year-end to identify any unusual transactions and/or patterns; and • We performed sample testing across all revenue streams, including procedures over significant post year-end revenues to assess whether revenue was recognised accurately and in the correct period. **Our observations** We concluded that the recognition of revenue is appropriate and in line with the requirements of FRS 102 and determine that the revenue in the financial statements is appropriately stated.

Report of the Independent Auditor

Key audit matter	How our scope addressed this matter
Valuation of complex financial instruments held at fair value: *At 31 March 2026, the Bank's total financial assets and liabilities measured at fair value were £23,559m (Group and Company) (2025: Group - £22,530m, Company - £22,490) and £20,928m (Group and Company) (2025: Group and Company - £19,819m) respectively, of which financial instruments assessed as complex were £15,326m and £15,076m respectively.* *Refer to the following notes to the financial statements:* • *Note 3 – Significant Accounting Policies (J) Fair Value Measurement* • *Note 4 – Estimates and Judgements – Valuation of Financial Instruments* • *Note 30 – Financial Assets and Financial Liabilities.* MHI's trading and financing activities result in the Group and the Company recording financial instruments that are measured at fair value. We performed a risk assessment of the financial instruments held by the Group and Company and determined that a significant risk of material misstatement exists in relation to the positions where the valuation is based on complex models requiring significant management judgement and unobservable inputs. In addition, the degree of judgement applied creates a heightened susceptibility to potential management bias. In our assessment, we have also considered the extent of use of the valuation models to determine whether they could result in a significant risk of material misstatement. Overall, the range of reasonable outcomes could be greater than materiality for the financial statements as a whole.	To address the identified risks in relation to valuation of complex financial instruments, the audit procedures we have performed included, but were not limited to, those described hereafter. The main aspects of our control testing involved evaluating the design and implementation and testing the operating effectiveness of the key controls associated with the valuation process including those controls related to: • Trade booking and trade confirmation; • Product to model automated mapping configuration; • Trade confirmation, cancellation and modification; • Validation and review of new and existing models, including model changes; • Independent Price Verification('IPV'); • Completeness and integrity of internal and external data feeds used in the valuation; • Collateral management and posting; and • Classification of financial instruments under the fair value hierarchy per FRS 102 Section 34. With the assistance of our quantitative valuation specialists, we: • Assessed the appropriateness of management's fair value levelling process • Assessed the appropriateness of the modelling methodology and reasonableness of assumptions used by management for a sample of models • Reviewed the completeness and appropriateness of management's validation reports for a sample of models • Performed independent valuations on a sample of financial instruments As part of our substantive procedures, we: • Obtained independent confirmations from counterparties, custodians and exchanges to ensure the completeness and existence of instruments • On a sample basis, reconciled key trade characteristics recorded with contractual terms or trade confirmations • Assessed the cancellation or modification of a sample of trades to determine the appropriateness of recording at the reporting date • Reviewed and challenged the reasonableness of significant IPV pricing variances present at year-end • Reviewed manual adjustments or price verification overrides/remarks for appropriateness • Assessed the completeness and appropriateness of the Group's recorded valuation adjustments • Reviewed collateral disputes and any significant gains or losses from disposals which could indicate an inappropriate valuation or management's bias • Reviewed post year-end model validation reports and assessment of any potential deficiencies identified • Assessed the completeness and appropriateness of the disclosures relating to the valuation of financial instruments for consistency with the requirements of FRS 102. **Our observations** We found the approach taken by management in the valuation of complex financial instruments is consistent with the requirements of FRS 102 and we determined the valuation of complex financial instruments to be reasonable as at 31 March 2026.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality

Overall materiality	£8.4m
How we determined it	1% of net assets
Rationale for benchmark applied	Profit before tax is typically used as a benchmark for profit-oriented banks; however, given the Group's historical difficulties in achieving sustained profitability, we did not consider it to be the most appropriate benchmark. We expect that the primary users of the Group's financial statements including PRA and the immediate and ultimate controlling party, are focused on the Group's regulatory capital level and adequacy. In this context, net assets being an audited component of the statement of financial position and a key element of regulatory capital has been determined to be the most appropriate benchmark.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £4.6m, which represents 55% of overall materiality. In determining performance materiality, we considered the fact that this is our first year as auditor, together with a number of other factors such as the changes in the business environment, the presence of complex accounting treatments and estimates, the history of misstatements detected in previous years, and the effectiveness of the control environment.
Reporting threshold	We agreed with those charged with governance that we would report to them misstatements identified during our audit above £254k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Report of the Independent Auditor

Parent Company materiality

Overall materiality	£8.3m
How we determined it	1% of net assets
Rationale for benchmark applied	Profit before tax is typically used as a benchmark for profit-oriented banks; however, given the Parent Company's historical difficulties in achieving sustained profitability, we did not consider it to be the most appropriate benchmark. We expect that the primary users of the Parent Company's financial statements including PRA and the immediate and ultimate controlling party, are focused on the Parent Company's regulatory capital level and adequacy. In this context, net assets being an audited component of the statement of financial position and a key element of regulatory capital has been determined to be the most appropriate benchmark.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £4.5m, which represents 55% of overall materiality. In determining performance materiality, we considered the fact that this is our first year as auditor, together with a number of other factors such as the changes in the business environment, the presence of complex accounting treatments and estimates, the history of misstatements detected in previous years, and the effectiveness of the control environment.
Reporting threshold	We agreed with those charged with governance that we would report to them misstatements identified during our audit above £249k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the Group's and the Parent Company's financial statements. Based on our risk assessment, all components of the Group including the Parent Company were subject to full scope audits which were performed by the Group audit team.

At the Parent Company level, the Group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatements of the aggregated financial information.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 64, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: financial crime regulations and regulatory and supervisory requirements from the regulatory authorities where the Bank conducts its business, including primarily the PRA and the FCA. To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Obtaining an understanding of the legal and regulatory framework applicable to the Group and the Parent Company, the industry in which it operates;

Report of the Independent Auditor

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with relevant licensing or regulatory authorities, primarily the PRA and the FCA, during the year and up until the date of the approval of the financial statements;
- Reviewing minutes of directors' meetings held during the year and up until the date of approval of the financial statements;
- Discussing amongst the engagement team the risks of material misstatement in respect to fraud and non-compliance with laws and regulations and remaining alert to any such indications throughout our audit; and
- Focusing on areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with those charged with governance and senior management, review of regulatory and legal correspondence, and review of minutes of meetings of the Board of Directors and the Audit and Compliance Committee held during the year and up until the date of the approval of the financial statements.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to recognition and valuation of software development expenditure, valuation of complex financial instruments held at fair value, revenue recognition risk (including risk of fraud and unauthorised trading) and significant one-off or unusual transactions.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing;
- Considering significant transactions outside the normal course of business such as acquisition of Augusta & Co Limited;
- Being sceptical to the potential of management bias through judgements and assumptions in significant accounting estimates, in particular in relation to recognition and valuation of software development expenditure, valuation of complex financial instruments held at fair value, revenue recognition risk (including risk of fraud and unauthorised trading), and performing the procedures described in the "Key audit matters" section of our report.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Audit and Compliance committee, we were appointed by Mizuho International plc on 28 June 2025 to audit the financial statements for the year ending 31 March 2026 and subsequent financial periods. The period of total uninterrupted engagement is 1 year, covering the year ending 31 March 2026.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with our additional report to the audit and compliance committee.

Use of the audit report

This report is made solely to the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body for our audit work, for this report, or for the opinions we have formed.

Pauline Pélissier (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor

30 Old Bailey
London
EC4M 7AU
United Kingdom

29 June 2026

Financial Statements for the Year Ended 31 March 2026

Consolidated Statement of Comprehensive Income for the year ended 31 March 2026

	Note	**2026**	2025
		£ millions	£ millions
Interest receivable	5	**22.4**	28.4
Interest payable	5	**(79.2)**	(105.7)
Net interest payable		**(56.8)**	(77.3)
Fees and commissions receivable	6	**234.4**	198.7
Fees and commissions payable	6	**(112.9)**	(76.0)
Net fees and commissions		**121.5**	122.7
Dealing profit	7	**161.1**	175.1
Other operating income	8	**170.9**	152.9
Net income from operations		**396.7**	373.4
Administrative expenses	9	**(334.6)**	(338.6)
Depreciation and amortisation	17, 18	**(34.1)**	(28.9)
Provisions for liabilities	24	**(7.5)**	(0.1)
Operating expenses		**(376.2)**	(367.6)
Profit on ordinary activities before taxation		**20.5**	5.8
Tax (charge) / credit on profit on ordinary activities	10	**(3.5)**	1.4
Profit for the year		**17.0**	7.2
Other comprehensive income			
Profit for the financial year		**17.0**	7.2
Re-measurement losses from defined benefit scheme	25	**(0.3)**	(0.3)
FX translation (loss) relating to net investment in subsidiary		**-**	(0.2)
Total profit recognised before deferred tax		**16.7**	6.7
Deferred tax	10	**-**	-
Total comprehensive income for the year		**16.7**	6.7

All of the activities of the Group are classified as continuing.

The Company has taken the exemption from preparing a Statement of Comprehensive Income under Section 408 of the Companies Act 2006.

Consolidated Statement of Financial Position as at 31 March 2026

Registered number: 1203696

	Note	2026 £ millions	2025 £ millions
Assets			
Cash and balances at central banks		**217.0**	115.5
Loans and advances to banks	12	**60.5**	60.2
Reverse repurchase agreements with banks		**2,321.3**	4,055.8
Reverse repurchase agreements with customers		**5,981.7**	4,587.1
Debt and other fixed income securities	13	**5,327.2**	5,644.9
Equity shares	14	**1.0**	2.6
Derivative assets	15	**9,910.3**	8,520.1
Shares in group undertakings	16	**29.8**	17.6
Intangible assets	17	**160.4**	96.3
Tangible fixed assets	18	**21.6**	25.1
Other assets	19	**590.4**	559.8
Prepayments and accrued income		**220.3**	229.9
Total Assets		**24,841.5**	23,914.9
Liabilities			
Deposits by banks	20	**625.3**	678.7
Customer accounts	20	**553.8**	473.5
Repurchase agreements with banks		**6,118.5**	4,580.9
Repurchase agreements with customers		**2,872.6**	4,078.0
Debt securities in issue	21	**994.4**	1,292.3
Short trading positions	22	**2,145.3**	2,889.1
Derivative liabilities	15	**9,801.3**	8,548.4
Other liabilities	23	**603.3**	365.8
Accruals and deferred income		**274.0**	234.5
Provisions for liabilities	24	**7.7**	0.2
Pension liabilities	25	**0.1**	-
Total Liabilities		**23,996.3**	23,141.4
Equity			
Called up share capital	27	**809.9**	754.9
Share premium account		**15.6**	15.6
Pension reserve		**(7.4)**	(7.1)
Other reserves		**-**	(0.8)
Profit and loss account		**27.1**	10.9
Total Equity		**845.2**	773.5
Total Liabilities and Equity		**24,841.5**	23,914.9

The accompanying notes on pages 86 to 147 and the audited sections in the Risk review section on pages 34 to 63 form an integral part of these financial statements.

Approved and authorised for issue by the Board of Directors on and signed on its behalf by

Matthew Ponsonby
President and Chief Executive Officer
29 June 2026

Financial Statements

Company Statement of Financial Position as at 31 March 2026

Registered number: 1203696

	Note	2026 £ millions	2025 £ millions
Assets			
Cash and balances at central banks		**217.0**	115.5
Loans and advances to banks	12	**52.9**	35.3
Loans and advances to customers	12	**5.9**	21.2
Reverse repurchase agreements with banks		**2,321.3**	4,055.8
Reverse repurchase agreements with customers		**5,981.7**	4,587.1
Debt and other fixed income securities	13	**5,327.2**	5,607.4
Equity shares	14	**1.0**	2.5
Derivative assets	15	**9,910.3**	8,520.1
Shares in group undertakings	16	**72.0**	50.4
Intangible assets	17	**118.7**	96.3
Tangible fixed assets	18	**21.3**	24.7
Other assets	19	**580.0**	547.0
Prepayments and accrued income		**208.1**	218.2
Total Assets		**24,817.4**	23,881.5
Liabilities			
Deposits by banks	20	**625.3**	678.7
Customer accounts	20	**582.7**	487.5
Repurchase agreements with banks		**6,118.5**	4,580.9
Repurchase agreements with customers		**2,872.6**	4,078.0
Debt securities in issue	21	**994.4**	1,292.3
Short trading positions	22	**2,145.3**	2,889.1
Derivative liabilities	15	**9,801.3**	8,548.3
Other liabilities	23	**595.2**	357.9
Accruals and deferred income		**243.4**	209.9
Provisions for liabilities	24	**7.6**	0.1
Pension liabilities	25	**0.1**	-
Total Liabilities		**23,986.4**	23,122.7
Equity			
Called up share capital	27	**809.9**	754.9
Share premium account		**15.6**	15.6
Pension reserve		**(7.4)**	(7.1)
Other reserves		**-**	-
Profit and loss account		**12.9**	(4.6)
Total Equity		**831.0**	758.8
Total Liabilities and Equity		**24,817.4**	23,881.5

The Company's profit after taxation for the year ended 31 March 2026 was £17.5 million (2025: £3.7 million loss).
Approved and authorised for issue by the Board of Directors on and signed on its behalf by

Matthew Ponsonby
President and Chief Executive Officer
29 June 2026

Financial Statements

Consolidated Statement of Changes in Equity for the year ended 31 March 2026

	Share capital £ millions	Share premium account £ millions	Pension reserve £ millions	Other reserves[1] £ millions	Profit and loss account £ millions	Total equity £ millions
At 1 April 2024	709.9	15.6	(6.8)	(0.6)	2.6	720.7
Profit for the year	-	-	-	-	7.2	7.2
Capital injection	45.0	-	-	-	-	45.0
Equity contribution[2]	-	-	-	1.1	-	1.1
Transfer to profit and loss account[2]	-	-	-	(1.1)	1.1	-
Other comprehensive loss	-	-	(0.3)	(0.2)	-	(0.5)
At 31 March 2025	754.9	15.6	(7.1)	(0.8)	10.9	773.5
At 1 April 2025	**754.9**	**15.6**	**(7.1)**	**(0.8)**	**10.9**	**773.5**
Profit for the year	**-**	**-**	**-**	**-**	**17.0**	**17.0**
Capital injection	**55.0**	**-**	**-**	**-**	**-**	**55.0**
Transfer to profit and loss account[3]	**-**	**-**	**-**	**0.8**	**(0.8)**	**-**
Other comprehensive loss	**-**	**-**	**(0.3)**	**-**	**-**	**(0.3)**
At 31 March 2026	**809.9**	**15.6**	**(7.4)**	**-**	**27.1**	**845.2**

Explanatory note to the Statement of Changes in Equity

1. Other reserves consists of currency translation reserve balance representing the cumulative gains and losses on the retranslation of the Group's net investment in foreign operations, net of hedging impact, and balances relating to the net dilapidation provision amount which was released following termination of the Company's sub-lease in FY24/25, treated as an equity contribution and booked to Retained Earnings via Equity reserves.
2. Relates to recognition of realised profits associated with the termination of the sublease which has been treated as equity contribution and meets the definition of realised profits under TECH 02/17BL Guidance on Realised and Distributable Profits.
3. Realisation of currency translation reserve following the sale of the Group's foreign subsidiary MHEU.

Company Statement of Changes in Equity for the year ended 31 March 2026

	Share capital £ millions	Share premium account £ millions	Pension reserve £ millions	Other reserves[1] £ millions	Profit and loss account £ millions	Total equity £ millions
At 1 April 2024	709.9	15.6	(6.8)	-	(2.0)	716.7
Loss for the year	-	-	-	-	(3.7)	(3.7)
Capital injection	45.0	-	-	-	-	45.0
Equity contribution[2]	-	-	-	1.1	-	1.1
Transfer to profit and loss account[2]	-	-	-	(1.1)	1.1	-
Other comprehensive loss	-	-	(0.3)	-	-	(0.3)
At 31 March 2025	754.9	15.6	(7.1)	-	(4.6)	758.8
At 1 April 2025	**754.9**	**15.6**	**(7.1)**	**-**	**(4.6)**	**758.8**
Profit for the year	**-**	**-**	**-**	**-**	**17.5**	**17.5**
Capital injection	**55.0**	**-**	**-**	**-**	**-**	**55.0**
Other comprehensive loss	**-**	**-**	**(0.3)**	**-**	**-**	**(0.3)**
At 31 March 2026	**809.9**	**15.6**	**(7.4)**	**-**	**12.9**	**831.0**

Explanatory note to the Statement of Changes in Equity

1. Other reserves consists of balances relating to the net dilapidation provision amount which was released following termination of the Company's sub-lease in FY24/25, treated as an equity contribution and booked to Retained Earnings via Equity reserves..
2. Relates to recognition of realised profits associated with the termination of the sublease which has been treated as equity contribution and meets the definition of realised profits under TECH 02/17BL Guidance on Realised and Distributable Profits.

Financial Statements

Consolidated Statement of Cash Flows for the year ended 31 March 2026

	Note	2026 £ millions	2025 £ millions
Operating activities			
Profit before tax		**20.5**	5.8
Adjusted for:			
– Non-cash items included in profit before tax	29	**(33.0)**	(30.0)
– Provision for liabilities		**7.5**	0.1
– Movement in Other Comprehensive Income		**(0.3)**	(0.5)
(Loss) before tax net of non-cash items		**(5.3)**	(24.6)
– Change in operating assets	29	**(785.1)**	846.1
– Change in operating liabilities	29	**1,171.5**	(938.8)
Profit / (loss) before tax net of working capital movements		**381.1**	(117.3)
Interest paid		**(67.5)**	(93.3)
Interest received		**100.9**	124.2
Tax received / (paid)		**3.2**	(6.1)
Net cash flows generated from/ (used in) operating activities		**417.7**	(92.5)
Investing activities			
Net investment in shares in group undertakings		**(5.8)**	(1.4)
Dividends from investment in shares in group undertakings		**0.5**	0.4
Sale of subsidiary (net of cash disposed)		**15.4**	-
Purchase of subsidiary (net of cash acquired)		**(38.7)**	-
Purchase of intangible assets		**(51.4)**	(43.8)
Purchase of tangible assets		**(2.4)**	(5.2)
Net cash flows used in investing activities		**(82.4)**	(50.0)
Financing activities			
Proceeds from issuance of debt securities		**738.1**	1,407.4
Payment on redemption of debt securities in issue		**(1,029.3)**	(1,508.9)
Proceeds from the issuance of equity		**55.0**	45.0
Net cash flows used in financing activities		**(236.2)**	(56.5)
Net increase/ (decrease) in cash and cash equivalents		**99.1**	(199.0)
Effects of exchange rates on cash and cash equivalents		**2.7**	(0.9)
Cash and cash equivalents at beginning of the period		**175.7**	375.6
Cash and cash equivalents at the end of the period	29	**277.5**	175.7

The Company has taken the FRS102.1.12(b) exemption from preparing a Statement of Cash Flows.

Notes to the Financial Statements

Notes to the Consolidated and Company Financial Statements

1. Basis of preparation

Mizuho International plc is a public limited company incorporated in the United Kingdom and registered in England and Wales. The Registered Office is 30 Old Bailey, London, EC4M 7AU.

The Group's and the Company's financial statements have been prepared in compliance with Financial Reporting Standard FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and in accordance with the provisions relating to Banking Companies and Schedule 2 of the Companies Act 2006.

Risk-related disclosures required under FRS 102, together with regulatory capital information, are included within the Risk Review section on pages 34 to 63.

In preparing the financial statements, the Directors have considered the impact of the physical and transition risks of climate change and identified this within the principal risks and uncertainties as set out in the Strategic Report and Risk Review sections. The Directors have concluded that climate-related risks do not have a material impact on the financial statements as at 31 March 2026.

Accounting policies

The accounting policies that are significant in the context of the Group's financial statements are described in Note 3. The accounting policies adopted by the Group in the preparation of the financial statements are consistent with those in the previous year. "Group" refers to the Group and the Company in the accounting policies that follow.

Basis of measurement

The financial statements have been prepared under the historical cost convention, as modified for derivative financial instruments, financial assets and liabilities at fair value through profit and loss, which are measured at fair value.

Going concern

In preparing the Group and Company financial statements, the Directors are required to assess the appropriateness of adopting the going concern basis of accounting. The Directors, having given due consideration to various factors, including the Group's principal risks, forecasts and business plans, which incorporate an assessment of both internal and regulatory capital adequacy and its sensitivity to various stress scenarios, believe that there are no material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. The Directors and management continue to monitor the impact of geopolitical and broader macro-economic uncertainties on the Group, the industry and the economies in which the Group operates. Having undertaken this assessment, the Directors believe the preparation of the financial statements on a going concern basis remains appropriate, as the Group expects to be able to meet its obligations as and when they fall due for a period of 12 months from the date of approval of the Financial Statements.

Functional and Presentation currency

The financial statements are presented in Sterling which is the Group's functional and presentation currency and the financial information is presented in £ millions and has been rounded to the nearest £100,000 unless otherwise indicated.

Segmental analysis

Segmental analysis of income and net assets has not been prepared as the Group has only one operating and reportable segment, being investment banking, operates in a global market which is not defined by geographical bounds, and transacts in a homogenous set of products and services across a consistent client base. The Group does not operate in countries or groups of countries which could provide useful information by being segmented based on stability of regime, exchange control regulations, or exchange rate fluctuations.

2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2026. The Group consolidates a subsidiary when it controls it. Control is the power to govern the financial and operating policies of a subsidiary so as to obtain benefits from its activities.

Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. The presumption may be overcome in exceptional circumstances if it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the parent owns half or less of the voting power of an entity but it has:

- power over more than half of the voting rights by virtue of an agreement with other investors;
- power to govern the financial and operating policies of the entity under a statute or an agreement;
- power to appoint or remove the majority of the members of the Board of Directors or equivalent governing body and control of the entity is by that board or body; or
- power to cast the majority of votes at meetings of the Board of Directors or equivalent governing body and control of the entity is by that board or body.

Profit or loss and each component of Other Comprehensive Income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. For FY25/26, no non-controlling interests have been recognised as per the Statement of Comprehensive Income.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. Significant accounting policies

A – Financial instruments

The Group applies IAS 39: Financial Instruments for the recognition and measurement of financial instruments.

Regular way purchase or sale of financial assets (excluding derivatives)

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

For regular way purchases and sales, settlement date accounting is applied for the purposes of recognising and de-recognising financial assets.

Recognition

Financial instruments are recognised when the Group becomes party to the contractual provisions of the relevant financial asset or financial liability. Financial instruments are initially recorded at fair value plus, in the case of financial instruments not measured at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

De-recognition of financial assets

A financial asset is de-recognised when:

- The contractual rights to receive the cash flows from the asset expire; or
- The Group has transferred substantially all the risks and rewards of the financial asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the financial asset but has transferred control of the financial asset.

Where the Group neither transfers nor retains substantially all of the risks and rewards of ownership of a transferred asset, and retains control of the transferred asset, the Group will account for its continuing involvement in the asset. Under this approach, the Group will continue to recognise the transferred asset to the extent of the continuing involvement in that asset and recognise an associated liability such that the net carrying value of the transferred asset and associated liability is equal to the fair value of the retained rights and obligations.

De-recognition of financial liabilities

Financial liabilities are de-recognised when they have been extinguished as a result of the cancellation, discharge or expiry of the obligations specified in the contract.

Offsetting

Financial assets and liabilities are set off and the net amount presented on the Statement of Financial Position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by accounting standards, or where gains and losses arise from a group of similar transactions, such as the Group's trading activities.

B – Trading financial instruments

Non derivative financial instruments are classified as held for trading if they are acquired for the purpose of selling in the near term or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Non derivative trading financial instruments include reverse repurchase and repurchase agreements, trading debt, trading loans and trading equity securities. Subsequent to initial recognition, trading financial instruments are measured at fair value. Changes in fair value, and gains or losses realised on de-recognition, are recognised in the Statement of Comprehensive Income and reported under dealing profit.

C – Derivative financial instruments

Trading derivative instruments

Subsequent to initial recognition, trading derivative instruments are measured at fair value and disclosed as financial assets when the fair value is positive and financial liabilities when the fair value is negative. Changes in fair value, and realised gains or losses, are recognised in the Statement of Comprehensive Income and reported under dealing profit.

Derivative financial instruments held for risk management purposes

Derivative financial instruments held for risk management purposes include swaps and other derivative financial instruments which are used to hedge the Group's debt securities in issue (see accounting policy D – Hedge accounting). These instruments are measured and presented in the same manner as trading derivative instruments.

Embedded derivatives

Derivatives embedded within financial instruments that are not held for trading or designated at fair value through profit and loss are separated from their host contracts and accounted for as derivatives if the economic characteristics of the embedded derivative are not closely related to those of the host contract and if a separate instrument with the terms of the embedded derivative meets the definition of a derivative.

Embedded derivatives are separated from their host contracts and are measured and presented in the same manner as trading derivative instruments at fair value through profit and loss.

D – Hedge accounting

The Group uses derivative financial instruments and debt instruments to manage exposure to interest rate risk, credit risk, currency risk and price risk. The Group applies hedge accounting when a transaction meets the criteria necessary to obtain hedge accounting treatment.

A hedging relationship qualifies for hedge accounting if the following conditions are met:

- At inception, formal documentation is prepared to include:
  - Designation of the hedging relationship;
  - Identification of the hedging instrument and hedged item;
  - Nature of the risk being hedged; and
  - Description of how hedge effectiveness will be assessed.
- The hedge is expected to be highly effective (80 to 125%), and its effectiveness can be reliably measured; and
- The hedge is assessed for effectiveness on an ongoing basis.

The Group prospectively discontinues hedge accounting for a hedged relationship if:

- The hedging instrument expires or is sold, terminated or exercised;
- The hedge no longer meets the criteria for hedge accounting; or
- The Group revokes the designation.

Fair value hedge

Hedge accounting is applied where a designated fair value hedging relationship exists between a derivative hedging instrument (see accounting policy C – derivative financial instruments held for risk management purposes) and a hedged financial liability. A fair value hedge of a financial liability represents a hedge against changes to the fair value of a liability that is attributable to a particular risk that could impact the Statement of Comprehensive Income.

The gain or loss from re-measuring the hedging instrument at fair value is recognised in the Statement of Comprehensive Income under Dealing Profit. The gain or loss on the hedged financial liability attributable to the hedged risk is also recognised in the Statement of Comprehensive Income under Dealing Profit.

If hedge accounting is discontinued, for hedged financial liabilities recorded at amortised cost the fair value adjustment is amortised over the remaining term of the original hedge. If the hedged financial liability is de-recognised, the unamortised fair value adjustment is recognised immediately in the Statement of Comprehensive Income.

Net investment hedge

The Group's net investments in foreign operations, including monetary items as part of the net investment, are hedged for foreign currency risks using foreign currency borrowings. The effectiveness of the hedge is assessed on a monthly basis both prospectively and retrospectively. The effective portion of any gains or losses is recognised in Other Comprehensive Income and any ineffective portion is recognised in the Statement of Comprehensive Income. The cumulative gains or losses recognised in Other Comprehensive Income are recognised in the Statement of Comprehensive Income on full or partial disposal of the foreign operation, or other reductions in the Group's investment in foreign operation. Changes in the GBP value of net investments due to foreign currency movements are captured in the currency translation reserve and presented under Other Reserves within Equity.

E – Financial instruments designated as at fair value through profit and loss

The Group may designate financial assets and financial liabilities at fair value through profit and loss when either:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis in accordance with a documented risk management or investment strategy;
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

Fair value gains or losses, together with net interest income/expense, arising from financial instruments designated as at fair value through profit and loss are recognised in the Statement of Comprehensive Income account and reported under dealing profit. The amount of each class of financial asset or liability that has been designated at fair value through profit and loss is set out in Note 30.

F – Equity shares

The Group classifies equity shares at fair value through profit and loss. These are measured as described in accounting policy E.

G – Loans and advances

Subsequent to initial recognition, loans and advances are measured at amortised cost using the effective interest method (see Accounting Policy N) less impairment (see Accounting Policy M), with any resulting interest income taken to the Statement of Comprehensive Income.

H – Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date (repurchase agreements) are not de-recognised from the Statement of Financial Position. The corresponding cash received, including accrued interest is recognised on the Statement of Financial Position as Repurchase Agreements reflecting its economic substance as a loan to the Group.

Securities purchased under agreements to resell at a specified future date (reverse repurchase agreements) are not recognised on the Statement of Financial Position. The corresponding cash paid including accrued interest is recognised on the Statement of Financial Position as Reverse Repurchase Agreements reflecting its economic substance as a loan receivable by the Group.

Repurchase and reverse repurchase agreements are classified as held for trading at fair value through the Statement of Comprehensive Income, except where designated as banking book based on an underlying intent involving solely payment of principal and interest and which does not involve a short term profit making objective. Where a banking book election is made, Repurchase and reverse repurchase agreements are measured at Amortised Cost using the effective interest method (see Accounting Policy N).

Securities lending and borrowing

Securities lending and borrowing transactions are usually collateralised by securities or cash. The transfer of the securities to counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred. Cash advanced or received as collateral is recorded as an asset or liability.

Securities borrowed are not recognised in the Statement of Financial Position, unless they are then sold to third parties, in which case, the obligation to return the securities is recorded as a short sale within financial liabilities held for trading and measured at fair value with any gains or losses included in dealing profit.

I – Deposits and debt securities in issue

Deposits and debt securities in issue are measured at amortised cost using the effective interest method except where the Group has designated financial liabilities as at fair value through profit and loss.

The Group has designated certain issued debt securities as at fair value in the previous years. These financial liabilities are measured as described in accounting policy E.

J – Fair value measurement

Fair value is the amount at which an asset could be exchanged, a liability settled, or an equity instrument granted, between knowledgeable, willing parties in an arm's length transaction. Financial instruments measured at fair value comprise:

- Trading financial instruments;
- Trading derivatives and derivatives held for risk management purposes;
- Embedded derivatives; and
- Financial assets and financial liabilities designated as at fair value through profit and loss.

Fair values are derived from quoted market prices or valuation techniques as described below:

Active market

Financial instruments that trade within an active market are valued using quoted market prices or rates available within that market. An active market exists where regular prices are provided by exchanges, dealers, brokers, industry groups or pricing services, and these prices represent actual market transactions.

Financial instruments may be priced from the most advantageous active market to which the Group has access, and this may result in the recognition of revenue on trade date ('day one profit'), to the extent that a fair value instrument has been traded at a favourable price in comparison to prices available within an active market.

Long positions are marked to the bid side, and short trading positions to the offered side of an active market. Where the Group holds positions which create offsetting risk positions, then those offsetting positions are valued at mid-market rates, with any resulting net risk positions being marked to the bid or offered side as appropriate.

No active market

Financial instruments that do not trade within an active market are valued using a valuation technique, which may consist of:

- Analysis of current or recent third party transactions in the same instrument; or
- Reference to the value of other instruments, that are substantially the same as the instrument to be valued; or
- Use of a valuation model.

Valuation techniques, including valuation models, meet the following conditions:

- Consistency with accepted methodologies for pricing financial instruments;
- Inclusion of all relevant factors that market participants would consider in setting a price;
- Use of market observable data where possible; and
- Periodic calibration to actual market transactions where possible.

Deferral of day one profits

If, on trade date, a valuation technique results in a different estimate of fair value to the actual transaction price, then the valuation technique will be calibrated to the transaction price, so that no gain or loss is recognised except as described below.

Gains or losses will only be recognised subsequently, to the extent that they arise from changes in a factor (including time) that market participants would consider in setting a price.

Fair value estimates from valuation techniques may be used on trade date without calibration to the transaction price, resulting in the recognition of day one gains and losses, under the following conditions:

- Fair value is supported by current market transactions in the same instrument; or
- Fair value is based upon a valuation technique whose variables include only data from observable markets.

Day one gains or losses that do not meet these criteria are deferred and amortised over the life of the financial instrument to which they relate.

K – Cash and balances at central banks

Cash and balances at central banks in the statement of financial position comprise cash held with central banks and short term deposits with an original maturity date of three months or less. These balances are measured at amortised cost using the effective interest method less impairment, with any resulting interest income taken to the Statement of Comprehensive Income.

L – Foreign currencies

Foreign currency carrying values at initial recognition are translated into the functional currency at the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are expressed in the functional currency of the Group at the mid-market rates of exchange ruling at the balance sheet date. Foreign currency translation differences are included in Net income from operations.

Non-monetary items that are measured at historical cost in a foreign currency are translated into functional currency at the original transaction rate.

On consolidation, the results of overseas business are translated into the presentation currency of the Group at the average exchange rates for the period where these approximate to the rate at the date of transaction. Assets and liabilities of overseas business are translated into the presentation currency of the Group at the exchange rate prevailing at the balance sheet date. Exchange differences arising are taken to other comprehensive income and then classified as other reserves.

Notes to the Financial Statements

M – Identification and measurement of impairment

Financial assets

At the end of each financial reporting period, an assessment is made as to whether there is any objective evidence of impairment in the value of financial assets. Impairment losses are recognised when objective evidence demonstrates that a loss event has occurred after the initial recognition of the financial asset, and that the loss event has an impact on the future cash flows on the financial asset that can be estimated reliably.

Impairment losses on financial assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognised in the Statement of Comprehensive Income and reflected in an allowance account against the impaired financial asset category. Interest on impaired assets continues to be recognised through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income. Any reversal is limited to the extent that the value of the asset may not exceed the original amortised cost of the asset had no impairment been recognised.

Non-financial assets

On an annual basis, the Group will assess whether there are indicators of impairment against non-financial assets. Where there are indicators of impairment of individual assets, the Group will compare the carrying amount of the asset to the recoverable amount. The recoverable amount is determined as the higher of fair value less costs to sell or a value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in the Statement of Comprehensive Income unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

An impairment loss recognised for all assets is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply. Any reversal is limited to the extent that the value of the asset may not exceed the original amortised cost of the asset had no impairment been recognised.

N – Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and that revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest income and expense

Interest income and expense, in respect of financial instruments that are not recognised at fair value through profit and loss, are recognised in the Statement of Comprehensive Income using the effective interest method and are reported under interest receivable and payable. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of a financial asset or financial liability, or a shorter year where appropriate, to the carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset or financial liability. The calculation of the effective interest rate includes all the fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Negative effective interest on financial liabilities is presented under interest receivable.

Fees and commissions

Fees and commissions are recognised as the service is performed. For services provided over a period of time, the income and expenses are recognised as the services are provided or received. For transaction based services, the income and expenses are recognised on completion of the underlying transaction.

Dealing profit / loss

Dealing profit / loss comprises gains less losses related to trading financial assets, trading financial liabilities, derivative instruments held for risk management purposes and the fair value hedge adjustments relating to the hedged items, and financial instruments designated as at fair value through profit and loss.

This includes all associated realised gains or losses and fair value changes, interest, dividends and foreign exchange differences.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

Agent vs Principal consideration

The Group may act in either a Principal or Agent capacity in respect of services that are provided to its clients and customers. Where the service is provided by the Group as Principal, the associated costs and revenues are presented on a gross basis in the Statement of Comprehensive Income. Where the service is provided by the Group as an Agent, only the fee or commission earned by the Group is recognised in revenue.

O – Investment in subsidiaries and Business combinations

In the parent company, investments in subsidiaries are accounted at cost less any impairment allowances.

Business combinations are accounted for by applying the purchase method. The cost of a business combination is measured at the fair value of the consideration transferred, including contingent consideration where applicable, together with directly attributable acquisition costs.

P – Tangible fixed assets and depreciation

Tangible fixed assets held for use in the business are stated at cost less accumulated depreciation and impairment allowances (impairment is described further in accounting policy M). Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Short leasehold properties are written off on a straight line basis over the remaining life of the lease or twenty-five years, whichever is shorter; and
- Fixtures, equipment and vehicles are depreciated on a straight line basis over periods between two and five years.

Q – Goodwill and Other Intangible assets

Goodwill arising on consolidation represents the excess of the cost of the acquisition over the fair value of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill is capitalised and amortised on a straight-line basis over its estimated useful economic life of 10 years and reviewed for impairment at least annually, or more frequently where indicators of impairment exist.

Customer relationships and brand names acquired as part of a business combination are recognised as intangible assets and amortised on a straight-line basis over their estimated useful economic life of 4 years and 2.5 years respectively.

Intangible assets (purchased or internally generated) which are available for use are classified as Software, stated at cost less accumulated amortisation and impairment allowances (impairment is described further in accounting policy M).

Intangible assets classified as Software Development Expenditure include costs that are directly attributable to the development and bringing into use significant computer software systems, which are not yet deemed to be available for use. Amortisation is only applied once the asset is deemed available for use, and reclassified to Software.

Notes to the Financial Statements

Development costs for internal projects are capitalised when:

- it is feasible the project will be made available for use,
- there is the intention to complete the project,
- the intangible asset generated from the project has the ability to be used,
- it will generate probable future economic benefits,
- adequate resources are available to complete the project, and
- expenditure can be reliably attributed to the intangible asset during development.

This is assessed on a project by project basis. The development costs for any projects not meeting these capitalisation requirements will be expensed as incurred.

Software intangible assets are amortised on a straight line basis over their useful lives. The useful economic lives of software assets are determined to be either four or five years.

R – Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are the differences between the Group taxable profits and its results as stated in the financial statements, which are capable of reversal in one or more subsequent years.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

S – Operating leases

The Group has entered into commercial property leases as the lessee. As the lessee, it obtains the use of the property. The classification of such leases as an operating lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangement, whether it does not retain or acquire significant risks and rewards of ownership of these assets and accordingly the lease is not required to be recognised as an asset and liability in the Statement of Financial Position.

In the instance a portion of the building space is sublet, the rental income is classified as other operating income.

Operating lease income and expenses are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

T – Share based payments

The Group engages in share based payment transactions in respect of services received from certain employees of the Group. These payments may be cash or physically settled at the election of the employee on vesting. The fair value of the services received is measured by reference to the fair value of the shares granted. The cost of the employee services received in respect of the shares granted is recognised in the Statement of Comprehensive Income over the period that the services are received. With regard to continuing employees, the service year corresponds to the vesting year of the share awards, whilst the service years of former employees who retain rights as good leavers, are deemed to end once employment with the Group has ceased. The share based payment scheme is considered to be a cash settled scheme, because the Group has granted rights to equity instruments of its ultimate parent to its employees.

The cost of cash settled transactions is measured at fair value using the underlying share price. Fair value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled. During the vesting period, a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the balance sheet date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the balance sheet date. Changes in the carrying amount for the liability are recognised in Statement of Comprehensive Income.

U – Pension costs

The Group operates defined contribution schemes and a defined benefit scheme.

Defined contribution schemes

Contributions to defined contribution schemes are recognised within the Statement of Comprehensive Income in the year in which they become payable.

Defined benefit scheme

This scheme is closed to new entrants and has no active remaining members.

The defined benefit pension scheme requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit scheme is determined using the projected unit credit method, which attributes entitlement to benefits to the prior years (to determine the present value of defined benefit obligation) and is based upon actuarial advice.

Past service costs are recognised in the Statement of Comprehensive Income on a straight line basis over the vesting year or immediately if the benefits have vested. The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year.

The interest on scheme assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of scheme assets of contributions received and benefits paid during the year. The difference between the interest on scheme assets and the interest cost is recognised in the Statement of Comprehensive Income as other finance income or expense.

Actuarial gains and losses, including any that have resulted from buy-in transactions, are recognised in full in Other Comprehensive Income in the year in which they occur.

The total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of scheme assets gives rise to a defined benefit pension liability or surplus. The fair value of scheme assets is based on market price information.

Defined benefit pension liabilities are recognised on the Statement of Financial Position, whilst defined benefit pension surpluses are only recognised to the extent of their recoverability. Defined benefit pension surpluses are determined to be recoverable only where refunds have been agreed by scheme trustees at the balance sheet date.

V – Provisions and contingent liabilities

The Group recognises a provision for a present obligation resulting from a past event when it is more likely than not that it will be required to transfer economic benefits to settle the obligation and the amount of the obligation can be estimated reliably.

Contingent liabilities are possible obligations whose existence will only be confirmed by uncertain future events, and present obligations where the transfer of economic resources is uncertain or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed unless the likelihood of an outflow of economic resources is remote.

4. Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The results of the Group are sensitive to accounting policies, assumptions and estimates that underlie the preparation of the financial statements. "Group" refers to the Group and the Company in the estimates and judgements that follow.

When preparing the financial statements, it is the Directors' responsibility under applicable UK law to select suitable accounting policies and make judgements and estimates that are reasonable and prudent. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

The accounting policies that are deemed critical to the Group's financial performance and position, in terms of the materiality of the items to which the policy is applied, or which involve a high degree of judgement and estimation are summarised below:

Notes to the Financial Statements

Defined benefits obligation

The valuation of the defined benefits liability at the balance sheet date and the related staff costs depend on the expected future benefits to be provided, which in turn is determined using a number of economic and demographic assumptions. A range of assumptions could be applied, and different assumptions could significantly alter the defined benefit liability and pension expense recognised. The most significant assumptions include inflation-linked assumptions (CPI and RPI), the discount rate and life expectancy. For more information, please refer to Note 25 Pension Liabilities.

Valuation of financial instruments

The Group accounting policy for valuation of financial instruments is set out in accounting policy 3J. The valuation techniques used in measuring fair value of financial instruments are discussed further in Note 30C.

Where valuation techniques are used, the inputs to these models are taken from observable markets where possible. Where observable market data is not available, a degree of judgement is required in establishing fair value.

Further disclosure on valuation techniques using non-observable market data is provided in Note 30C. Sensitivity analysis is provided in the Risk Review section.

Provisions

The Group recognises provisions when there is an obligation at reporting date (legal or constructive) resulting from a past event and it is probable that a transfer of economic benefits will be required and a reliable estimate can be made as to the amount of the obligation.

Provisions are distinguished from other liabilities, as there is uncertainty about the timing or amount of future expenditure required to settle the obligation, and the Group recognises provisions based upon its best estimate of such expenditure. These estimates are applied to determine the measurement of provisions disclosed in Note 24.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The Group assesses impairment on its non-financial assets in accordance with Accounting Policy 3M, which is based on the identification of Cash Generating Units ("CGUs") that are associated with the assets, the allocation of assets, including corporate assets, to CGUs on a reasonable and consistent basis, the estimation of future cash flows and the application of a Discounted Cash Flow ("DCF") model to determine value in use. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Where necessary, adjustments to future cash-flows are made to reflect arm's length prices. These estimates are most relevant to Intangible assets which are disclosed in Note 17.

Revenue recognition

The treatment of various recharges by the Group to other Mizuho affiliates involves judgement in determining whether the Group acts in a principal or agent capacity. This requires assessing, amongst other things, whether the Group has exposure to significant risk and rewards associated with the rendering of the underlying services. This could involve, inter alia, consideration of factors such as which entity(ies) would benefit from the associated service and have exposure to underlying risks, who is primarily responsible for providing the strategic direction under which the services are performed, and whether the amount earned is pre-determined or if the Group has latitude in establishing a selling price. The outcome of the assessment determines whether the associated revenue is presented on a gross or net basis in the Group's financial statements. For further details, please refer to Accounting Policy 3N.

Acquisition accounting

During the year, the Group acquired Augusta & Co. Limited resulting in the recognition of goodwill and intangible assets (customer relationships and brand names). Accounting for the acquisition required management to apply judgement and estimation in the areas outlined below.

Valuation of acquired assets and liabilities

The fair values of assets and liabilities acquired were determined at the acquisition date. These valuations were based on management's assessment of expected future performance using established valuation approaches and available market and financial information.

Contingent consideration

The acquisition includes contingent consideration dependent on the future performance of Augusta. The amounts recognised reflect management's best estimate of the expected payment based on available forecasts and information available at the reporting date.

Goodwill and useful economic life

Goodwill recognised on acquisition represents the excess of consideration over the fair value of identifiable net assets acquired. Management has determined the amortisation period based on the expected period over which the acquisition will contribute to the Group's results, taking into account the nature of Augusta and expected future benefits.

Management considers the assumptions and estimates applied in accounting for the acquisition to be appropriate and consistent with information available at the reporting date. These assumptions and estimates are most relevant to Shares in Group Undertakings balances disclosed in Note 16 and Intangible assets disclosed in Note 17.

5. Net Interest Payable

	2026 £ millions	2025 £ millions
Interest receivable		
- Cash and balances at central banks and Loans and advances to banks	**7.5**	10.1
- Other[1]	**14.9**	18.3
	22.4	28.4
Interest payable		
- Deposits by Banks and Customers accounts	**(43.2)**	(58.8)
- Debt securities in issue	**(24.2)**	(34.8)
- Other[1]	**(11.8)**	(12.1)
	(79.2)	(105.7)

Explanatory notes on other

1. Other includes interest income / expense from cash collateral and repurchase / reverse repurchase agreements at amortised cost.

Notes to the Financial Statements

6. Fees and Commissions

	2026 £ millions	2025 £ millions
Fees and commissions receivable		
- Trading activities	**222.4**	188.0
- Fiduciary services	**12.0**	10.7
	234.4	198.7
Fees and commissions payable		
- Trading activities	**(112.9)**	(75.9)
- Fiduciary services	**-**	(0.1)
	(112.9)	(76.0)

7. Dealing Profit

	2026 £ millions	2025 £ millions
Net interest income from financial instruments held for trading	**112.3**	132.9
Net interest expense from financial instruments designated at fair value	**(0.1)**	(0.1)
Net gains from financial instruments held for trading	**38.6**	39.7
Net gains from financial instruments designated at fair value	**10.3**	2.6
	161.1	175.1

Dealing profit includes foreign currency losses arising on the translation of foreign currency monetary assets and liabilities amounting to £2.7 million (2025: £0.9 million loss).

8. Other Operating Income

Group	2026 £ millions	2025 £ millions
Income from service recharges	**170.9**	152.9
	170.9	152.9

Income from service recharges includes the recharge of corporate services costs and Front office staff costs to Mizuho Bank, London branch, MBE and other Mizuho group entities under Service Level Agreements in place between the Group and various Mizuho affiliates. The Group may act in either a Principal or Agent capacity depending upon the underlying nature of these arrangements. The increase in Income from service recharges is primarily driven by the expanded corporate services activities delivered through MECS.

9. Administrative Expenses

	2026 £ millions	2025 £ millions
Staff costs		
Wages and salaries	**172.8**	167.7
Social security costs	**21.5**	20.9
Pension costs – defined contribution schemes	**10.0**	9.6
Share based payments	**11.8**	7.3
	216.1	205.5
Auditors' remuneration		
Audit fees	**1.6**	1.4
Other assurance services	**0.2**	0.2
	1.8	1.6
Rental expense	**7.2**	(1.0)
Professional services	**61.2**	63.4
Other administrative expenses	**48.3**	69.1
	116.7	131.5
	334.6	338.6

Average number of employees	2026 Number	2025 Number
Executive and senior managerial	**204**	208
Other managerial, supervisory and clerical	**1,117**	1,086
	1,321	1,294

Administrative expenses (comprising staff costs, rental expense, professional services and other administrative expenses) exclude balances relating to certain arrangements where the Group has determined that it is acting in an agency capacity and recharged those costs to other Mizuho affiliates. The associated headcount is however included in the average employee numbers as the employees are employed by the Group. The increase in Staff costs is primarily driven by the expanded corporate services activities delivered through MECS.

Notes to the Financial Statements

Directors' emoluments

Group	2026 £ millions	2025 £ millions (Restated)
Directors' emoluments in respect of qualifying services	**3.9**	2.6

	2026 Number	2025 Number
Number of directors who received shares in respect of qualifying services	**4**	2
Number of directors to whom retirement benefits are accruing under the Company's defined contribution scheme	**0**	1

	2026 £ millions	2025 £ millions (Restated)
Aggregate emoluments of highest paid Director	**2.0**	1.4
Pension contributions made to highest paid Director	nil	nil

The amount disclosed in 2026 relating to Directors' emoluments in respect of qualifying services (£3.9m) represents the aggregate amount of remuneration paid to or receivable by the Directors in respect of qualifying services provided during the year. In prior periods, the reported Directors' emoluments also included the value of share awards granted during the year but not yet paid or receivable.

Comparative amounts for 2025 have therefore been restated to align with the current measurement basis. The impact of this restatement for 2025 was a decrease in Directors' emoluments in respect of qualifying services by £1.5m, and a corresponding decrease in the aggregate emoluments of the highest paid Director by £1.1m.

This restatement has no impact on the Group's previously reported profit for the year or its net assets.

Notes to the Financial Statements

10. Tax on Profit on Ordinary Activities

Charge for taxation	**2026**	2025
	£ millions	£ millions
Current taxation		
UK corporation tax for the current year	**1.2**	0.3
Foreign tax	**0.4**	0.2
Prior year adjustments	**1.9**	(1.9)
Current tax charge / (credit)	**3.5**	(1.4)
Deferred taxation		
Deferred tax charge	**-**	-
Tax charge / (credit) on profit on ordinary activities	**3.5**	(1.4)

Total taxation reconciliation

A reconciliation between the tax expense and the accounting profit multiplied by UK standard rate of corporation tax is as follows:

	2026	2025
	£ millions	£ millions
Profit on ordinary activities before taxation	**20.5**	5.8
Profit on ordinary activities multiplied by the standard rate 25%	**5.1**	1.4
Effects of:		
- Movements in unrecognised deferred taxes	**-**	0.8
- Net of income not taxable and expenses not deductible for tax purposes	**(2.2)**	(0.2)
- Foreign tax	**0.4**	-
- Group relief received / bank surcharge allowance allocation in excess of 25%	**(1.7)**	(1.5)
- Prior year adjustments	**1.9**	(1.9)
Current tax charge / (credit)	**3.5**	(1.4)

Deferred taxation

Deferred tax recognised

	Deferred tax liabilities			**Deferred tax assets**	
	Investments £ millions	**Intangible fixed assets £ millions**	**Property plant and equipment £ millions**	**Losses £ millions**	**Property, plant and equipment £ millions**
Deferred tax (liability) / asset at 1 April 2024	(0.8)	(1.8)		1.8	0.8
Credit / (charge) to profit	0.7	(0.3)		0.3	(0.7)
Deferred tax (liability) / asset at 31 March 2025	(0.1)	(2.1)		2.1	0.1
Reclass deferred tax opening balance	-	-	0.9	(0.8)	(0.1)
Credit / (charge) to profit	-	-	(1.0)	1.0	-
Deferred tax (liability) / asset as at 31 March 2026	(0.1)	(2.1)	(0.1)	2.3	-

As in prior years, no deferred tax balance is recognised on the Balance Sheet for the excess deferred tax assets because the Directors have concluded that the level of anticipated future profits will not support the quantum of deferred tax currently unrecognised at the Balance Sheet date. At 31 March 2026, the Company had an unrecognised deferred tax asset of £466.8 million (2025: £466.9 million), which includes trading losses with a gross value of £1,839.3 million (2025: £1,840.7 million). Under current UK tax legislation, there is no prescribed time limit for loss utilisation. The Company has deferred tax liabilities of £2.3 million which are offset by an equivalent amount of deferred tax assets.

During the year, the Company allocated 100% of its £50 million portion share of the banking surcharge allowance for current year to a related party, Mizuho Bank, Ltd., London Branch for which it will receive £1.5 million payment at the rate (3%) which Mizuho Bank Ltd., London branch pays UK banking corporation tax surcharge. Additionally, the Company also allocated £6.0 million of its current year tax losses to Mizuho Bank, Ltd., London Branch for which it will receive a further £1.7 million payment at the rate which Mizuho Bank Ltd., London branch pays UK corporation tax of 25% and banking surcharge at 3%.

OECD Pillar Two model rules BEPS Pillar Two Minimum tax legislation has been enacted in jurisdictions in which the Mizuho Group operates. The legislation became effective for the Group from the financial year ending 31 March 2025 and is applicable for the financial year ending 31 March 2026.

Based on the most recent data available, the Group does not anticipate a material impact to the tax charge from Pillar Two. The Group will continue to assess its exposure during its preparation of Pillar Two returns that are due for submission to tax authorities later in 2026 and 2027.

As mandated by FRS 102, the Group has applied the temporary exemption and accordingly has neither recognised nor disclosed information about deferred tax assets and liabilities related to Pillar Two income taxes.

Notes to the Financial Statements

11. Transferred financial assets and assets held or pledged as collateral

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of those financial assets that have been transferred in such a way as to not be fully derecognised, together with the associated liabilities:

Group

2026	**Government debt securities £ millions**	**Other debt securities £ millions**	**Total £ millions**
Carrying amount assets	**1,007.0**	**1,508.5**	**2,515.5**
Carrying amount associated liabilities	**989.6**	**1,494.2**	**2,483.8**

2025	Government debt securities £ millions	Other debt securities £ millions	Total £ millions
Carrying amount assets	271.7	1,984.5	2,256.2
Carrying amount associated liabilities	231.1	1,935.6	2,166.7

Company

2026	**Government debt securities £ millions**	**Other debt securities £ millions**	**Total £ millions**
Carrying amount assets	**1,007.0**	**1,508.5**	**2,515.5**
Carrying amount associated liabilities	**989.6**	**1,494.2**	**2,483.8**

2025	Government debt securities £ millions	Other debt securities £ millions	Total £ millions
Carrying amount assets	272.4	1,983.8	2,256.2
Carrying amount associated liabilities	231.7	1,934.9	2,166.6

These financial assets have been transferred through repurchase agreements, and there are no liabilities that have recourse only to the transferred assets.

The Group and the Company undertake securities borrowing and lending activities and enter into repurchase (repo) and reverse repurchase (reverse repo) transactions.

The securities lent or sold under agreements to repurchase are transferred to a third party and the Group receives cash in exchange, or other financial assets. These transactions are conducted under terms based on the applicable ISDA Collateral Guidelines. If the securities increase or decrease in value the Group may, in certain circumstances, require, or be required, to provide additional cash collateral. The Group has determined that it retains substantially all the risks and rewards of these securities, which include credit risk and market risk, and therefore it has not derecognised them. In addition it recognises a financial liability in respect of cash received as collateral.

The associated liabilities are recorded within the Statement of Financial Position line item Repurchase agreements, together with liabilities which have financed reverse repo transactions:

Group

	2026 £ millions	2025 £ millions
Liabilities financing transferred assets	**2,483.8**	2,166.6
Liabilities financing reverse repo transactions	**6,507.3**	6,492.3
Repurchase agreements	**8,991.1**	8,658.9

Company

	2026 £ millions	2025 £ millions
Liabilities financing transferred assets	**2,483.8**	2,166.6
Liabilities financing reverse repo transactions	**6,507.3**	6,492.3
Repurchase agreements	**8,991.1**	8,658.9

Assets pledged as collateral

The Group and the Company pledges assets in various day-to-day transactions that are conducted under the usual terms and conditions applying to such agreements.

The Group pledged securities as collateral in repurchase agreements or as margin with a fair value of £21,420.0 million (2025: £20,194.7 million). Of these, securities with a fair value of £2,515.5 million (2025: £2,256.1 million) are recognised on the Group's Statement of Financial Position.

The Company pledged securities as collateral in repurchase agreements or as margin with a fair value of £21,420.0 million (2025: £20,194.7 million). Of these, securities with a fair value of £2,515.5 million (2025: £2,256.2 million) are recognised on the Company's Statement of Financial Position.

Assets held as collateral

The Group and Company holds certain assets as collateral which it is permitted to sell or re-pledge in the absence of default by the owner of the collateral, under the usual terms and conditions applying to such agreements.

The Group and Company received securities as collateral in reverse repurchase agreements with a fair value of £20,871.8 million (2025: £20,077.7 million). Of these, securities with a fair value of £19,899.3 million (2025: £19,315.7 million) have been sold or re-pledged. The Group is obliged to return the same collateral to the owner on completion of the arrangement.

Notes to the Financial Statements

Transferred financial assets that are derecognised in their entirety – Convertible Bonds

During the year, the Group transferred convertible bonds that are subject to call options that were neither deeply in the money nor deeply out of the money at the date of transfer. The market for these convertible bonds was and is still regarded as liquid. Additionally the agreement with the majority of the option counterparties allows for cash settlement. The Group therefore determined that, although it had not transferred substantially all of the risks and rewards to the transferee, it had not retained control of the assets and, as such, it derecognised the convertible bonds.

Group and Company

The carrying amount of the purchased call options are as follows:

	2026	2025
	£ millions	£ millions
Carrying amount of purchased call options	**53.8**	34.5

12. Loans and Advances

Group

	2026	2025
	£ millions	£ millions
Loans and advances to banks		
Repayable on demand	**60.5**	60.2
	60.5	60.2

Company	**2026**	2025
	£ millions	£ millions
Loans and advances to banks		
Repayable on demand	**52.9**	35.3
	52.9	35.3
Loans and advances to customers		
Repayable on demand	**5.9**	-
Other loans and advances	**-**	21.2
	5.9	21.2

Interest Income arising from loans and advances to banks amounted to £0.9 million (2025: £0.7 million).

Further details of the classification and fair value measurement of loans and advances to banks are disclosed in Note 30.

13. Debt and other fixed income securities

Group

	2026 £ millions	2025 £ millions
Debt securities		
Issued by public bodies	**4,402.4**	4,045.1
Issued by other issuers	**924.8**	1,599.8
	5,327.2	5,644.9

Company	2026 £ millions	2025 £ millions
Debt securities		
Issued by public bodies	**4,402.4**	4,009.6
Issued by other issuers	**924.8**	1,597.8
	5,327.2	5,607.4

In the year to 31 March 2026, there were no unobservable day one profits in respect of debt securities (2025: £nil).

Further details of the classification and fair value measurement of debt securities is disclosed in Note 30.

14. Equity Shares

Group

	2026 £ millions	2025 £ millions
Listed other than on a recognised UK exchange	**0.5**	1.4
Other financial investments	**0.5**	1.2
	1.0	2.6

Company

	2026 £ millions	2025 £ millions
Listed other than on a recognised UK exchange	**0.5**	1.4
Other financial investments	**0.5**	1.1
	1.0	2.5

Other financial investments relates to a carried interest financial investment in Apposite Healthcare Fund L.P and Apposite Healthcare Fund II L.P, and a member seat at the CME Group.

The values of these interests at 31 March 2026 were: the two Apposite investments £ 0.4 million (2025: £1.0 million), and CME £ 0.1 million (2025: £0.1 million).

Further details of the classification and fair value measurement of equity shares is disclosed in Note 30 and its exposure to various risks can be found in the Risk Review section.

15. Derivative Assets and Liabilities

Group

	2026 £ millions	2025 £ millions
Derivative assets		
Trading derivative assets:		
– Interest rate	**9,514.0**	7,809.0
– Convertible bond options	**138.4**	70.5
– Foreign currency	**91.0**	120.3
– Credit	**166.9**	520.2
Total trading derivative assets	**9,910.3**	8,520.0
Derivative assets held for risk management	**-**	0.1
	9,910.3	8,520.1
Derivative liabilities		
Trading derivative liabilities:		
– Interest rate	**9,388.4**	7,796.1
– Convertible bond options	**137.2**	70.2
– Foreign currency	**85.8**	136.1
– Credit	**176.1**	538.9
– Equity	**-**	-
Total trading derivative liabilities	**9,787.5**	8,541.3
Derivative liabilities held for risk management	**13.8**	7.1
	9,801.3	8,548.4

Company

	2026 £ millions	2025 £ millions
Derivative assets		
Trading derivative assets:		
– Interest rate	**9,514.0**	7,809.0
– Convertible bond options	**138.4**	70.5
– Foreign currency	**91.0**	120.3
– Credit	**166.9**	520.2
Total trading derivative assets	**9,910.3**	8,520.0
Derivative assets held for risk management	**-**	0.1
	9,910.3	8,520.1
Derivative liabilities		
Trading derivative liabilities:		
– Interest rate	**9,388.4**	7,796.1
– Convertible bond options	**137.2**	70.1
– Foreign currency	**85.8**	136.1
– Credit	**176.1**	538.9
– Equity	**-**	-
Total trading derivative liabilities	**9,787.5**	8,541.2
Derivative liabilities held for risk management	**13.8**	7.1
	9,801.3	8,548.3

In the year to 31 March 2026, there are unobservable day one profits of £1.0 million (2025: £1.1 million) in respect of trading derivative assets and liabilities.

Further details of the classification and fair value measurement of trading derivative assets and liabilities are disclosed in Note 30.

Derivatives held for risk management

Group and Company

2026 Assets	**Within a fair value hedge relationship £ millions**	**Other[1] £ millions**	**Total £ millions**
Primary instruments			
Interest rate	-	-	-
Credit	-	-	-
	-	-	-
Total	-	-	-

2026 Liabilities	**Within a fair value hedge relationship £ millions**	**Other[1] £ millions**	**Total £ millions**
Primary instruments			
Interest rate	**13.8**	-	**13.8**
	13.8	-	**13.8**
Total	**13.8**	-	**13.8**

2025 Assets	**Within a fair value hedge relationship £ millions**	**Other[1] £ millions**	**Total £ millions**
Primary instruments			
Interest rate	-	-	-
Credit	-	0.1	0.1
	-	0.1	0.1
Total	-	-	0.1

2025 Liabilities	**Within a fair value hedge relationship £ millions**	**Other[1] £ millions**	**Total £ millions**
Primary instruments			
Interest rate	7.1	-	7.1
	7.1	-	7.1
Total	-	-	7.1

Explanatory notes on other

1. Other includes derivatives which are held for risk management purposes on certain Fair Value Option debt issuances which are not in a designated hedge accounting relationship.

Notes to the Financial Statements

The Group uses primary derivative instruments to manage exposure to interest rate risk, foreign currency risk and credit risk arising from its debt issuance programmes (see Note 21). These derivative instruments include interest rate swaps, foreign currency swaps and credit default swaps.

Further details of the classification and fair value measurement of derivatives held for risk management are disclosed in Note 30.

Derivatives held for risk management designated as fair value hedges

The Group uses primary interest rate and other swap instruments to hedge its exposure to changes in fair value of fixed rate debt and other host contracts that are carried at amortised cost. The changes in fair values of the hedging derivative instruments and the hedged items attributable to the hedged risks are analysed below:

Group and Company

	2026 £ millions	2025 £ millions
Losses on hedging derivative instruments	**(6.7)**	(1.2)
Gains on hedged items attributable to hedged risk:		
- Debt securities in issue (see Note 21)	**6.7**	1.2
Ineffective portion of fair value hedges	**-**	-
Derivative assets designated as fair value hedges	**-**	-
Derivative liabilities designated as fair value hedges	**13.8**	7.1

16. Shares in Group Undertakings

Group

	2026 £ millions	2025 £ millions
Listed other than on a recognised UK exchange	**29.8**	**17.6**

Company

	2026 £ millions	2025 £ millions
Listed other than on a recognised UK exchange	**29.8**	15.9
Investment in subsidiary	**42.2**	34.5
	72.0	50.4

Listed other than on a recognised UK exchange

The Group has established an Employee Benefit Trust (EBT) for the Company and MECS. The EBT is responsible for purchasing and holding shares of the Mizuho Financial Group for the hedging of future liabilities arising as a result of the employee share-based compensation scheme. The EBT is consolidated in the Group's and the Company's financial statements as part of the share based scheme for the benefit of employees. Further details of the share based payment scheme are disclosed in Note 31.

On 1 April 2025, the EBT for MHEU ceased to be part of the Group following the sale of the Company's investment in MHEU to MBE.

Investment in subsidiary

Subsidiary	Country of Incorporation	MHI's ownership
Mizuho EMEA Corporate Services Limited	England	100%
Augusta & Co. Limited	England	100%

Investment in subsidiary companies are held at cost less accumulated impairment losses.

On 1 April 2025, the Company sold its investment in MHEU to MBE at the underlying fair value, as part of a broader initiative by Mizuho Financial Group to create an integrated Universal Bank in the EU region. Following this sale, MHEU legally merged with MBE with effect from 5 April 2025. The sale resulted in a gain of £4.3m for the Company. There was no gain or loss on sale at the Group level.

Following the sale of MHEU, as at 31 March 2026, no financial instruments were designated as hedges of net investment in foreign operations (2025: £33.5m), and no hedge ineffectiveness was recognised in the income statement for the year (2025: £nil).

On 31 October 2025, the Company acquired 100% of the ordinary share capital of Augusta & Co. Limited, a company incorporated in England. The Company paid £41.2m as purchase consideration for the acquisition, which was all in cash, and included £0.3m of directly attributable costs.

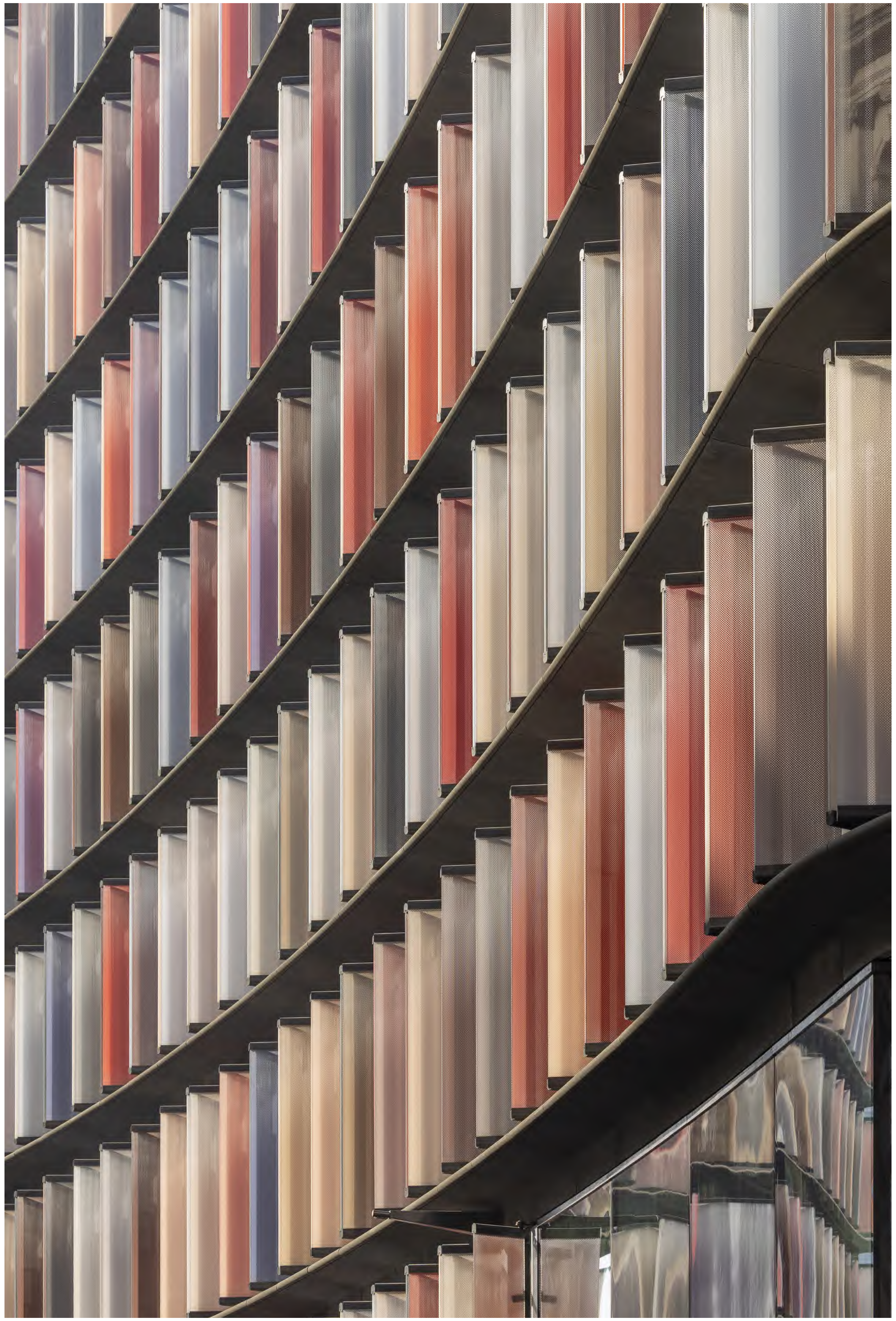
A breakdown of the identifiable class of assets and liabilities recognised on the date of acquisition is given below:

Category of Balance	Acquired value
Cash and cash equivalents	£2.5m
Tangible assets	£0.2m
Current assets	£0.6m
Current liabilities	(£5.8m)
Total identifiable net assets	(£2.5m)
Intangibles generated from the acquisition	£43.7m

For more details on the Intangible assets pertaining to the acquisition, please refer to Note 17. Intangible Assets.

Included in the Statement of Comprehensive Income for the Group relating to Augusta are Revenues of £11.0m and a Profit of £5.2m for FY25/26.

Notes to the Financial Statements



Notes to the Financial Statements

17. Intangible Assets

Group

	Brand £ millions	Customer relationships £ millions	Residual Goodwill £ millions	Software £ millions	Software development expenditure £ millions	Total £ millions
Cost						
At 1 April 2025	-	-	-	247.2	51.2	298.4
Additions	-	-	-	-	51.4	51.4
Acquired through business combinations	0.6	1.9	41.2	-	-	43.7
Disposals	-	-	-	(17.8)	-	(17.8)
Impairments	-	-	-	-	(0.3)	(0.3)
Transfers / reclassification	-	-	-	39.6	(39.6)	0.0
At 31 March 2026	**0.6**	**1.9**	**41.2**	**269.0**	**62.7**	**375.4**
Accumulated depreciation and amortisation						
At 1 April 2025	-	-	-	202.1	-	202.1
Disposals	-	-	-	(15.6)	-	(15.6)
Impairments	-	-	-	-	-	-
Charge for the year	0.1	0.2	1.7	26.5	-	28.5
At 31 March 2026	**0.1**	**0.2**	**1.7**	**213.0**	**-**	**215.0**
Net book value						
At 31 March 2026	**0.5**	**1.7**	**39.5**	**56.0**	**62.7**	**160.4**
At 31 March 2025	-	-	-	45.1	51.2	96.3

Company

	Software £ millions	Software development expenditure £ millions	Total £ millions
Cost			
At 1 April 2025	247.2	51.2	298.4
Additions	-	51.4	51.4
Disposals	(17.8)	-	(17.8)
Impairments	-	(0.3)	(0.3)
Transfers / reclassification	39.6	(39.6)	-
At 31 March 2026	**269.0**	**62.7**	**331.7**
Accumulated depreciation and amortisation			
At 1 April 2025	202.1	-	202.1
Disposals	(15.6)	-	(15.6)
Impairments	-	-	-
Charge for the year	26.5	-	26.5
At 31 March 2026	**213.0**	**-**	**213.0**
Net book value			
At 31 March 2026	**56.0**	**62.7**	**118.7**
	-		
At 31 March 2025	45.1	51.2	96.3

During the financial year, the Group and the Company made available for use and transferred £39.6 million (2025: £24.4 million) of internally developed software from Software development expenditure to Software.

Intangible assets acquired through business combinations relate to the acquisition of Augusta during the year.

Customer relationships and brand names acquired as part of the business combination are amortised on a straight-line basis over their estimated useful economic life of 4 years and 2.5 years respectively. Residual goodwill arising on consolidation represents the excess of the cost of acquisition over the fair value of identifiable net assets and other intangible assets generated from the acquisition. This is amortised on a straight-line basis over its estimated useful economic life of 10 years.

Notes to the Financial Statements

18. Tangible Fixed Assets

Group

	Property improvements £ millions	Fixtures, equipment, integrated software and vehicles £ millions	Total £ millions
Cost			
At 1 April 2025	23.6	41.0	64.6
Additions	0.2	2.2	2.4
Acquired through business combination	0.1	0.3	0.4
Disposals	(1.0)	(2.4)	(3.4)
Impairments	-	-	-
At 31 March 2026	**22.9**	**41.1**	**64.0**
Accumulated depreciation and amortisation			
At 1 April 2025	10.6	28.9	39.5
Acquired through business combination	-	0.2	0.2
Disposals	(0.8)	(2.1)	(2.9)
Charge for the year	1.3	4.3	5.6
At 31 March 2026	**11.1**	**31.3**	**42.4**
Net book value			
At 31 March 2026	**11.8**	**9.8**	**21.6**
At 31 March 2025	13.0	12.1	25.1

Company

	Property improvements £ millions	Fixtures, equipment, integrated software and vehicles £ millions	Total £ millions
Cost			
At 1 April 2025	22.6	40.1	62.7
Additions	0.1	2.2	2.3
Disposals	-	(1.5)	(1.5)
Impairments	(0.1)	-	(0.1)
At 31 March 2026	**22.6**	**40.8**	**63.4**
Accumulated depreciation and amortisation			
At 1 April 2025	9.8	28.2	38.0
Disposals	-	(1.4)	(1.4)
Charge for the year	1.2	4.3	5.5
At 31 March 2026	**11.0**	**31.1**	**42.1**
Net book value			
At 31 March 2026	**11.6**	**9.7**	**21.3**
At 31 March 2025	12.8	11.9	24.7

Notes to the Financial Statements

19. Other Assets

Group

	2026 £ millions	2025 £ millions
Unsettled repo receivables	**100.7**	21.9
Collateral pledged	**373.9**	427.4
Clearing house default fund contribution	**28.1**	32.5
Other trade receivables	**23.3**	34.7
Trade receivables	**526.0**	516.5
Less: provision for trade receivables	**(2.9)**	(2.9)
Other assets	**67.3**	46.2
	590.4	559.8

Company

	2026 £ millions	2025 £ millions
Unsettled repo receivables	**100.6**	21.9
Collateral pledged	**373.9**	426.5
Clearing house default fund contribution	**28.1**	32.5
Other trade receivables	**21.4**	34.7
Trade receivables	**524.0**	515.6
Less: provision for trade receivables	**(2.9)**	(2.9)
Other assets	**58.9**	34.3
	580.0	547.0

Unsettled repo receivables are all less than three months past due.

Collateral pledged relates to repo, reverse repo, futures and derivative transactions.

20. Deposits by Banks and Customer Accounts

Group

	2026 £ millions	2025 £ millions
Deposits by banks		
Repayable on demand	**0.2**	9.8
With agreed maturity dates or periods of notice	**625.1**	668.9
	625.3	678.7
Customer accounts		
With agreed maturity dates or periods of notice	**553.8**	473.5
	553.8	473.5

Company

	2026 £ millions	2025 £ millions
Deposits by banks		
Repayable on demand	**0.2**	9.8
With agreed maturity dates or periods of notice	**625.1**	668.9
	625.3	678.7
Customer accounts		
Repayable on demand	**28.9**	14.0
With agreed maturity dates or periods of notice	**553.8**	473.5
	582.7	487.5

Net interest expense arising from Deposits by banks and Customer accounts amounted to £43.1 million (2025: £58.8 million). Of this, £21.2 million (2025: £28.9 million) was payable to Mizuho Financial Group entities and £21.9 million (2025: £29.9 million) was net payable to third party entities.

21. Debt Securities in Issue

Group and Company

	2026	2025
	£ millions	£ millions
Debt securities – amortised cost	**492.5**	551.2
Debt securities – adjusted for fair value hedge accounting	**501.4**	736.9
Debt securities – designated at fair value through profit and loss	**0.5**	4.2
	994.4	1,292.3

Net interest expense arising from Debt securities accounted at amortised cost (including those adjusted for fair value hedge accounting) amounted to £24.2 million (2025: £34.8 million).

Further details of the classification and fair value measurement of debt securities in issue are disclosed in Note 30.

Debt securities adjusted for fair value hedge accounting

Group and Company

	2026	2025
	£ millions	£ millions
Net gains recognised in the statement of comprehensive income	**6.7**	1.2
Contractual amount at maturity	**522.2**	748.6

Debt securities designated at fair value through profit and loss

Group and Company

	2026	2025
	£ millions	£ millions
Net (losses)/gains recognised in the statement of comprehensive income	-	-
Contractual amount at maturity	**0.5**	4.1

Certain debt securities in issue were designated at fair value since these are managed on a fair value basis. The net loss recognised in the Statement of Comprehensive Income arising on debt securities that is attributable to changes in the Company's credit risk amounted to £nil (2025: £nil).

Notes to the Financial Statements

22. Short Trading Positions

Group and Company

	2026	2025
	£ millions	£ millions
Short trading positions in debt securities:		
– Issued by public bodies	**1,855.5**	2,259.1
– Issued by other issuers	**289.8**	630.0
	2,145.3	2,889.1

In the year to 31 March 2026, there were no unobservable day one profits in respect of short trading positions (2025: £nil).

Further details of the classification and fair value measurement of short trading positions are disclosed in Note 30.

23. Other Liabilities

Group

	2026	2025
	£ millions	£ millions
Unsettled repo payables	**94.6**	11.0
Collateral received	**479.2**	315.3
Other trade payables	**8.9**	17.2
Trade payables	**582.7**	343.5
Other liabilities	**13.5**	14.1
Tax and social security payable	**7.1**	8.2
	603.3	365.8

Company

	2026	2025
	£ millions	£ millions
Unsettled repo payables	**94.6**	**11.0**
Collateral received	**479.2**	**315.3**
Other trade payables	**8.8**	**19.3**
Trade payables	**582.6**	**345.6**
Other liabilities	**9.9**	**9.9**
Tax and social security payable	**2.7**	**2.4**
	595.2	**357.9**

Unsettled repo payables are all past due for less than three months.

Collateral received relates to repo, reverse repo and derivative transactions

Notes to the Financial Statements

24. Provisions for Liabilities

Group

	Commercial matters £ millions	Infrastructure & others £ millions	Total £ millions
At 1 April 2025	-	0.2	**0.2**
Charged through income statement	7.4	0.1	7.5
De-recognition of provision for dilapidation on disposal of MHEU	-	(0.1)	(0.1)
Recognition of provision for dilapidation on acquisition of Augusta	-	0.1	0.1
Released	-	-	-
Utilised for the year	-	-	-
At 31 March 2026	**7.4**	**0.3**	**7.7**

Company

	Commercial matters £ millions	Infrastructure & others £ millions	Total £ millions
At 1 April 2025	-	0.1	**0.1**
Charged through income statement	7.4	0.1	7.5
Released	-	-	-
Utilised for the year	-	-	-
At 31 March 2025	7.4	**0.2**	**7.6**

The Group may become subject to various litigation matters over the normal course of business. Where a claim is considered to be more likely than not to result in a settlement, a provision is made based on management's best estimate of the cost to the Group of settling such claims.

Appropriate provisions have been recognised in respect of certain ongoing commercial matters. In accordance with Section 21.17 of FRS 102, further details have not been disclosed.

During the year, the Group disposed of its investment in MHEU. This resulted in the derecognition of MHEU's dilapidation provision following the transfer of associated lease liabilities.

Following the acquisition of Augusta & Co during the year, a dilapidation provision of £0.1m has been raised for Augusta in relation to the estimated costs of exit from its premises at the end of its current lease. This will be charged to the Income statement over the remaining life of the lease.

25. Pension Liabilities

Group and Company

Defined benefits scheme

The Group operates a defined benefits scheme, the Mizuho International Plc Retirement Benefits Scheme ('Scheme'), which is a final salary scheme, established in 1978 and currently governed by the trust deed and rules dated 18 September 1998. The Scheme is a "registered pension scheme" for tax purposes. All members were contracted-out of the State Second Pension during active membership of the Scheme.

In accordance with the trust deed the Group, as Principal Employer, has the power to appoint and remove the Trustees of the Scheme. The three Trustees include a Group representative, an independent corporate Trustee and a member nominated Trustee.

There are no active members remaining in the Scheme, and it is closed to new entrants and future benefit accrual. There were 109 deferred members and 102 pensioner members who have pensions paid directly from the Scheme as at 31 March 2026.

A valuation of the scheme has been estimated as at 31 March 2026 by a qualified independent actuary, based on the results of the actuarial valuation as at 31 March 2024, adjusted for the different assumptions required under FRS102 and taking into consideration subsequent cash flows.

The principal actuarial assumptions at the balance sheet date were as follows:

	2026 % p.a.	2025 % p.a.
Discount rate	**5.7**	5.5
Inflation assumption (RPI)	**3.4**	3.0
CPI linked increases (max 5% p.a.)	**3.5**	3.0
Pension increases (RPI, max 5% p.a.)	**3.3**	2.9

The underlying mortality assumption is based upon the standard table known as S4PA on a year of birth usage with Continuous Mortality Investigation_2024 ("CMI") future improvement factors and long-term rate of future improvement of 1.0% p.a. (2025: S3PA with CMI_2023 future improvement factors and a long-term future improvement rate of 1.0% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.4 years (previously 21.3 years)
- Female age 65 now has a life expectancy of 23.7 years (previously 23.8 years)

The amounts recognised in the Statement of Financial Position are as follows:

	2026 £ millions	2025 £ millions
Present value of Scheme liabilities	**(30.3)**	**(29.5)**
Market value of Scheme assets	**30.2**	**29.7**
Restriction of Recognisable Surplus	**0.0**	**(0.2)**
Deficit in the Scheme	(0.1)	-
Related deferred tax asset	-	-
Net pension liability	(0.1)	-

The amounts to be recognised in the Statement of Comprehensive Income for the year are as follows:

	2026 £ millions	2025 £ millions
Interest on Scheme assets	1.6	1.5
Interest on Scheme liabilities	(1.6)	(1.5)
Contribution paid by a related party	0.0	-
	0.0	-

Changes in the present value of the Scheme liabilities are as follows:

	2026 £ millions	2025 £ millions
Present value of Scheme liabilities at 1 April	29.5	31.1
Interest on Scheme liabilities	1.6	1.5
Benefits paid	(1.7)	(1.6)
Actuarial loss / (gains)	0.9	(1.5)
Present value of Scheme liabilities at 31 March	30.3	29.5

Changes in the fair value of the Scheme assets for the year are as follows:

	2026 £ millions	2025 £ millions
Market value of Scheme assets at 1 April	29.7	31.7
Interest on Scheme assets	1.6	1.5
Return on assets	0.4	(2.1)
Benefits paid	(1.7)	(1.7)
Contributions paid by the Group	0.2	0.3
Market value of Scheme assets at 31 March	30.2	29.7
Actual return on scheme assets	2.0	(0.6)

Notes to the Financial Statements

Actuarial valuations are carried out every three years on behalf of the Trustees of the scheme, by a qualified independent actuary. The actuarial assumptions underlying the actuarial valuation are different to those adopted under FRS102.

The last such finalised actuarial valuation was at 31 March 2024. This showed that the Scheme's assets were sufficient to cover the liabilities on the funding basis. The Scheme's Schedule of Contribution dated 30 June 2025 has no contributions payable in respect of any deficit, and requires the Company to pay an amount of £227,000 per annum (2025: £227,000) in respect of expenses administering the scheme. These payments are subject to review following the next actuarial valuation, due within 15 months of its effective date of 31 March 2027.

The Virgin Media Ltd vs NTL Pension Trustees II judgement, handed down by the High Court in 16 June 2023, considered the implications of Section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits to be altered where certain requirements were met. The Pension Schemes Act 2026 became law on 29 April 2026 which enables affected schemes to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

For the purposes of the accounting valuation, the Group has made no allowance for the potential impact this could have on Scheme benefits. The Group have therefore assumed that all amendments made in the past are either valid or the necessary retrospective actuarial confirmation will be obtained, and that benefits remain as set out in the current Scheme documentation.

The major categories of Scheme assets as a percentage of total Scheme assets for the year are as follows:

	2026 %	2025 %
Insured Annuities	99	98
Cash	1	2
	100	100

Analysis of amounts recognisable in the Other Comprehensive Income for the year is provided below.

	2026 £ millions	2025 £ millions
Return on assets	0.4	(2.1)
Actuarial (losses) / gains	(0.9)	1.5
Restriction of Recognisable Surplus	0.2	0.3
Remeasurement losses recognised in other comprehensive income	(0.3)	(0.3)

Movements in the surplus during the year are as follows:

	2026 £ millions	2025 £ millions
Deficit in Scheme at 1 April	-	-
Amounts recognised in the Statement of Comprehensive Income	-	-
Contributions paid by the Group	0.2	0.3
Remeasurement gains and losses recognised in other comprehensive income	(0.3)	(0.3)
Deficit in Scheme at 31 March	(0.1)	-

Employment benefit plans

The Company currently operates a Group Personal Pension ('GPP') arrangement which is a defined contribution scheme.

The GPP provides employees with a tax-efficient way of saving for retirement. It is a low-cost, flexible and portable arrangement which the Group also contributes towards.

Contributions are currently subject to the maximum limits as laid down by the relevant tax authority in each jurisdiction. Group contributions are made as a percentage of salary and/or bonus waivers through a salary sacrifice arrangement.

The assets of the GPP are held separately from those of the Group in independently administered funds. During the year ended 31 March 2026 the Group made contributions of £ 16.6 million (2025: £16.8 million) to the GPP of which £5.2 million related to the employees' salary sacrifice arrangements (2025: £6.8 million). The total expense to the Group was £11.4 million (2025: £10.0 million).

26. Related Party Balances

Included within assets and liabilities are the following balances due to / from Mizuho Financial Group entities:

Group

2026	Controlling entities[1] £ millions	Other related £ millions	Total £ millions
Assets			
Loans and advances to banks	-	1.9	1.9
Reverse repurchase agreements with banks	47.3	369.3	416.6
Debt and other fixed income securities	1.7	9.3	11.0
Derivative assets	221.9	79.1	301.0
Shares in group undertakings	29.8	-	29.8
Other assets	17.0	61.1	78.1
Prepayments and accrued income	13.0	44.6	57.6
	330.7	565.3	896.0
Liabilities			
Deposits by banks	-	598.6	598.6
Repurchase agreements with banks	524.1	42.9	567.0
Short trading positions	3.0	-	3.0
Derivative liabilities	0.2	18.9	19.1
Other liabilities	246.1	71.6	317.7
Accruals and deferred income	18.4	28.0	46.4
Provision for liabilities	-	-	-
	791.8	760.0	1,551.8

Included within the Statement of Comprehensive Income are the following transactions due to / from Mizuho Financial Group entities:

2026	Controlling entities[1] £ millions	Other related parties £ millions	Total £ millions
Interest receivable	-	0.7	0.7
Interest payable	(4.6)	(25.2)	(29.8)
Fees and commissions receivable	60.6	56.1	116.7
Fees and commissions payable	(39.6)	(36.4)	(76.0)
Dealing profit	243.4	34.5	277.9
Other operating income	0.2	170.6	170.8
Administrative expenses	3.3	(8.3)	(5.0)
Tax on profit on ordinary activities	-	3.2	3.2
Total income from Affiliates	263.3	195.2	458.5

Company

2026	Controlling entities[1] £ millions	Controlled entities[2] £ millions	Other related parties £ millions	Total £ millions
Assets				
Loans and advances to banks	-	-	1.9	1.9
Loans and advances to customers	-	5.9	-	5.9
Reverse repurchase agreements with banks	47.3	-	369.3	416.6
Reverse repurchase agreements with customers	-	-	-	-
Debt and other fixed income securities	1.7	-	9.3	11.0
Derivative assets	221.9	-	79.1	301.0
Shares in group undertakings	29.8	42.2	-	72.0
Other assets	17.0	0.5	58.6	76.1
Prepayments and accrued income	12.9	1.3	33.8	48.0
	330.6	49.9	552.0	932.5
Liabilities				
Deposits by banks	-	-	598.6	598.6
Customer accounts	-	28.9	-	28.9
Repurchase agreements with banks	524.1	-	42.9	567.0
Repurchase agreements with customers	-	-	-	-
Short trading positions	3.0	-	-	3.0
Derivative liabilities	0.2	-	18.9	19.1
Other liabilities	245.8	0.4	71.5	317.7
Accruals and deferred income	17.9	16.5	27.3	61.7
Provision for liabilities	-	-	-	-
	791.0	45.8	759.2	1,596.0

Notes to the Financial Statements

Group

2025	Controlling entities[1] £ millions	Other related parties £ millions	Total £ millions
Assets			
Loans and advances to banks	-	0.5	0.5
Reverse repurchase agreements with banks	431.5	275.9	707.4
Debt and other fixed income securities	9.8	3.1	12.9
Derivative assets	138.7	114.5	253.2
Shares in group undertakings	17.6	-	17.6
Other assets	26.2	31.3	57.5
Prepayments and accrued income	14.0	55.0	69.0
	637.8	480.3	1,118.1
Liabilities			
Deposits by banks	-	629.7	629.7
Repurchase agreements with banks	760.4	11.7	772.1
Short trading positions	13.8	-	13.8
Derivative liabilities	-	21.0	21.0
Other liabilities	172.5	105.7	278.2
Accruals and deferred income	14.6	16.7	31.3
Provision for liabilities	-	0.1	0.1
	961.3	784.9	1,746.2

2025	Controlling entities[1] £ millions	Other related parties £ millions	Total £ millions
Interest receivable	-	0.2	0.2
Interest payable	(5.4)	(34.8)	(40.2)
Fees and commissions receivable	59.4	39.2	98.6
Fees and commissions payable	(36.5)	(18.2)	(54.7)
Dealing profit	42.5	49.7	92.2
Other operating income	0.2	152.7	152.9
Administrative expenses	4.7	(17.7)	(13.0)
Tax on profit on ordinary activities	-	1.8	1.8
Total income from Affiliates	64.9	172.9	237.8

Company

2025	Controlling entities[1] £ millions	Controlled entities[2] £ millions	Other related parties £ millions	Total £ millions
Assets				
Loans and advances to banks	-	-	0.5	0.5
Loans and advances to customers	-	21.2	-	21.2
Reverse repurchase agreements with banks	431.5	-	275.9	707.4
Reverse repurchase agreements with customers	-	-	-	-
Debt and other fixed income securities	9.8	-	3.1	12.9
Derivative assets	138.7	-	114.5	253.2
Shares in group undertakings	15.9	34.5	-	50.4
Other assets	25.6	0.5	30.4	56.5
Prepayments and accrued income	13.9	12.0	38.9	64.8
	635.4	68.2	463.3	1,166.9
Liabilities				
Deposits by banks	-	-	629.7	629.7
Customer account	-	14.1	-	14.1
Repurchase agreements with banks	760.4	-	11.7	772.1
Repurchase agreements with customers	-	-	-	-
Short trading positions	13.8	-	-	13.8
Derivative liabilities	-	-	21.0	21.0
Other liabilities	172.4	1.9	105.7	280.0
Accruals and deferred income	14.1	17.7	16.2	48.0
Provision for liabilities	-	-	-	-
	960.7	33.7	784.3	1,778.7

Explanatory notes on controlling entities

1. Controlling entities includes the Company's parent, Mizuho Securities, and the Company's ultimate parent, Mizuho Financial Group, Inc. All other entities within the Mizuho Financial Group structure are reported under the category 'Other related parties'.
2. Controlled entities includes the Company's subsidiaries, MECS and Augusta.

27. Share Capital

Group and Company

	2026 Number	**2026 £ millions**	2025 Number	2025 £ millions
Issued called up and fully paid				
Ordinary shares of GBP 10 each	**80,985,797**	**809.9**	75,485,797	754.9

On 9 October 2025, the Company issued 5,500,000 new Ordinary shares with a nominal value of £10 each, to its parent, MHSC. The shares were issued at par and the Company received a total consideration amount of £55 million.

28. Operating Lease Commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

Group

	2026 £ millions Buildings	2025 £ millions Buildings
Not later than one year	**0.5**	**0.6**
Later than one year and not later than five years	**-**	**0.2**
Later than five years	**-**	**-**
	0.5	**0.8**

The total lease payments recognised as an expense by the Group for the year ended 31 March 2026 were £0.4 million (2025: £0.7 million). Future minimum lease payables were recognised on a straight line basis over the life of the lease

Company

	2026 £ millions Buildings	2025 £ millions Buildings
Not later than one year	**0.2**	0.2
Later than one year and not later than five years	**-**	0.2
Later than five years	**-**	-
	0.2	0.4

The total lease payments recognised as an expense by the Company for the year ended 31 March 2026 were £0.2 million (2025: £0.2 million). Future minimum lease payables were recognised on a straight line basis over the life of the lease.

29. Notes to the Cash Flow Statement

	2026 £ millions	2025 £ millions
Non-cash items included in profit before tax		
Net foreign exchange difference	**(2.7)**	0.9
Interest receivable	**(120.2)**	(145.7)
Interest payable	**67.4**	93.6
Impairments of intangible and tangible assets	**0.4**	0.6
Depreciation and amortisation	**34.1**	28.9
Gains on revaluation of debt securities in issue	**(6.8)**	(1.2)
Gains on shares in group undertakings and Equity shares	**(7.3)**	(0.2)
Loss on disposal of intangibles and tangibles assets	**2.6**	-
Dividends received	**(0.5)**	(0.4)
Write back of unamortised rent-free balance	**-**	(6.5)
	(33.0)	(30.0)

	2026 £ millions	2025 £ millions
Change in operating assets		
Reverse repurchase agreements with banks	**1,734.5**	1,075.2
Reverse repurchase agreements with customers	**(1,394.6)**	(1,527.4)
Debt and other fixed income securities	**280.2**	(181.2)
Equity shares and other variable yield securities	**0.9**	(1.1)
Derivative assets	**(1,390.3)**	1,187.6
Other assets	**(16.4)**	343.3
Prepayments and accrued income	**0.6**	(50.3)
	(785.1)	846.1
Change in operating liabilities		
Deposits by banks	**(53.3)**	159.5
Customer accounts	**78.9**	(234.0)
Repurchase agreements with banks	**1,537.7**	811.3
Repurchase agreements with customers	**(1,205.5)**	652.3
Short trading positions	**(743.8)**	(1,036.5)
Derivative liabilities	**1,253.0**	(1,055.0)
Other liabilities	**234.8**	(283.4)
Accruals and deferred income	**69.5**	47.0
Provision for liabilities	**0.1**	-
Pension liabilities	**0.1**	-
	1,171.5	(938.8)
Cash and cash equivalents is defined as including:		
Cash and balances at central banks	**217.0**	115.5
Loans and advances to banks	**60.5**	60.2
Cash and cash equivalents at the end of the period	**277.5**	175.7

Notes to the Financial Statements

Analysis of changes in net debt

	At 1 April 2025 £ millions	Cash Flows £ millions	Interest and finance charges £ millions	Changes in market value / exchange rate £ millions	At 31 March 2026 £ millions
Cash and balances at central banks	115.5	101.5	-	-	**217.0**
Loans and advances to banks	60.2	(11.1)	7.6	3.9	**60.5**
Loans and advances to customers	-	(2.9)	2.9	-	**-**
Reverse repurchase agreements with customers	298.6	(289.5)	3.4	-	**12.6**
Net derivatives held for risk management[1]	(7.0)	(0.1)	-	(6.8)	**(13.8)**
Deposits by banks and customers[2]	(1,152.1)	16.1	(43.0)	-	**(1,179.2)**
Debt securities in issue	(1,292.3)	315.4	(24.2)	6.8	**(994.4)**
Repurchase agreements with banks	(282.0)	275.0	(3.5)	-	**(10.4)**
	(2,259.1)	404.4	(56.8)	3.9	**(1,907.7)**

Explanatory notes on analysis of changes in net debt

1. Net derivatives held for risk management include derivatives in a designated hedge accounting relationship to hedge debt issuances as well as for certain Fair Value option elected debt issuances. For more details, refer to Note 15 and Note 21
2. Deposits by banks & customers have been combined together for presentation purposes for this Note

30. Financial Assets and Financial Liabilities

A – Classification of financial assets and financial liabilities

Group

2026	Held for trading £ millions	Designated as at fair value £ millions	Loans and receivables £ millions	Total £ millions
Financial assets:				
Cash and balances at central banks	-	-	217.0	217.0
Loans and advances to banks	-	-	60.5	60.5
Reverse repurchase agreements with banks	2,321.3	-	-	2,321.3
Reverse repurchase agreements with customers	5,969.1	-	12.6	5,981.7
Debt and other fixed income securities	5,327.2	-	-	5,327.2
Equity shares	0.5	0.5	-	1.0
Derivative assets	9,910.3	-	-	9,910.3
Shares in group undertakings	-	29.8	-	29.8
Trade receivables	1.2	-	554.7	555.9
Prepayments and accrued income	116.4	-	80.7	197.1
	23,646.0	30.3	925.5	24,601.8

2026	Held for trading £ millions	Designated as at fair value £ millions	Financial liabilities £ millions	Total £ millions
Financial liabilities:				
Deposits by banks	-	-	625.3	625.3
Customer accounts	-	-	553.8	553.8
Repurchase agreements with banks	6,108.1	-	10.4	6,118.5
Repurchase agreements with customers	2,872.6	-	-	2,872.6
Debt securities in issue	-	0.5	993.9	994.4
Short positions	2,145.3	-	-	2,145.3
Derivative liabilities	9,787.5	13.8	-	9,801.3
Trade payables	4.2	-	591.6	595.8
Accruals and deferred income[1]	63.0	-	82.1	145.1
	20,980.7	14.3	2,857.1	23,852.1

A – Classification of financial assets and financial liabilities (continued)

Group

2025	Held for trading £ millions	Designated as at fair value £ millions	Loans and receivables £ millions	Total £ millions
Financial assets:				
Cash and balances at central banks	-	-	115.5	115.5
Loans and advances to banks	-	-	60.2	60.2
Reverse repurchase agreements with banks	4,055.8	-	-	4,055.8
Reverse repurchase agreements with customers	4,288.5	-	298.6	4,587.1
Debt and other fixed income securities	5,644.9	-	-	5,644.9
Equity shares	1.4	1.2	-	2.6
Derivative assets	8,520.0	0.1	-	8,520.1
Shares in group undertakings	-	17.6	-	17.6
Trade receivables	13.7	-	509.9	523.6
Prepayments and accrued income	123.2	-	78.3	201.5
	22,647.5	18.9	1,062.5	23,728.9

2025	Held for trading £ millions	Designated as at fair value £ millions	Financial liabilities £ millions	Total £ millions
Financial liabilities:				
Deposits by banks	-	-	678.7	678.7
Customer accounts	-	-	473.5	473.5
Repurchase agreements with banks	4,299.0	-	281.9	4,580.9
Repurchase agreements with customers	4,078.0	-	-	4,078.0
Debt securities in issue	-	4.2	1,288.1	1,292.3
Short positions	2,889.1	-	-	2,889.1
Derivative liabilities	8,541.3	7.1	-	8,548.4
Trade payables	15.3	-	341.5	356.8
Accruals and deferred income[1]	85.6	-	22.0	107.6
	19,908.3	11.3	3,085.7	23,005.3

Notes to the Financial Statements

A – Classification of financial assets and financial liabilities (continued)

Company

2026	**Held for trading £ millions**	**Designated as at fair value £ millions**	**Loans and receivables £ millions**	**Total £ millions**
Financial assets:				
Cash and balances at central banks	-	-	**217.0**	**217.0**
Loans and advances to banks	-	-	**52.9**	**52.9**
Loans and advances to customers	-	-	**5.9**	**5.9**
Reverse repurchase agreements with banks	**2,321.3**	-	-	**2,321.3**
Reverse repurchase agreements with customers	**5,969.1**	-	**12.6**	**5,981.7**
Debt and other fixed income securities	**5,327.2**	-	-	**5,327.2**
Equity shares	**0.5**	**0.5**	-	**1.0**
Derivative assets	**9,910.3**	-	-	**9,910.3**
Shares in group undertakings	-	**29.8**	-	**29.8**
Trade receivables	**1.2**	-	**550.3**	**551.5**
Prepayments and accrued income	**116.4**	-	**68.4**	**184.8**
	23,646.0	**30.3**	**907.1**	**24,583.4**

2026	**Held for trading £ millions**	**Designated as at fair value £ millions**	**Financial liabilities £ millions**	**Total £ millions**
Financial liabilities:				
Deposits by banks	-	-	**625.3**	**625.3**
Customer accounts	-	-	**582.7**	**582.7**
Repurchase agreements with banks	**6,108.1**	-	**10.4**	**6,118.5**
Repurchase agreements with customers	**2,872.6**	-	-	**2,872.6**
Debt securities in issue	-	**0.5**	**993.9**	**994.4**
Short positions	**2,145.3**	-	-	**2,145.3**
Derivative liabilities	**9,787.5**	**13.8**	-	**9,801.3**
Trade payables	**4.2**	-	**587.9**	**592.1**
Accruals and deferred income[1]	**63.0**	-	**96.6**	**159.6**
	20,980.7	**14.3**	**2,896.8**	**23,891.8**

A – Classification of financial assets and financial liabilities (continued)

Company

2025	Held for trading £ millions	Designated as at fair value £ millions	Loans and receivables £ millions	Total £ millions
Financial assets:				
Cash and balances at central banks	-	-	115.5	115.5
Loans and advances to banks	-	-	35.3	35.3
Loans and advances to customers	-	-	21.2	21.2
Reverse repurchase agreements with banks	4,055.8	-	-	4,055.8
Reverse repurchase agreements with customers	4,288.5	-	298.6	4,587.1
Debt and other fixed income securities	5,607.4	-	-	5,607.4
Equity shares	1.4	1.1	-	2.5
Derivative assets	8,520.0	0.1	-	8,520.1
Shares in group undertakings	-	15.9	-	15.9
Trade receivables	13.7	-	507.9	521.6
Prepayments and accrued income	123.2	-	71.3	194.5
	22,610.0	17.1	1,049.8	23,676.9

2025	Held for trading £ millions	Designated as at fair value £ millions	Financial liabilities £ millions	Total £ millions
Financial liabilities:				
Deposits by banks	-	-	678.7	678.7
Customer accounts	-	-	487.5	487.5
Repurchase agreements with banks	4,299.0	-	281.9	4,580.9
Repurchase agreements with customers	4,078.0	-	-	4,078.0
Debt securities in issue	-	4.2	1,288.1	1,292.3
Short positions	2,889.1	-	-	2,889.1
Derivative liabilities	8,541.2	7.1	-	8,548.3
Trade payables	15.3	-	339.0	354.3
Accruals and deferred income[1]	85.6	-	38.2	123.8
	19,908.2	11.3	3,113.4	23,032.9

Explanatory note on classification of financial assets and financial liabilities

1. Accruals and deferred income contains accrued interest relating to financial liabilities, including deposits by banks, customer accounts, repurchase agreements and debt securities in issue.

B – Fair value hierarchy

The Group has allocated its financial instruments into a three-level fair value hierarchy based on the priority of the inputs to the valuation methodology.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorisation is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the Statement of Financial Position are categorised based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Group has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require market data inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assertions about the assumptions a market participant would use in pricing the asset or liability.

The availability of observable market data will vary from product to product and is affected by a wide variety of factors, including but not exclusive to the type of product and the liquidity of markets and other characteristics particular to the product. Where the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Group in determining fair value is greatest for instruments categorised in Level 3 of the fair value hierarchy.

The Group considers market data that is current as of the measurement date, irrespective of whether that date falls within a period of market dislocation. In such circumstances the observability of market data may be reduced for many products. This condition could cause an instrument to be reclassified between levels within the fair value hierarchy.

The following tables show the analysis of the fair values for fair value instruments disclosed in Note 30A categorised in accordance with the hierarchy described above.

Group

2026	**Level 1 £ millions**	**Level 2 £ millions**	**Level 3 £ millions**	**Fair value Total £ millions**
Reverse repurchase agreements with banks	-	2,094.3	227.0	2,321.3
Reverse repurchase agreements with customers	-	5,814.8	154.3	5,969.1
Debt and other fixed income securities	2,555.7	2,536.7	234.8	5,327.2
Equity securities	0.5	0.1	0.4	1.0
– Interest rate	4.9	9,509.1	-	9,514.0
– Convertible bond option	-	-	138.4	138.4
– Foreign currency	-	91.0	-	91.0
– Credit	-	164.9	2.0	166.9
Derivative assets	4.9	9,765.0	140.4	9,910.3
Shares in group undertakings	29.8	-	-	29.8
Financial assets	**2,590.9**	**20,210.9**	**756.9**	**23,558.7**
Repurchase agreements with banks	2,850.0	2,819.7	438.4	6,108.1
Repurchase agreements with customers	-	2,872.6	-	2,872.6
Short trading positions	1,287.5	857.7	0.1	2,145.3
– Interest rate	2.2	9,400.0	-	9,402.2
– Convertible bond option	-	-	137.2	137.2
– Foreign currency	-	85.8	-	85.8
– Credit	-	174.8	1.3	176.1
Derivative liabilities	2.2	9,660.6	138.5	9,801.3
Debt securities in issue	-	-	0.5	0.5
Financial liabilities	**4,139.7**	**16,210.6**	**577.5**	**20,927.8**

Notes to the Financial Statements

Group

2025	Level 1 £ millions	Level 2 £ millions	Level 3 £ millions	Fair value Total £ millions
Reverse repurchase agreements with banks	-	3,824.8	231.0	4,055.8
Reverse repurchase agreements with customers	-	4,232.5	56.0	4,288.5
Debt and other fixed income securities	2,261.9	3,382.3	0.7	5,644.9
Equity securities	1.4	0.1	1.1	2.6
– Interest rate	0.9	7,808.1	-	7,809.0
– Convertible bond option	-	-	70.5	70.5
– Foreign currency	-	120.4	(0.1)	120.3
– Credit	-	520.3	-	520.3
Derivative assets	0.9	8,448.8	70.4	8,520.1
Shares in group undertakings	17.6	-	-	17.6
Financial assets	2,281.8	19,888.5	359.2	22,529.5
Repurchase agreements with banks	-	4,136.5	162.5	4,299.0
Repurchase agreements with customers	-	4,078.0	-	4,078.0
Short trading positions	1,557.4	1,331.5	0.2	2,889.1
– Interest rate	3.3	7,799.9	-	7,803.2
– Convertible bond option	-	-	70.2	70.2
– Foreign currency	-	136.2	(0.1)	136.1
– Credit	-	535.9	3.0	538.9
– Equity	-	-	-	-
Derivative liabilities	3.3	8,472.0	73.1	8,548.4
Debt securities in issue	-	-	4.2	4.2
Financial liabilities	1,560.7	18,018.0	240.0	19,818.7

Company

2026	Level 1 £ millions	Level 2 £ millions	Level 3 £ millions	Fair value Total £ millions
Reverse repurchase agreements with banks	**-**	**2,094.3**	**227.0**	**2,321.3**
Reverse repurchase agreements with customers	**-**	**5,814.8**	**154.3**	**5,969.1**
Debt and other fixed income securities	**2,555.7**	**2,536.7**	**234.8**	**5,327.2**
Equity securities	**0.5**	**0.1**	**0.4**	**1.0**
– Interest rate	**4.9**	**9,509.1**	**-**	**9,514.0**
– Convertible bond option	**-**	**-**	**138.4**	**138.4**
– Foreign currency	**-**	**91.0**	**-**	**91.0**
– Credit	**-**	**164.9**	**2.0**	**166.9**
Derivative assets	**4.9**	**9,765.0**	**140.4**	**9,910.3**
Shares in group undertakings	**29.8**	**-**	**-**	**29.8**
Financial assets	**2,590.9**	**20,210.9**	**756.9**	**23,558.7**
Repurchase agreements with banks	**2,850.0**	**2,819.7**	**438.4**	**6,108.1**
Repurchase agreements with customers	**-**	**2,872.6**	**-**	**2,872.6**
Short trading positions	**1,287.5**	**857.7**	**0.1**	**2,145.3**
– Interest rate	**2.2**	**9,400.0**	**-**	**9,402.2**
– Convertible bond option	**-**	**-**	**137.2**	**137.2**
– Foreign currency	**-**	**85.8**	**-**	**85.8**
– Credit	**-**	**174.8**	**1.3**	**176.1**
Derivative liabilities	**2.2**	**9,660.6**	**138.5**	**9,801.3**
Debt securities in issue	**-**	**-**	**0.5**	**0.5**
Financial liabilities	**4,139.7**	**16,210.6**	**577.5**	**20,927.8**

Notes to the Financial Statements

Company

2025	Level 1 £ millions	Level 2 £ millions	Level 3 £ millions	Fair value Total £ millions
Reverse repurchase agreements with banks	-	3,824.8	231.0	4,055.8
Reverse repurchase agreements with customers	-	4,232.5	56.0	4,288.5
Debt and other fixed income securities	2,226.4	3,380.3	0.7	5,607.4
Equity securities	1.4	0.1	1.0	2.5
– Interest rate	0.9	7,808.1	-	7,809.0
– Convertible bond option	-	-	70.5	70.5
– Foreign currency	-	120.4	(0.1)	120.3
– Credit	-	520.3	-	520.3
Derivative assets	0.9	8,448.8	70.4	8,520.1
Shares in group undertakings	15.9	-	-	15.9
Financial assets	2,244.6	19,886.5	359.1	22,490.2
Repurchase agreements with banks	-	4,136.5	162.5	4,299.0
Repurchase agreements with customers	-	4,078.0	-	4,078.0
Short trading positions	1,557.4	1,331.5	0.2	2,889.1
– Interest rate	3.3	7,799.9	-	7,803.2
– Convertible bond option	-	-	70.1	70.1
– Foreign currency	-	136.2	(0.1)	136.1
– Credit	-	535.9	3.0	538.9
– Equity	-	-	-	-
Derivative liabilities	3.3	8,472.0	73.0	8,548.3
Debt securities in issue	-	-	4.2	4.2
Financial liabilities	1,560.7	18,018.0	239.9	19,818.6

C – Methods and valuation techniques used to determine fair values

Fair value is the amount at which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

The Group carries positions in financial instruments at a point within the bid-ask range that meets the Group's best estimate of fair value. Bid prices reflect the highest price that a party is willing to pay for an asset. Ask prices represent the lowest price that a party is willing to accept for an asset. For offsetting positions in the same financial instrument, the same price within the bid-ask spread is used to measure both the long and short positions.

The Group determines the fair value of financial instruments either by using prices obtained directly from external data, estimated on the basis of the price established in recent transactions involving similar instruments or by using valuation techniques. These valuation techniques incorporate generally accepted models commonly used by the financial community. They maximise the use of observable inputs and minimise the use of unobservable inputs. They are calibrated to reflect current market conditions.

The fair value for many cash instruments and OTC derivative contracts are derived using pricing models. Pricing models take into account the contract terms as well as multiple input parameters, including, where applicable, equity prices, interest rate yield curves, credit curves, correlation, creditworthiness of the counterparty, creditworthiness of the Group, option volatility and currency rates.

Valuation adjustments are applied as appropriate, when some factors such as model, liquidity and credit risks are not captured by the models or their underlying inputs, but are nevertheless considered by market participants when setting the exit price. The exit costs are priced in terms of bid-mid and mid-ask spreads, which are marked to levels observed in trade activity, broker quotes or other external third-party data. Where these spreads are unobservable for a financial instrument or market data point, spreads are derived from observable levels of similar positions.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market parameters are not readily available, assumptions are set to reflect those that the Group believes market participants would use in pricing the asset or liability at the measurement date. Where the Group manages a group of financial assets and financial liabilities on the basis of its net exposure to either market or credit risks, the Group measures the fair value of those financial instruments consistently with how market participants would price the net risk exposure at the measurement date.

The methods and valuation techniques used to determine fair values used for financial instruments shown at fair value on the Statement of Financial Position are described in more detail below by class of financial instrument.

Reverse repurchase and repurchase agreements

Reverse repurchase agreements and repurchase agreements are carried on the Statement of Financial Position at fair value, with changes in fair value taken through Statement of Comprehensive Income.

The fair value is determined in accordance with relevant market derived interest rates, which principally vary by reference asset type, currency, maturity and the degree of market demand for collateral which underlies individual contracts. Where appropriate, transactions with the same counterparty are reported on a net basis.

Certain reverse repurchase agreements on underlying Collateralised Loan Obligation("CLO") warehouse notes are carried on the Statement of Financial Position at Amortised cost, since MHI is not market making or otherwise holding a Trading position for short term gains and essentially is financing the counterparty on the CLO warehouse with the intent to hold to maturity and earn daily accrual interest on the financing amount.

Notes to the Financial Statements

Debt and other fixed income securities

Highly liquid securities are priced from readily available quoted prices. Less liquid securities are priced giving consideration to quoted prices & market derived rates for those securities.

Illiquid securities are valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. These securities are priced using relevant proxy market data as far as possible, and this data chiefly comprises market rates derived from more liquid securities of that issuer, rates implied from recent transactions in that or proxy securities and rates derived from credit derivative markets.

Equity shares

Common and preferred shares traded in active markets are valued using dealer price quotations or exchange prices recorded on the security exchange on which the security is principally traded.

Exchange traded funds are valued at the closing price recorded by the security exchange on which the security is principally traded.

Other financial investments included in equity shares principally comprise investments in a private equity partnership, which is valued based upon regular valuation reports provided by the fund manager.

Derivatives

The fair value of OTC derivatives is taken to be the sum of the estimated future cash flows arising from the instrument, discounted to present value at the date of measurement, using valuation techniques commonly used by the financial markets, viz. Net Present Value.

Credit derivatives

Credit derivatives that reference liquid reference assets, indices or issuers are valued using observable interest rates, credit spreads and recovery rates. To the extent that credit spreads are unobservable, these are determined with reference to recent transactions or proxy spreads from relevant debt securities.

Other derivatives

Vanilla interest rate, inflation and currency derivatives are priced using industry standard models that incorporate observable market interest, inflation and currency rates.

Interest rate, currency and equity derivatives that incorporate option related or other more complex features are priced using industry standard and proprietary valuation techniques. These utilise input parameters which include FX rates, interest rates, and equity prices, together with relevant volatility and correlation rates, and other model parameters. Certain derivative transactions executed with other Mizuho group counterparties have been priced using valuations provided by those counterparties, and those valuations have been based on the techniques described above.

Overnight Indexed Swaps ("OIS") discounting has been applied to the Group's derivative transactions conducted under agreements which provide for collateralisation of credit exposures, taking account of factors such as margin thresholds and the currency of collateral provided.

XVA

XVA fair value adjustments comprise Credit Valuations Adjustments ("CVA"), Debit Valuations Adjustments ("DVA"), Margin Valuations Adjustments ("MVA") and Funding Valuations Adjustments ("FVA"), which in themselves include Funding Benefit Adjustments ("FBA") and Funding Cost Adjustments ("FCA").

The closing XVA balances for year ending 31 March 2026 and 31 March 2025 respectively, and the effect on the Statement of Comprehensive Income for the following derivative fair value adjustments is:

Group and Company

	2026 £ millions	2025 £ millions	Movement £ millions	Loss / (gain) *
CVA	**0.3**	0.1	0.2	Loss
FVA (FCA/FBA)	**(1.2)**	(0.4)	(0.8)	Gain
Total XVA reserve	**(0.9)**	**(0.3)**	(0.6)	Gain

* Increased XVA balances represent a loss and decreased XVA balances represent a gain.

Credit valuation adjustment

The CVA is the mark to market cost of protection required to hedge credit risk from counterparties in the Group's derivative portfolio, and depends on expected and potential future exposures, default probability and recovery rates. The assessment takes into account whether collateral, netting arrangements or break clauses are in place.

The Group applies credit-related valuation adjustments to its derivative portfolios. The impact of changes in the counterparty's credit data is considered when measuring fair value. In determining the expected exposure, the Group simulates the distribution of the future exposure to a counterparty, then applies market-based default probabilities to the future exposure, leveraging independent third-party credit default swap ("CDS") spread data. Where CDS spread data is unavailable for a specific counterparty, CDS spread data that reference a comparable counterparty may be utilised. The Group also considers collateral held and legally enforceable master netting agreements that mitigate the Group's exposures.

In respect of counterparties that are regarded as distressed, the adjustment is determined through a more judgemental consideration of the likelihood of recovery with regards to the circumstances of those individual counterparties. Key items taken into consideration include the size of the Group's and third party claims upon the counterparty in comparison to the counterparty's available assets.

Debit valuation adjustment

DVA is taken to reflect the credit quality of the Group in the valuation of liabilities measured at fair value. This is determined symmetrically to the CVA on the same products & calculation methodologies, based on the negative potential and expected exposures and the Group's own creditworthiness. The Group's credit spread is observed through the CDS market to estimate the probability of default and loss given default as a result of a systemic event affecting the Group.

DVA is not recognised in the Group's reported XVA results. This is consistent with other EMEA entities and reflects the negligible impact of own credit on derivative valuations.

Funding valuation adjustment

The Group's FVA framework incorporates the impact of funding to its valuation estimates for derivatives. The framework incorporates the Group's best estimate of the funding cost or benefit that a relevant market participant would consider in the transfer of a derivative. The FVA methodology applies to both assets and liabilities. The key inputs within this process are the expected funding requirement arising from the Group's positions with each counterparty, giving consideration to the collateral arrangements. A hypothetical funding cost for a transfer to a market participant with similar credit standing as the Group, as exercised in the principal market, has been applied.

Margin valuation adjustment

The Group's MVA framework reports the impact on funding costs associated with the posting of Initial margin. Such margin must be funded as in the majority of cases, its re-hypothecation is not permissible. Those derivatives which require the posting of such margin will price in those related costs within the fair value representation.

The Group applies MVA only to bilateral derivatives, with centrally cleared derivative portfolios not incurring Margin valuation adjustments.

The methodology adopted incorporates the ISDA proposed model (SIMM) and the Group's own assessment of the market risk sensitivities prevalent in the derivatives portfolio. The funding level applied within the calculation is identical to that consumed within the FVA model.

Debt securities in issue

Debt securities – adjusted for fair value hedge accounting

The carrying amount of financial liabilities measured at amortised cost are adjusted by the amount of the changes in the fair value associated with those hedged risks.

Debt securities – designated at fair value through profit and loss

Debt securities in issue designated at fair value through profit and loss are priced using an industry standard discounted cash flow analysis model that incorporates the valuation of the relevant market rates which drive the calculation of coupon and principal payments, together with an assessment of the Group's own credit spread.

31. Share Based Payment

The Group has adopted a deferral plan as part of its remuneration policy, that creates a mechanism to reward staff in line with the longer term performance of their respective divisions and the Group as a whole. The plan also aims to encourage the ongoing retention and motivation of employees over the longer term.

The deferral plan applies to MRTs. At least 50% of the variable remuneration awarded to MRTs is required to be delivered in the form of shares in the Mizuho Financial Group (or the cash equivalent value of such shares at distribution). Share based remuneration may also be awarded to non MRTs in the context of hiring, by way of buyout of existing bonus arrangements (including any deferral and / or retention years). Such share-based remuneration will be subject to appropriate performance adjustment requirements..

Subject to good leaver provisions, deferred bonuses / awards may be forfeited in the following circumstances: voluntary resignation; or termination of employment for misconduct or gross misconduct; or an employee's failure to comply with the Group's professional standards and / or the PRA's Principles of Approved Persons; or restatement or recalculation of individual, departmental, and / or corporate financial performance; or in the case of MRTs only, assessment or reassessment of individual, departmental, and / or corporate financial performance; or a material error; or a material failure of risk management.

The cost of share-based awards has been recognised in the Statement of Comprehensive Income in a time apportioned manner over the relevant vesting years. The liability on the Statement of Financial Position comprises this accrued cost, less any vested awards that have been paid out. Details of awards made, share based payment liabilities and expenses recognition are provided below:

	2026	2025
	£ millions	£ millions
Carrying value of share-based payment liability	**20.4**	12.9
Expense arising from share-based payment transactions	**11.8**	7.3

32. Country by Country Tax Payments

Group	**Income**	**Profit / (loss) before tax**	**Capital**	**Retained earnings**	**Tangible assets**	**Tax paid / (received)**	**Average number of employees**
Country (Business)	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions
UK (Banking)	**417.9**	**24.2**	**809.9**	**55.2**	**21.6**	**(0.4)**	**1,289**
United Arab Emirates (Primary debt)	**5.1**	**0.7**	**-**	**(28.9)**	**-**	**-**	**32**
Consolidated adjustments	**(26.3)**	**(4.4)**	**-**	**0.8**	**-**	**-**	**-**
Total	**396.7**	**20.5**	**809.9**	**27.1**	**21.6**	**(0.4)**	**1,321**

The Group is committed to responsible management of its tax affairs. Tax is managed in accordance with local laws and the Group is transparent in its interaction with tax authorities. In the UK, the Group has reaffirmed adoption of the HMRC's Code of Practice on Taxation.

33. Parent Undertakings

Mizuho International plc is directly owned by Mizuho Securities Co., Ltd, a company which is incorporated in Japan. The Group's ultimate parent undertaking is Mizuho Financial Group, Inc., which is incorporated in Japan.

Copies of the group financial statements for Mizuho Financial Group, Inc. can be obtained from:

Public Relations Office
Mizuho Financial Group, Inc.
Otemachi Tower
1-5-5 Otemachi, Chiyoda–ku, Tokyo
100–8176, JAPAN

https://www.mizuhogroup.com/investors/financial-information?tab=financial-statements

Mizuho International plc
30 Old Bailey, London, EC4M 7AU

mizuhogroup.com/emea