

About Nomura, role of Investment bank

NOMURA



Nomura Financial Investment (Korea)

Norihiko Nishino

September 2013

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❑ **Nomura Group Overview**

- ❑ Group history and structure
- ❑ Division overview – Retail, Asset Management and Wholesale
- ❑ Wholesale strategy: Gateway to Asia

❑ **Financial Performance**

- ❑ Revenue performance
- ❑ Capital position and balance sheet
- ❑ Credit rating and CDS spreads
- ❑ Future outlook and strategy

❑ **Introduction to Business**

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- ❑ Our Market recognition
- ❑ Key investment banking transactions
- ❑ Regional Capabilities

❑ **Korea Market**

- ❑ Major Market
- ❑ Market Environment
- ❑ Role in Asia

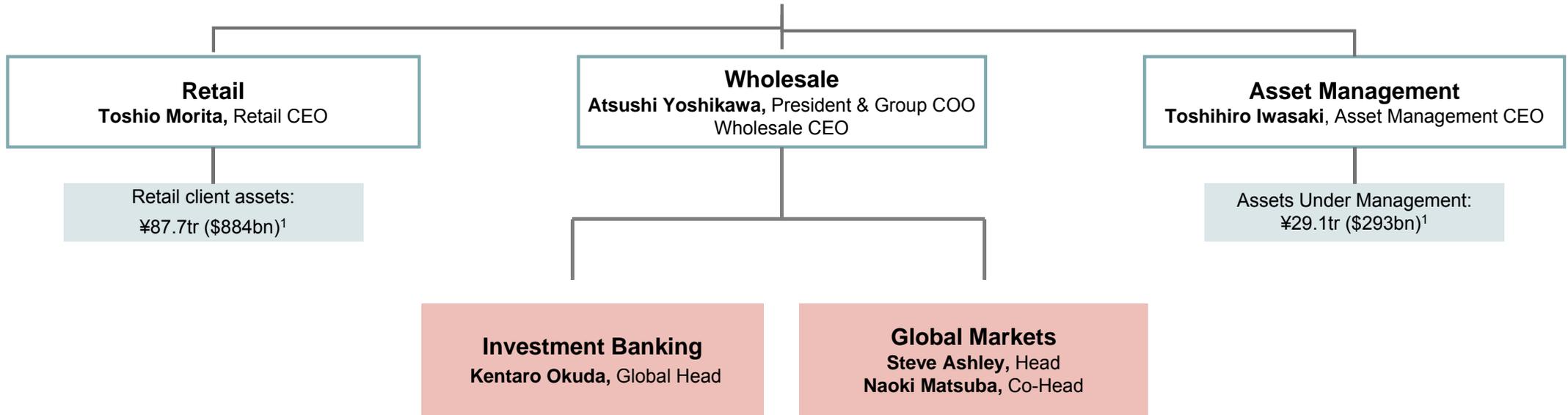
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Nomura Group Overview

NOMURA

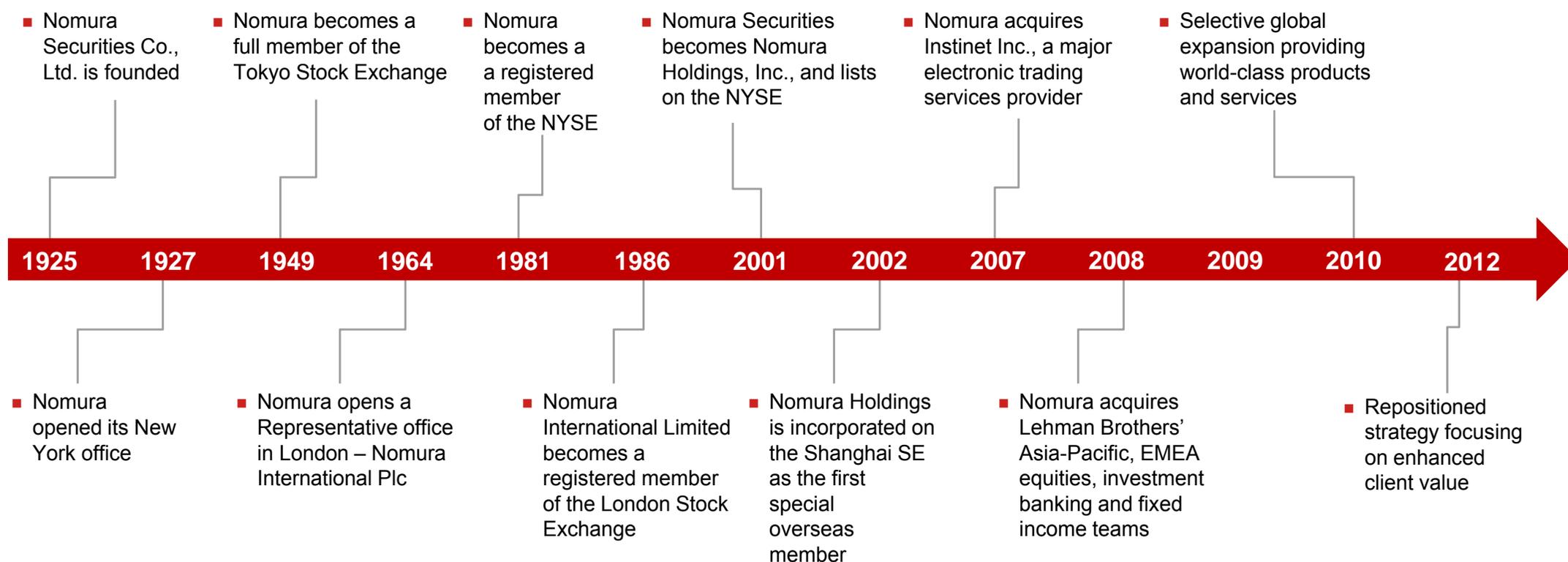
Market Capitalization: \$28bn¹
Assets: \$423bn¹

Koji Nagai, Group CEO



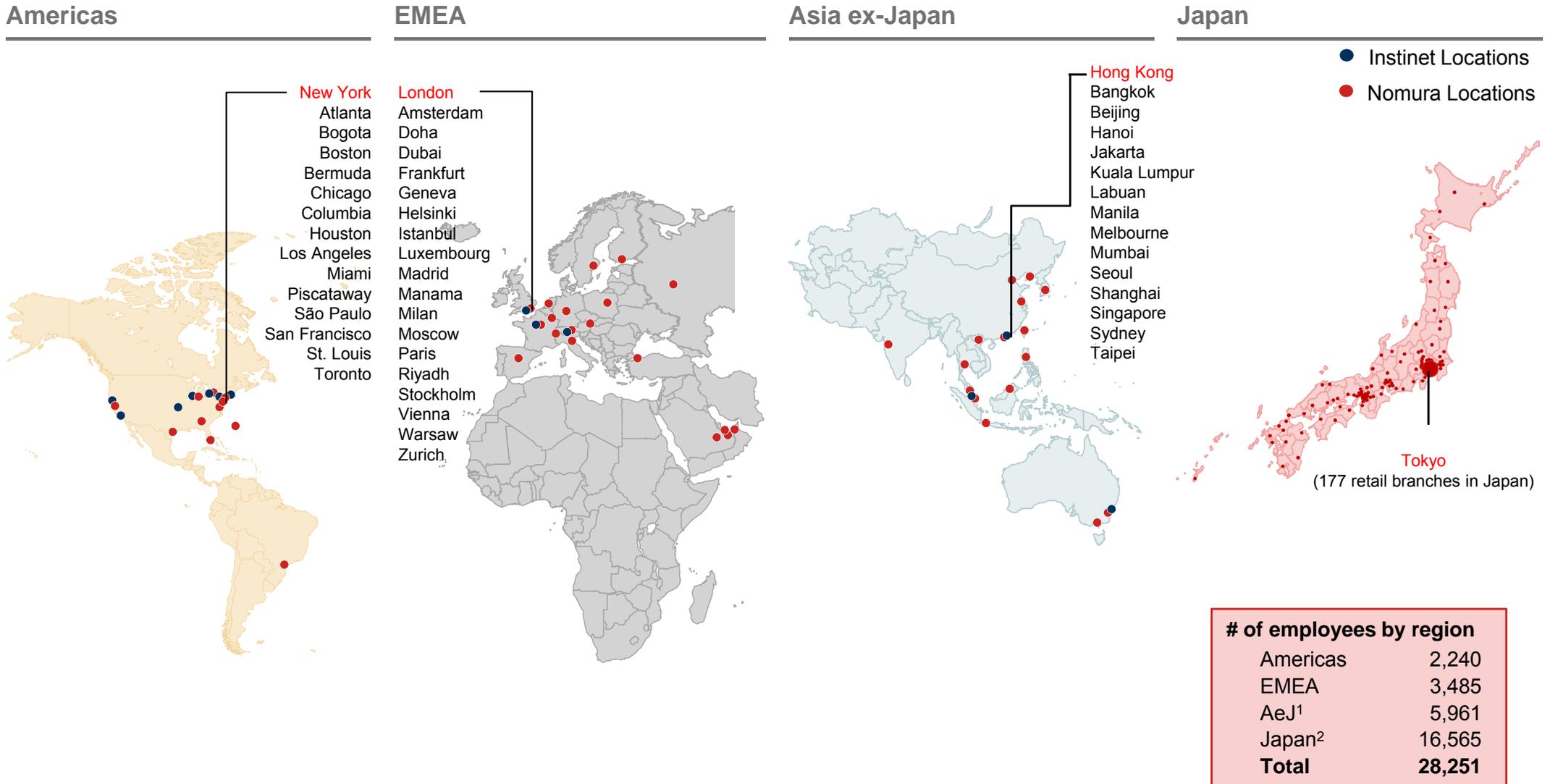
Asia's global investment bank

Since 1925, our approach has been to make bold and considered strategic moves. We have a deep and specialised focus on key geographical areas, products and services, allowing us to pursue creative solutions along with a streamlined structure to react quickly to market conditions



Global footprint

Global headquarters in Tokyo, with regional headquarters in Hong Kong, London and New York; with ~28,000 people globally



Note: Cities in red represent headquarters/ regional headquarters. Headcount as of June'13

1. Includes Powai
2. Includes Financial Advisors

Retail: Continue to be a leading franchise in Japan



Accounts

5m

Employees

10,000+

Branches

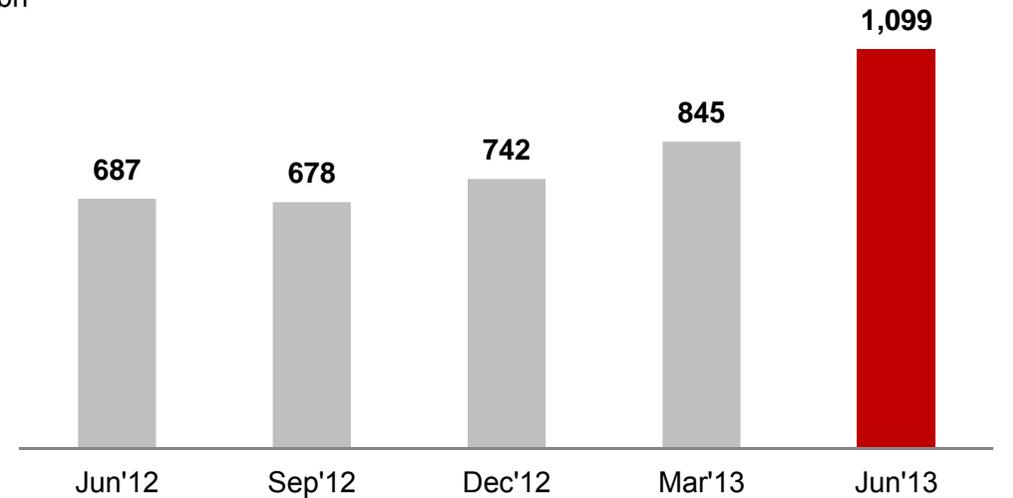
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Client Distribution

Multi-Channel: Branch Network, Call Centres, Web-based Services; Multi-Product: Open-architecture for Products

Retail Asset under Custody¹

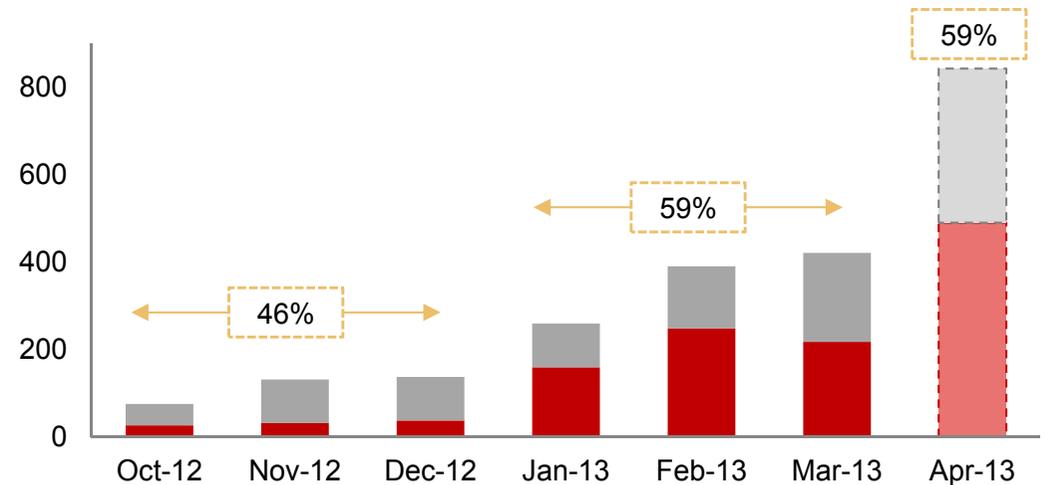
\$bn



Japanese Equity Fund Sales and Nomura Market Share²

¥bn

■ Nomura ■ Other companies □ Nomura Market Share



1. Note: Exchange Rate: 99.21 US\$/JPY (28 June 2013)

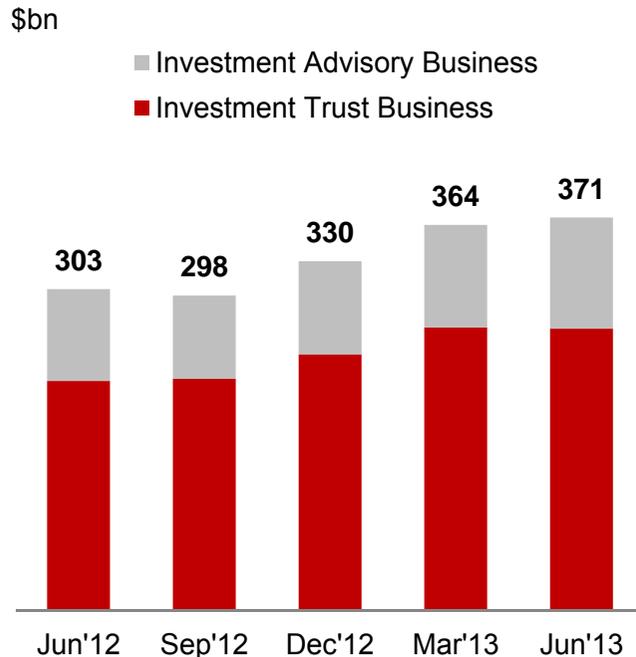
2. Source: Nomura, based on Nomura Research Institute's Fundmark



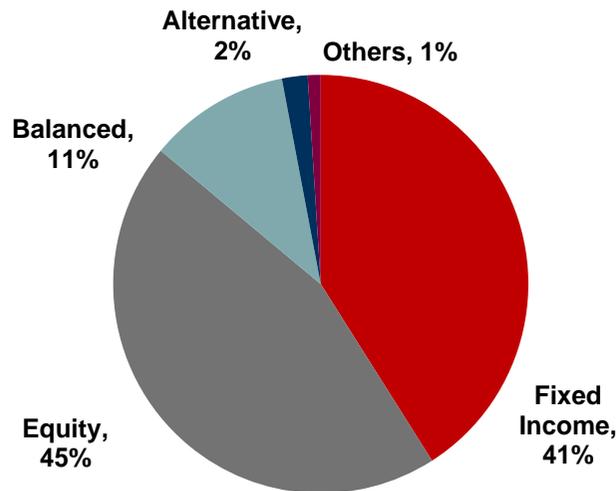
We believe we have unique investment perspectives given our Asian base, a region that increasingly shapes the course of global economic and market developments.

Our in-depth knowledge of the Asian and Japanese markets provides a solid background for assessing investment opportunities globally.

AUM (gross)¹ by Business



Type of Mandates²



Fund Examples

Nomura High Dividend Infrastructure Equity Premium total of 4 funds

Inflows: Y134.5b Net Assets³: Y446.0b

- Current select course (monthly profit distributions)
 - Launched: Oct 2012
 - Net Assets³: Y314.7b

Inflows	Y107.8b
Return ⁴	29.0%

Nomura Japan Brand Stock Investment Fund total of 15 funds

Inflows: Y331.3b Net Assets³: Y711.2b

- Brazilian real course (monthly profit distributions)
 - Launched: Apr 2009
 - Net Assets³: Y384.6b

Inflows	Y204.8b
Return ⁴	53.2%

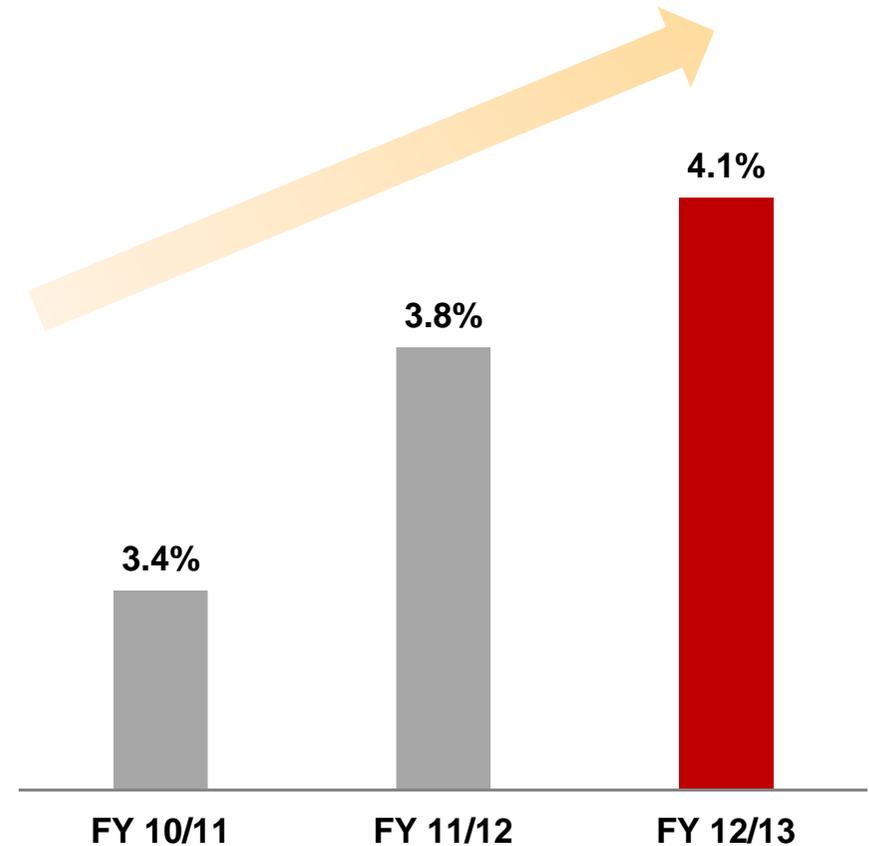
Wholesale Organization



- The Global Markets business encompasses all Fixed Income and Equities asset classes
- Integrated client strategy across asset classes and regions, unlocking cross-product and cross-border flows, and ensure best deployment of our resources to meet our clients' needs
- World-class, full-service platform to service the needs of our clients globally
- Strength in delivering East-West cross border deals
- Comprehensive suite of financing and risk management products within Global Finance

Expanding franchise¹

Nomura Market Share



1. Market share based on Top 11 banks (JPM, Citi, BoA, MS, GS, DB, CS, UBS, Barc, SG, BNP) and Nomura

Wholesale: Recognition of outstanding capabilities across regions

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Global

- #1 Yen Derivatives Overall, #1 Yen Interest Rate Swaps, #1 Yen Swaptions, #1 Yen Repo, #1 Yen IR Options, #1 Yen Forwards - 2012
- 2012 Rates Survey - #1 Yen products overall, Euro inflation linked products
- Most Innovative Investment Bank for FIG Capital Markets - 2012



The Banker

- #1 Overall Transition Manager – 2013
- #1 Synthetic Finance Provider for HFs overall – 2013
- Volatility House of the year - 2012
- 2013 FX survey - #14 overall market share
- Global Markets Deal of the Year - 2013



DerivativesIntelligence



Japan

- Best M&A House - 2012
- Best Debt House - 2012
- Straight Bond Issuer of the Year – 2013
- Samurai Bond House of the Year – 2013
- ABS Deal of the Year – 2013
- Equity linked Bond of the Year - 2013
- Best Securitization House - 2013
- Best Equity House - 2012
- Best Equity Brokerage - 2012



FinanceAsia

EMEA

- #2 Synthetic Finance Provider for HFs in EMEA – 2013
- Deal of the Year, Large-cap leveraged loan of the Year, UK deal of the Year
- Best M&A Deal in Middle East
- Best M&A Deal in Europe
- Seasoned Equity Offer House Portugal - 2012
- Best Traders' Platform and Best Execution Functionality (NomuraLive) – 2012
- Best Banks Platform (Nomura Live) - 2013



EUROWEEK

The Banker



AEJ

- Asia Pacific Derivatives House of the year - 2012
- Best Execution Management System (Newport) - 2012
- Best Real Estate Finance Deal for APAC - 2013
- Country Deal Awards: Taiwan - 2012
- Country Deal Awards: Thailand - 2012
- Asia Deal of the Year - 2012

DerivativesIntelligence



The Banker

ASIAMONEY



Americas

- Wall Street Letter's Institutional Trading Awards – 2012
 - Best Overall Broker Dealer - Instinet
- Waters Rankings
 - Best Execution Management System Provider for Newport 3 EMS - 2012

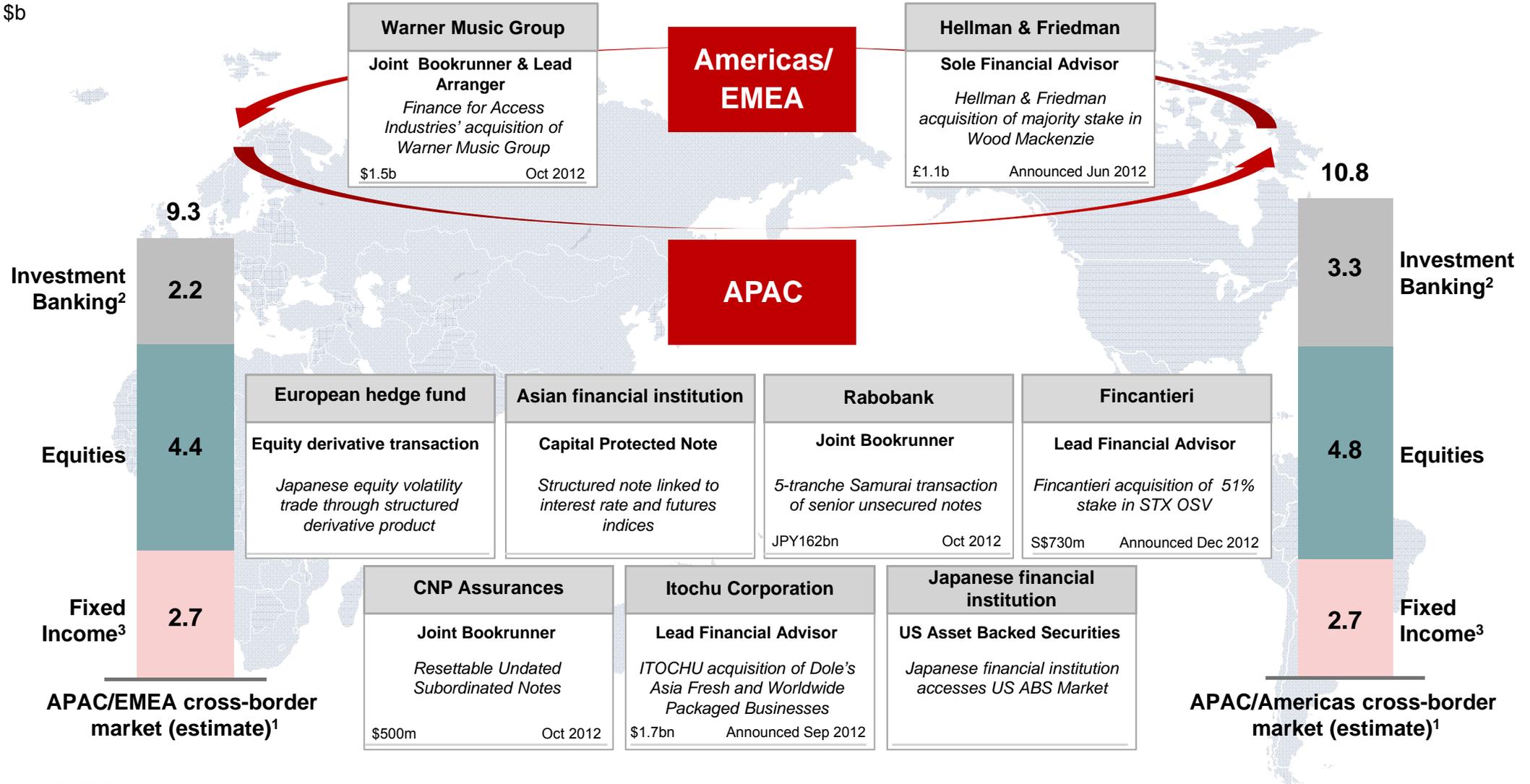


waters rankings
3 2012

Wholesale: Strategy focused around gateway to Asia

Wholesale Cross-Border Revenue Pools (2012)

\$b

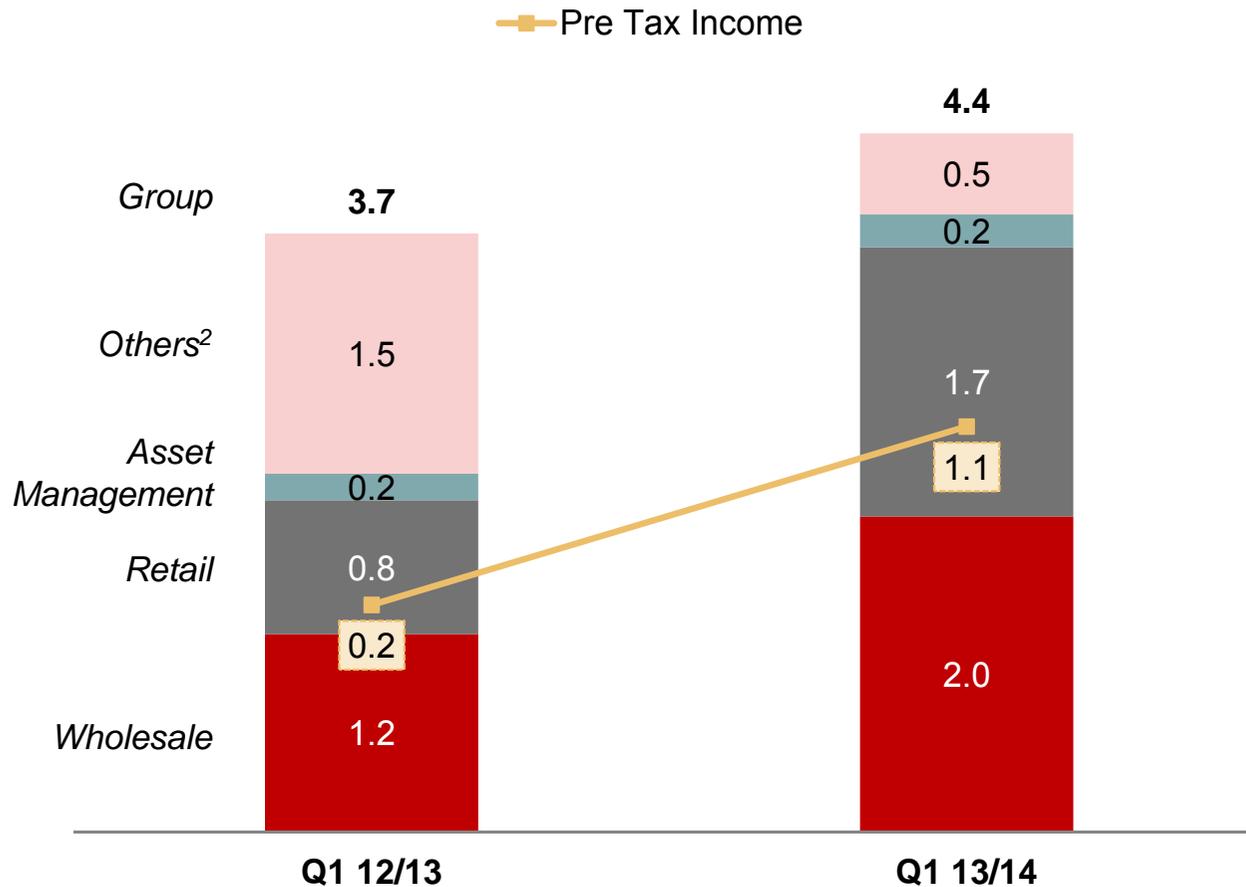


1. Jan – Dec 2012
 2. Includes Solutions business revenues
 3. Excludes FX and Securitized Products revenues
 Source: Nomura, based on data from Coalition, OWC, McKinsey, Dealogic, McLagan.

Financial Performance

Nomura Revenues By Division¹

\$bn



- Solid group performance compared to the same period last year
- Higher revenues and income YoY on account of a strong contribution from the Japan Retail business
- Steady growth in AUM
- Strong Wholesale revenues driven by Equities and Investment Banking

Note: Exchange Rate: 99.21 US\$/JPY (28 June 2013)

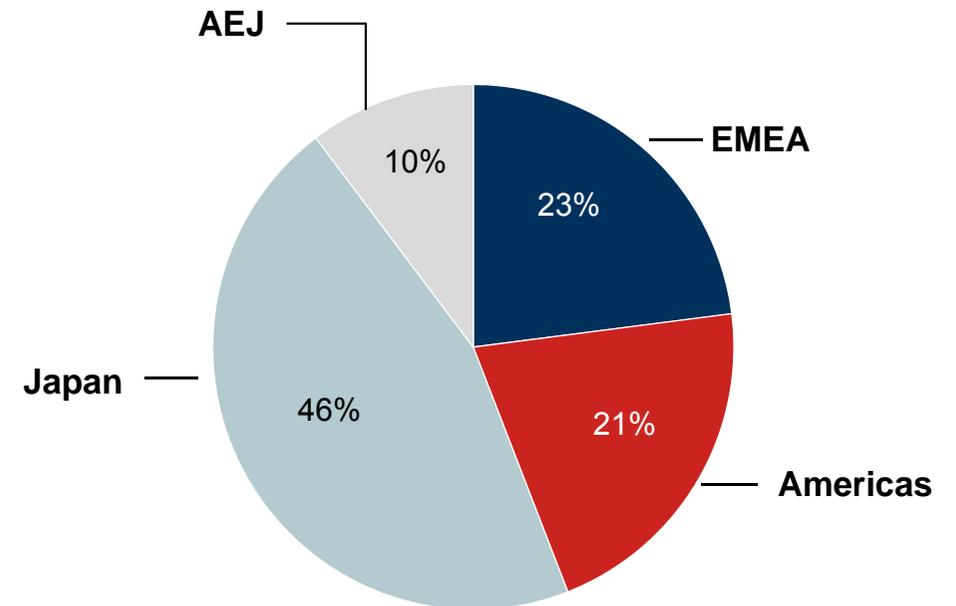
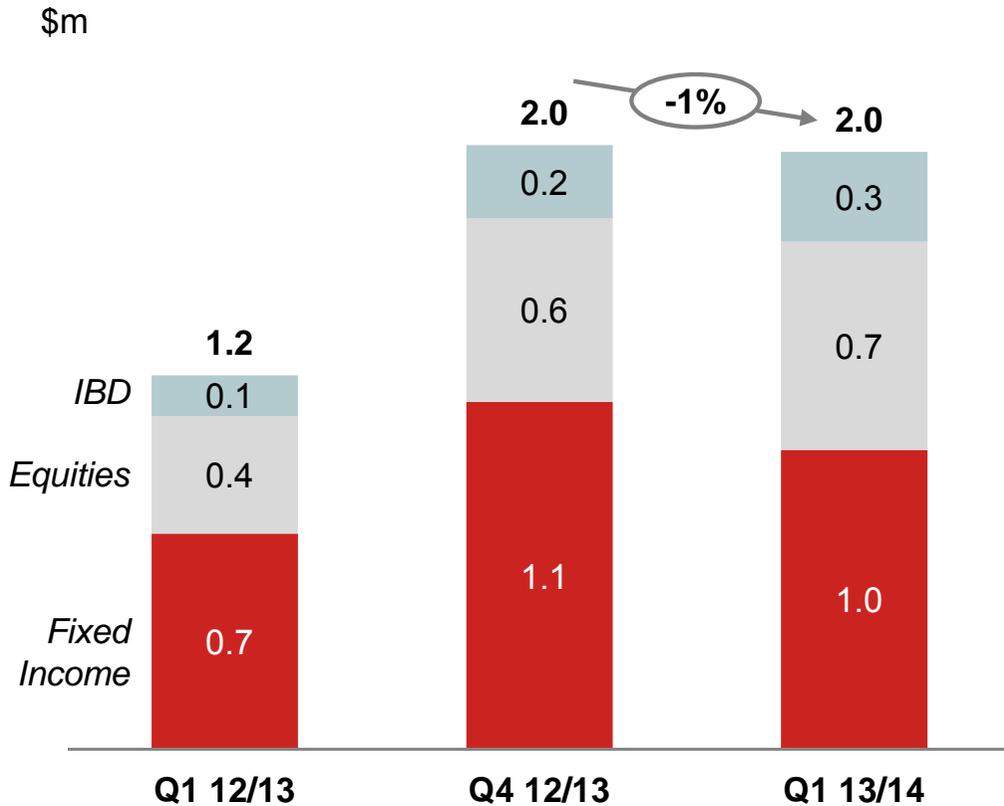
1. Company Reports, All data as of (28 June 2013)

2. Includes entities consolidated as a result of converting Nomura Land and Building into a subsidiary and unrealized gain (loss) in investments in equity securities held for operating purposes

Strong FICC player with diversified regional revenues

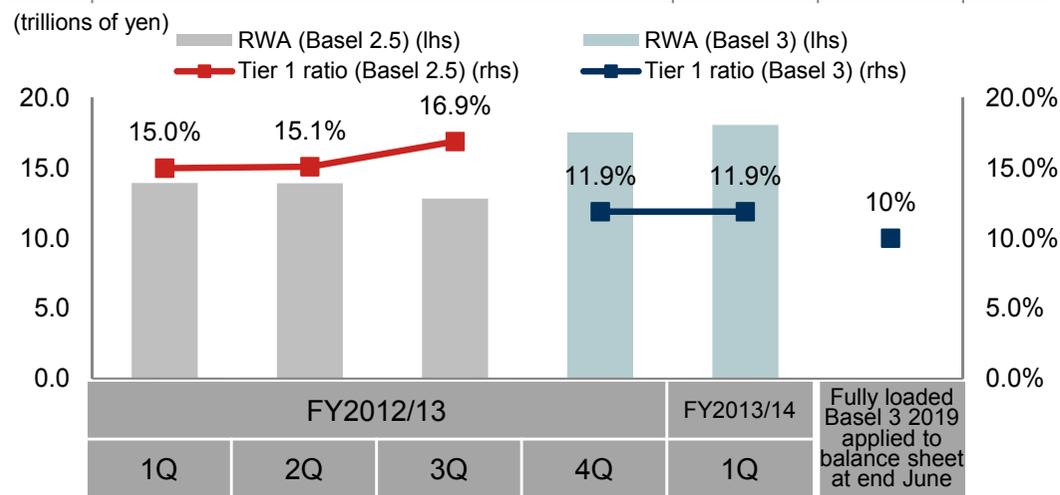
Wholesale Divisional Revenues

Regional Revenue Contribution – Q1 13/14

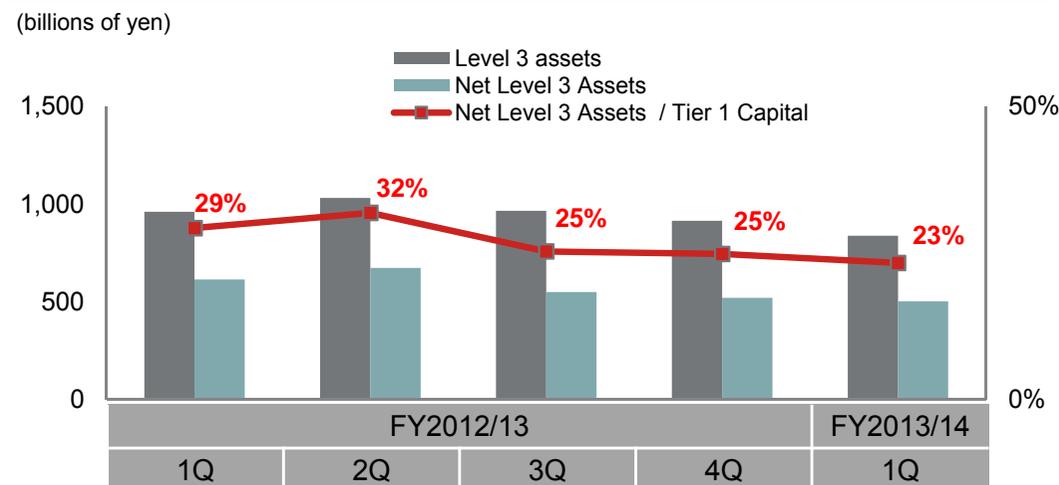


- Equities and Investment Banking reported higher revenues on the back of improved market conditions and increased revenue opportunities
- Fixed Income revenues were impacted by challenging market environment in flow products especially in Rates, leading to a QoQ decline

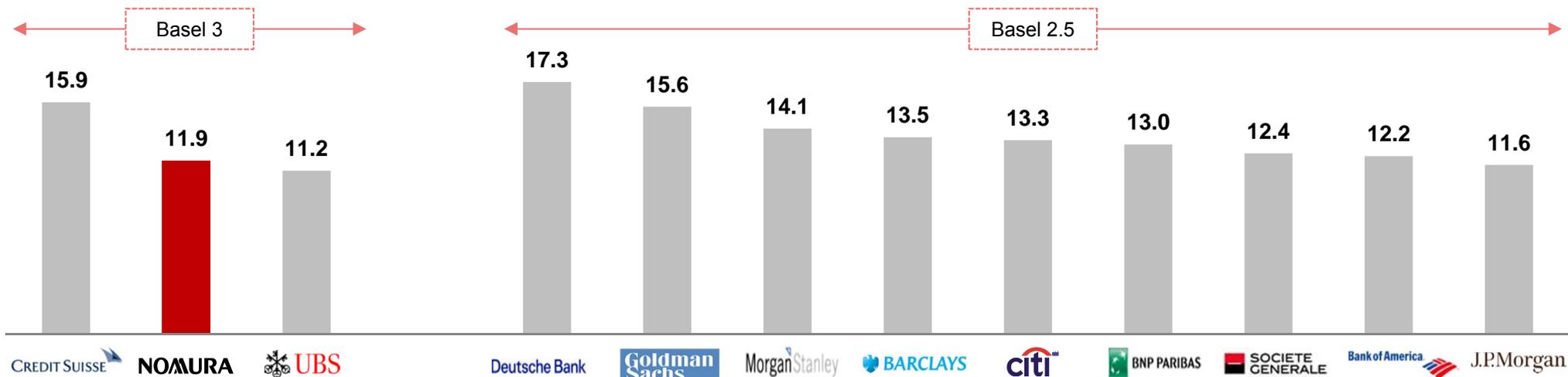
Risk weighted assets and Tier 1 ratio



Level 3 assets¹ and net level 3 assets¹/Tier 1 capital



Tier 1 ratio² (%)



1. Preliminary; Net level 3 assets are net of derivative liabilities.

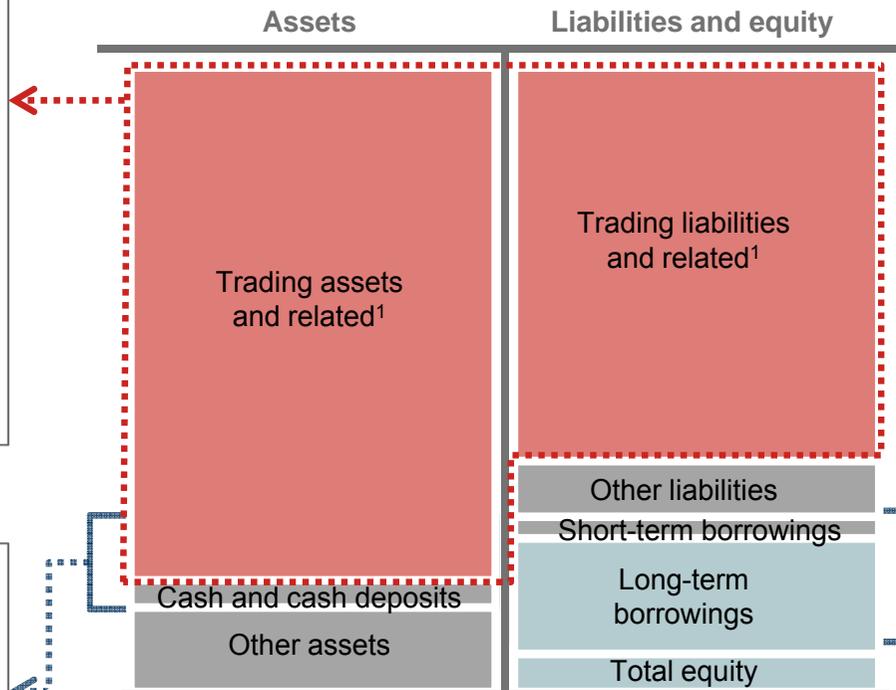
2. Note: Nomura Holdings (NHI) is compliant with Basel 3 capital rules effective March 31, 2013 from the JFSA. Tier 1 ratio reported as per different reporting standards according to Company disclosure.

Source: Company data as of 28 June 2013 except BNP and SocGen (31 Mar 2013)

Balance sheet structure

- Highly liquid, healthy balance sheet structure
 - 83% of assets are highly liquid trading and related assets that are marked-to-market and matched to trading and related liabilities through repos etc. (regionally and by currency)
 - Other assets are funded by equity and long-term debt, ensuring structural stability

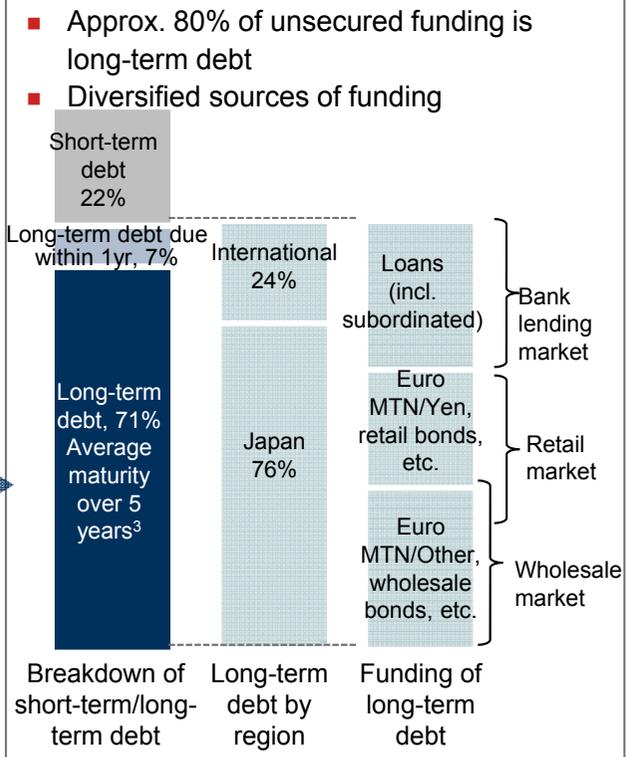
Balance sheet
(As of Jun 2013)



Liquidity portfolio²

- Liquidity portfolio:
 - Y6.3trn, or 15% of total assets
 - Maintain a high quality liquidity portfolio surplus without the need for additional unsecured funding over a certain period

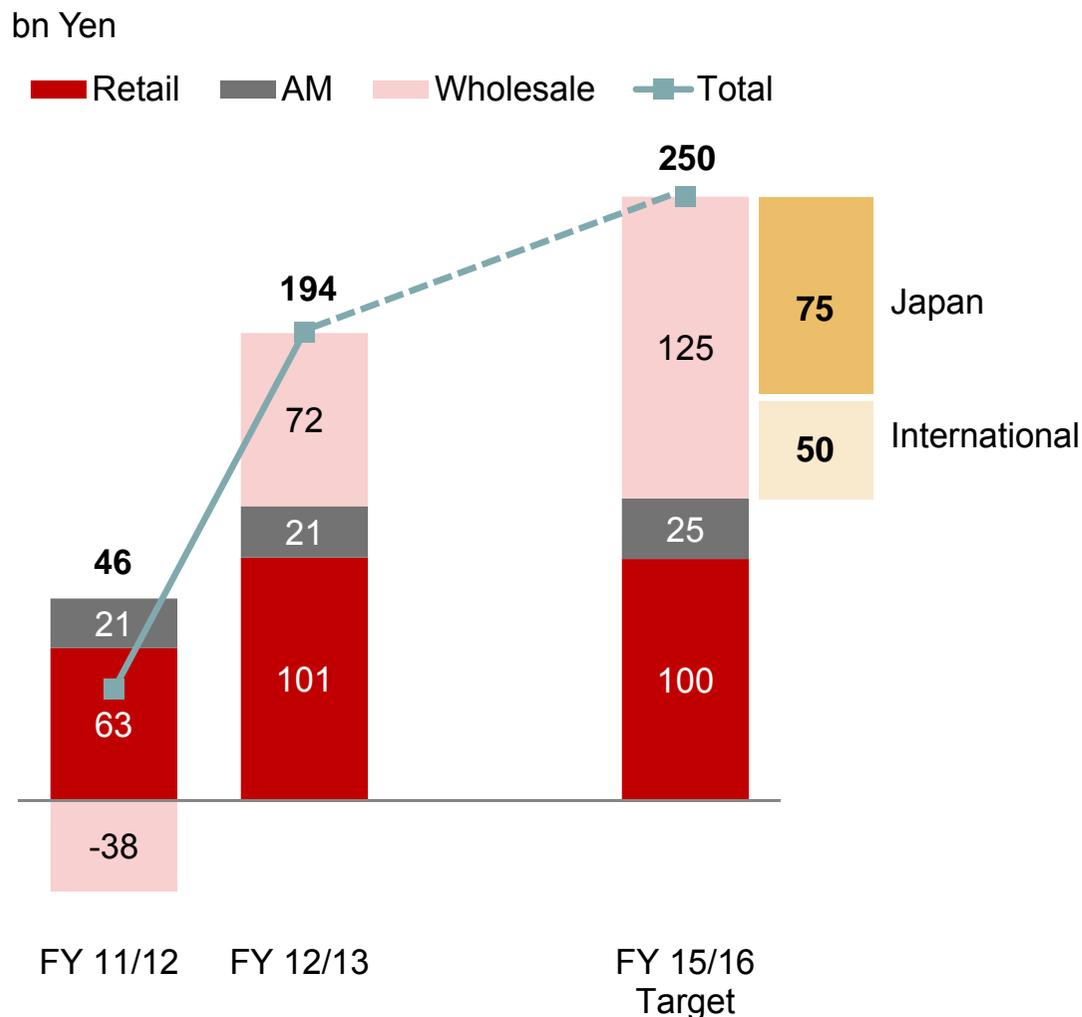
Unsecured funding²



1. Trading assets and related: Reverse repo, securities, derivatives, etc. Trading liabilities and related: Repo, securities loaned, derivatives, etc.
 2. Definition differs from financial disclosures reflecting Liquidity Management's view. Cash and cash deposits portion of liquidity portfolio excludes funds on deposit at exchanges and segregated client funds.
 3. Excludes long-term debt due within one year. Redemption schedule is individually estimated by considering the probability of redemption under certain stressed scenarios.

Looking ahead, aim to improve profitability by 5x in 4 years

Target PTI of Y250bn^{1,2}



Drivers of Growth

Retail

- Strengthen consulting based sales approach and improve the understanding of priority client segments through regular and thorough feedback

Asset Management

- Strengthen product line up and provide various investment solutions
- Enhance cross divisional collaboration

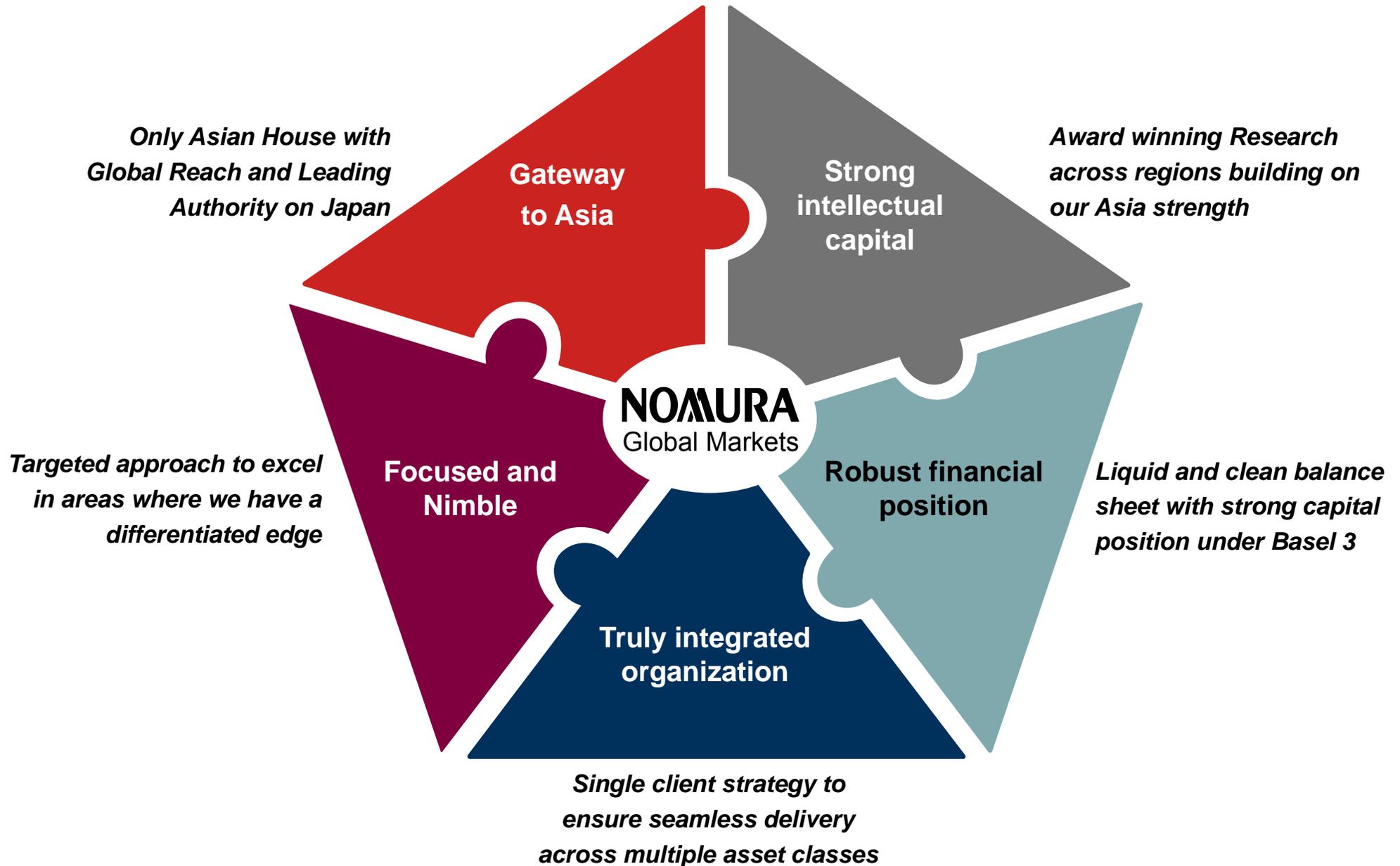
Wholesale

- Priority to improve International Wholesale profitability
- Strengthen global platform and expand client franchise in Global Markets
- Complete realignment of agency business with Instinet migration
- Focus on deep and narrow Research model; leveraging our Japanese and Asian strength
- Strengthen ECM business in our mother market and expand cross-border DCM
- Strengthen cross-border M&A across global priority sectors

1. Effective tax rate differs by country so pretax income required to achieve EPS of Y50 may fluctuate depending on the regional breakdown of earnings
 2. FY2015/16 pretax income target excludes "Other". Including "Other" the FY 11/12 pre tax is \$86m and FY 12/13 pre tax is \$238m.

NOAURA

Introduction to Business



Global Markets – seamless coverage across asset classes

- No.1 for Euro-inflation products (Euromoney, 2012)
- Structured Products House of the Year (Asia Risk, 2011)
- No.1 for Yen Products overall (Euromoney, 2012)
- No.1 for IR Swaps – Yen (Risk, 2012)
- No.1 Japanese FX House (Euromoney, 2011)
- No.1 Traders Platform – NomuraLive (Profit and Loss, 2012), No.1 Banks Platform – NomuraLive (Profit and Loss, 2013)
- No.1 for Yen Derivatives (Risk, 2012)
- Best Broker in Paper Confirmations Timing for CDS, Best Broker in Paper Confirmations Accuracy for CDS and IRS (McLagan, 2012)
- Volatility House of the Year (Derivatives Week, 2012)
- Asia Pacific Derivatives House of the Year (Derivatives Week, 2012)
- No.1 for client market share on the London Stock Exchange (June 2009 – March 2013, LSE)¹
- Top 10 liquidity provider for Euronext (October 2010 – March 2013)²
- No.1 transition manager (Global Investor/ISF, 2010-2013)
- Best Synthetic Finance Provider for Hedge Funds (Global Investor/ISF, 2013)

1. Based on internal calculation
2. Euronext Lisbon, Brussels and Amsterdam

Investment banking – strength in advisory

- Best Investment Bank in Japan and Asia-Pacific (Global Finance, 2013)
- Most Innovative Investment Bank for FIG Capital Markets (The Banker, 2012)
- Japan House of the Year (Thomson DealWatch, 2012)
- Straight Japan Bond House of the Year (Thomson DealWatch, 2012)
- No.1 for M&A in Japan (Thomson Reuters League Tables, 2012)
- Most Impressive SSA House in Yen (Euroweek, 2013)
- Best M&A House, Japan (Euromoney, 2012)
- Best Investment Bank (FinanceAsia 2012)
- Seasoned Equity Offer House of 2012 (NYSE Euronext, Lisbon, 2013)

Research – considered thought leadership

- No. 6 Fixed Income Research in Europe (Institutional Investor, 2012-2013)
- No.2 Quantitative Analysis in Europe (Institutional Investor, 2012-2013)
- No.2 Research in China (Institutional Investor, 2011, weighted)
- No.7 All-America Fixed Income Research (Institutional Investor, 2012)
- No.1 Research in Japan (Institutional Investor, 2010-2013)
- No.1 All-America Currency/FX Research (Institutional Investor, 2012)
- No.2 All-Europe Currency/FX Research (Institutional Investor, 2013)
- No.2 Fixed Income Research (FinanceAsia, 2011)

M&A

BC Partners, Joint Advisor, €3.3bn acquisition of Springer (June 2013) EMEA

Danone, Financial Advisor, agreed to enter into a new cooperation framework with Yakult (April 2013) EMEA/ Japan

Fincantieri, Lead Financial Advisor, SGD 731m acquisition of 51% stake in STX Europe (December 2012) EMEA/ AeJ

FROB, Sole Financial Advisor, Creation of Asset Management Company for the problematic assets of the Spanish banking sector (SAREB) (December 2012) EMEA

KKR, Joint Financial Advisor, \$714m definitive agreement with Temp Holdings to acquire all outstanding shares (March 2013) EMEA/ Japan

KKR, Sole Financial Advisor, acquisition of South Staffordshire plc (May 2013) EMEA

Mitsubishi Chemical Holdings, Sole Financial Advisor, \$657m acquisition of Qualicaps from The Carlyle Group (December 2012) Japan

Mitsubishi Heavy Industries, JPY315bn business integration in the thermal power generation systems field with Hitachi (Pending), Japan

NH Hotels, Co-Financial Advisor, €550m reserved capital increase, sale of assets and JV with HNA (February 2013) EMEA

Omers Private Equity, Financial Advisor, £390m acquisition of Civica (May 2013) EMEA

Sumitomo Corporation, Sole Financial Advisor, a total consideration of £164.5m for the entire share capital of East Surrey Holdings Limited (February 2013) EMEA/ Japan/ US

Toyota Industries Corporation, Sole Financial Advisor, \$759m acquisition of Cascade Corporation (October 2012) Japan/ Americas

UOB Asset Management Ltd, Sole Financial Advisor, €2.9bn acquisition of ING Funds (Thailand) Company Ltd (Pending) AeJ

Vinci, Financial Advisor, €365m acquisition of a 4.7% stake in Aéroports de Paris (June 2013) EMEA

Warner Music Group (Access Industries), M&A Advisor, \$765m acquisition of Parlophone Label Group (February 2013) EMEA

Recognized for superior capabilities in AeJ

Overview

- Growing presence in the local markets combined with unique understanding of region
- Coverage across Hong Kong, Singapore, Taiwan, China, Korea, Australia, S.E Asia (across Malaysia, Indonesia, Thailand and Philippines) and India (PD and NBFC licenses obtained) - 600+ GM employees

Product Strengths

Rates	FX	EM	Credit	Converts	Structuring
<ul style="list-style-type: none"> ▪ Market leading connectivity to Japanese Retail and AUD flows ▪ SSAs: Primary & Secondary ▪ OIS and STIRT ▪ Govt bonds ▪ Swaps: AUD, USD ▪ Structured Rates: USD structured and exotic rates products ▪ Options: USD 	<ul style="list-style-type: none"> ▪ Asian FX Strategy Team: #1 II, 2013 ▪ Asian FX: #1 in 2013 II survey ▪ Asian NDFs: AEJ, London and NY time zones ▪ G10 currencies + derivatives ▪ Asian ccy FX options ▪ G10 Options ▪ E-Trading: award winning FX trading platform, NomuraLive 	<ul style="list-style-type: none"> ▪ EM Credit: Asian corporates – Top 3 in Eleonora ▪ Repo: financing to maturity ▪ EM Rates: - ▪ Asian Rates Strategy Team: #1 II, 2013 ▪ Swaps: SGD, INR, MYR, THB, KRW and CNH ▪ Bonds: INR, KRW and MYR ▪ Onshore presence in India & Korea 	<ul style="list-style-type: none"> ▪ G3 Asian Credit: #3 II survey, May 2013; #1 Market Penetration in G3 Asian Bonds & Domestic Currency Asian Bonds, Greenwich; #2 research & market coverage, AsiaMoney; dedicated coverage during US time zone ▪ High Yield Credit: #2 Finance Asia; #2 Research on HY Corporate Bonds, Greenwich ▪ Investment Grade trading: #3 Eleonora Survey ▪ CDS indexes and tranches: #3 Risk – Institutional Investor rankings, 2012 ▪ Corporate research – Asia and EM: #1 Asia in Eleonora ▪ Asian Bank & Financial Sector Research: #2 Finance Asia ▪ Electronic Trading : #1 on Bloomberg and #4 on MarketAxess in volumes 	<ul style="list-style-type: none"> ▪ Lead issuer: AEJ CBs ▪ Fully-integrated sales, trading and research ▪ #1 rated convertibles franchise in AeJ 	<ul style="list-style-type: none"> ▪ Rates: Index & Hybrid structured notes ▪ FX & EM: Asian FX structured products, Asian Index product, Structured repo financing ▪ Credit: Asian credit structured notes, repo financing ▪ Corporate solutions: Structured lending, risk management solutions ▪ Equity: Index and single name structured products, investor solutions, corporate equity-linked solutions ▪ Volatility: Volatility House of the Year, 2012 Global Derivatives Award ▪ Corporate Equity Derivatives: Financing, hedging, building, monetizing stakes

Equity Flow Derivatives	Delta 1 - Equities	Execution Services
<ul style="list-style-type: none"> ▪ Options & Volatility: Lite exotics/structured flow ▪ Custom Basket options ▪ Dispersion/Correlation trades 	<ul style="list-style-type: none"> ▪ Comprehensive Product Suite including index & sector swaps, ETFs, single stock futures etc. 	<ul style="list-style-type: none"> ▪ Instinet: <ul style="list-style-type: none"> - Agency high-touch trading - Newport EMS: Broker-neutral platform - Algorithms/SOR - Trade analytics tools - CBX/BLX/VWAPX dark pools - CMS platform ▪ Futures & Options: <ul style="list-style-type: none"> - Specialist Asian knowledge: coverage in Singapore, HK and India - Traiana Client-link: enables clients to use multiple Futures clearers - DNA Trader: order execution management and routing tool - FIX (Care Orders): worked orders , STP execution
		<ul style="list-style-type: none"> ▪ OTC Derivative Clearing: <ul style="list-style-type: none"> - The only Japanese provider of international OTC Derivatives Clearing services - Working group member for: JSCC, HKEX, SGX, CME, ICE, LCH, EUREX - Collateral optimisation: upgrades and single currency margining - Bespoke reporting and delivery methods ▪ Prime Services: <ul style="list-style-type: none"> - Securities Lending: strategic arrangements with 150+ institutional and over \$700bn in captive Asian assets - Unparalleled access to Asian institutional investors - Cash and synthetic prime brokerage - EQ finance - Quant Prime Brokerage: high-frequency execution linked to financing

Overview

- Broad range of innovative solutions catering to individual, institutional, corporate and government clients
- Uniquely positioned in the region to facilitate cross border access to EMEA for Asian investors (900+ GM employees)
- Primary Dealership in Austria, Belgium, France, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain and UK

Product Strengths

Rates	FX	EM	Credit	Securitized Products	Converts
<ul style="list-style-type: none"> ▪ JGBs, Euro Government Bonds, Gilts, USTs, Inflation, SSA, Covered Bonds (periphery and sov CDS) ▪ Repo / Financing ▪ STIRT: EUR, USDJPY XCCY and forward FX ▪ Swaps: JPY, EUR, GBP, USD, Inflation ▪ Structured Rates: EUR & USD structured and exotic rates products ▪ Options: EUR & USD 	<ul style="list-style-type: none"> ▪ G10 currencies & derivatives (risk capacity and product suite) ▪ Asian NDFs: AEJ, London and NY time zones ▪ EM/FX with dedicated Asia trading expertise ▪ E-Trading: award winning FX trading platform, NomuraLive ▪ FX Strategy: Jens Nordvig, #1 (II) ▪ EM FX Strategy: #1 trading ideas Eleonora Survey ▪ EM Strategy / Economics: South Africa and Central Europe, policy-maker access (Turkey, Hungary) 	<ul style="list-style-type: none"> ▪ EM Credit: Middle East sovs & corps; 2013 target: CEE & Africa ▪ Repo / Financing: local & external debt, esp. Turkey, Brazil, Peru ▪ EM FX Strategy: #1 trading ideas Eleonora Survey ▪ Turkey XCCY swaps: #1 Eleonora Survey ▪ Asia NDFs: #1 trading strategy, ideas ▪ EM Rates: South Africa swaps & derivs; top market -maker ▪ EM Strategy / Economics: South Africa and Central Europe, policy-maker access (Turkey, Hungary) 	<ul style="list-style-type: none"> ▪ EM Credit: CEEMEA credit, top 10 on MarketAxess ▪ Financials: Bank Capital focus, Tier 1– banks & insurance, FRNs, lower Tier 2 (£) ▪ High Yield / Special Sits: Value / Event Driven / Distressed names ▪ Investment Grade: High Beta, focusing on situational opportunities ▪ Loans: Origination & Secondary trading especially sponsor-led deals ▪ Options / Index: Volatility, relative value & macro trading strategies ▪ Repo / Financing: EMEA Credit with a focus on Middle East 	<ul style="list-style-type: none"> ▪ UK Non-conforming RMBS 	<ul style="list-style-type: none"> ▪ Lead issuer: AEJ CBs ▪ Fully-integrated sales, trading and research

Structuring	Equity Flow Derivatives	Delta 1 - Equities	Execution Services	
<ul style="list-style-type: none"> ▪ Structured Products: Rates, Credit, FX, Index, Hybrids, Client Funding ▪ Indices Group/Systematic Flow: Voltage, VRP, Gamma 6 ▪ PERI: daily liquid investible private equity returns index ▪ Corporate Equity Derivatives: Financing, hedging, building, monetizing stakes 	<ul style="list-style-type: none"> ▪ Yield-enhancement solutions / overwriting strategies ▪ Financials, Autos, Consumers sectors ▪ EURO STOXX Sectors indices options ▪ Long-term options on single-names, esp. CB linked strategies ▪ Hedging strategies on European indices ▪ Options & Vol Trading: Spain, Portugal, France, Nordics 	<ul style="list-style-type: none"> ▪ D1 Index: ManGLG ▪ D1 Single Stock: Dividend and financing markets, solutions – cash, futures and swaps ▪ D1 Corp Arb: Scrip dividends, rights issues, tenders and buybacks ▪ Electronic execution for ETFs 	<ul style="list-style-type: none"> ▪ Instinet: <ul style="list-style-type: none"> - Agency high-touch trading - Newport EMS: Broker-neutral platform - Algorithms/SOR - Trade analytics tools - BlockMatch dark pool - CMS platform ▪ Futures & Options: <ul style="list-style-type: none"> - Traiana Client-link: enables clients to use multiple Futures clearers - DNA Trader: order execution management and routing tool - FIX (Care Orders): worked orders, STP execution - Futures/Repo cross margining capability to maximise usage of repo balances 	<ul style="list-style-type: none"> ▪ OTC Derivative Clearing: <ul style="list-style-type: none"> - The only Japanese provider of international OTC Derivatives Clearing services - Working group member for: JSCC, HKEX, SGX, CME, ICE, LCH, EUREX - Collateral optimisation: upgrades and single currency margining - Bespoke reporting and delivery methods ▪ Prime Services: <ul style="list-style-type: none"> - Securities Lending - Cash and synthetic prime brokerage - EQ finance - Quant Prime Brokerage: high-frequency execution linked to financing

Built a strong franchise in the Americas

Overview

- Have established a strong Global Markets platform in the Americas (1,000+ GM employees)
- Offering clients a range of leading content and execution solutions across product areas
- Uniquely positioned to deliver clients cross-border access between the Americas and Asia

Product and Franchise Strengths

Rates	FX	EM	Credit	Securitized Products
<ul style="list-style-type: none"> ■ US Fed Primary Dealer market share of 5.2%, up from 3.5% in April 2010 (Source: US Fed) ■ US Treasuries and Agencies ■ Swaps and Options: USD and EUR ■ Repo and Short End ■ Structured Rates: EUR & USD structured and exotic rates products 	<ul style="list-style-type: none"> ■ G10: G10 Spot, Asia NDF, G10 Options ■ LatAm: Brazil, Mexico, Colombia ■ E-Trading: Won “Best Traders Platform” for NomuraLive in <i>Profit and Loss Digital FX Awards, April 2012</i> 	<ul style="list-style-type: none"> ■ EM Credit: Caribbean, Andean, Venezuelan and Argentinean Corporates and Sovereigns <ul style="list-style-type: none"> - #1 Trading and Research in LatAm Corporates (Eleonora EM Client Survey) ■ EM FX: LatAm-focused including Brazil, Mexico, Colombia <ul style="list-style-type: none"> - //-recognized Research 	<ul style="list-style-type: none"> ■ High Yield: Value / Event Driven / Distressed names ■ EM: #1 trading and research in LATAM Corporates (Eleanora); ranked 3rd on MarketAxess LATAM, focus on Caribbean, Andean, Venezuelan and Argentinean Corporates and Sovereigns ■ Investment Grade: Focus on Yankees (esp. Japanese / Europe) 	<ul style="list-style-type: none"> ■ Agency: <ul style="list-style-type: none"> - #1 GNMA combined MBS/Multi-family underwriting - Top 10 CMO new issue - Pass Through/TBA trading ■ Non-Agency: <ul style="list-style-type: none"> - RMBS, CMBS and ABS secondary trading - Structured lending and new issue
Structuring	Equity Flow Derivatives	Execution Services		
<ul style="list-style-type: none"> ■ Corporate Equity Derivatives: Hedging & Monetization, Stake Financing/Margin Loans ■ Equity & Fund Investment Solutions: Lending facilities & investment products linked to alternative investments 	<ul style="list-style-type: none"> ■ Listed & OTC Options: Committed to competitive pricing in single stock and index options <ul style="list-style-type: none"> - Achieved Top 10 in US Equity Options market share according to a 3rd party survey ■ ETFs and Swaps ■ Delta 1: Full suite of synthetic financing solutions including OTC and listed products 	<ul style="list-style-type: none"> ■ Instinet: <ul style="list-style-type: none"> - Agency high-touch trading - Newport EMS: Broker-neutral platform - Algorithms/SOR - Trade analytics tools - CBX/BLX/VWAPX dark pools - CMS platform ■ Futures & Options: Access to global F&O markets <ul style="list-style-type: none"> - Traditional voice and DMA execution - Enhanced DMA and HFT connectivity - Global F&O clearing services...24 / 6 follow the sun infrastructure 		
		<ul style="list-style-type: none"> ■ OTC Derivative Clearing: <ul style="list-style-type: none"> - Clearing member of LCH, CME, ICE with additional memberships in SGX, JSCC, CME CE, and Eurex. - Clearing client trades since February 2012 - Leading Asian clearing offering ■ Prime Services: <ul style="list-style-type: none"> - Global Cash and Prime Brokerage offering - Fully integrated platform offering securities lending, financing, clearing and custody - Geographical counterparty diversification 		

Korean Market

London

- Centre of global markets, biggest trading volume.
- Centre of Bond and FX settlement facility. Euro Clear, CLS Bank
- UK Regulator is tightening the regulation

New York

- USD mother market = last resort market for USD funding
- largest domestic market.
- Introducing own regulation

Tokyo

- backed up by Domestic investors both Institution and retail
- JGB market is the largest market besides USD gov.

Singapore

- very well managed domestic regulation.
- strengthen to attract Asset Management Companies.

Hong Kong

- Window to China market.
- English environment is ready at high level
- How to make the difference to Shanghai and other domestic financial centre in the future.

Korea (Seoul)

- Where to go?

Strong Economy and Industry

- \$ Strong Manufacturing companies (i.e. Samsung, LG, Hyundai etc)
- \$ Large domestic bond market
- \$ Large Equity Market
- \$ Large Institutional Investors (NPS, KIC, Insurance companies)
- \$ Large Derivatives Market

Existing Regulations (comparison to Major Market)

- ☆ Foreign Exchange (No off shore cash market)
- ☆ ID registration

Direction of Major De-regulation and regulation

- ✓ Loan business
- ✓ ATS
- ✓ Spot FX
- ✓ Strengthen Consumer Protection

- **Fee Pool for Investment Banking is still limited but growing**

- ★ Global standard vs. Region standard

- **Investors Asst is still limited but growing**

- ★ Connection among domestic markets

- **Each country's regulation is still different**

- ★ Most of countries are introducing own Currency regulation, demand for direct financing

- **Invest into Asia from Korea**

- ★ Korean FiGs are large enough to operate in Asia

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