

**NOMURA**

**Global Markets**

## **Global Markets**

May 10, 2010

Hiromasa Yamazaki, Global Markets CEO

# Agenda

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**1. FY2009/10 Highlights**

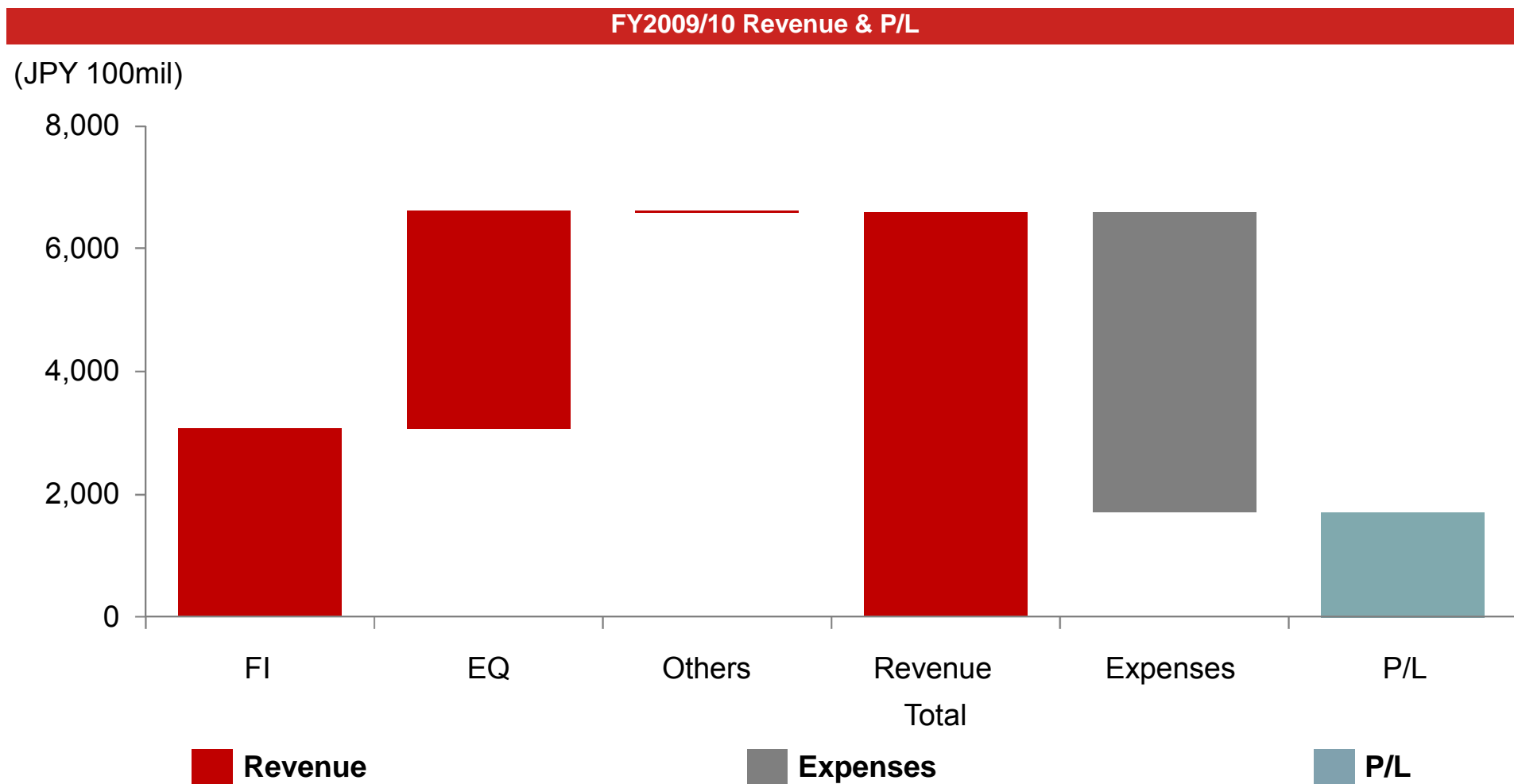
2. Business Mark-To-Market

3. Global Footprint

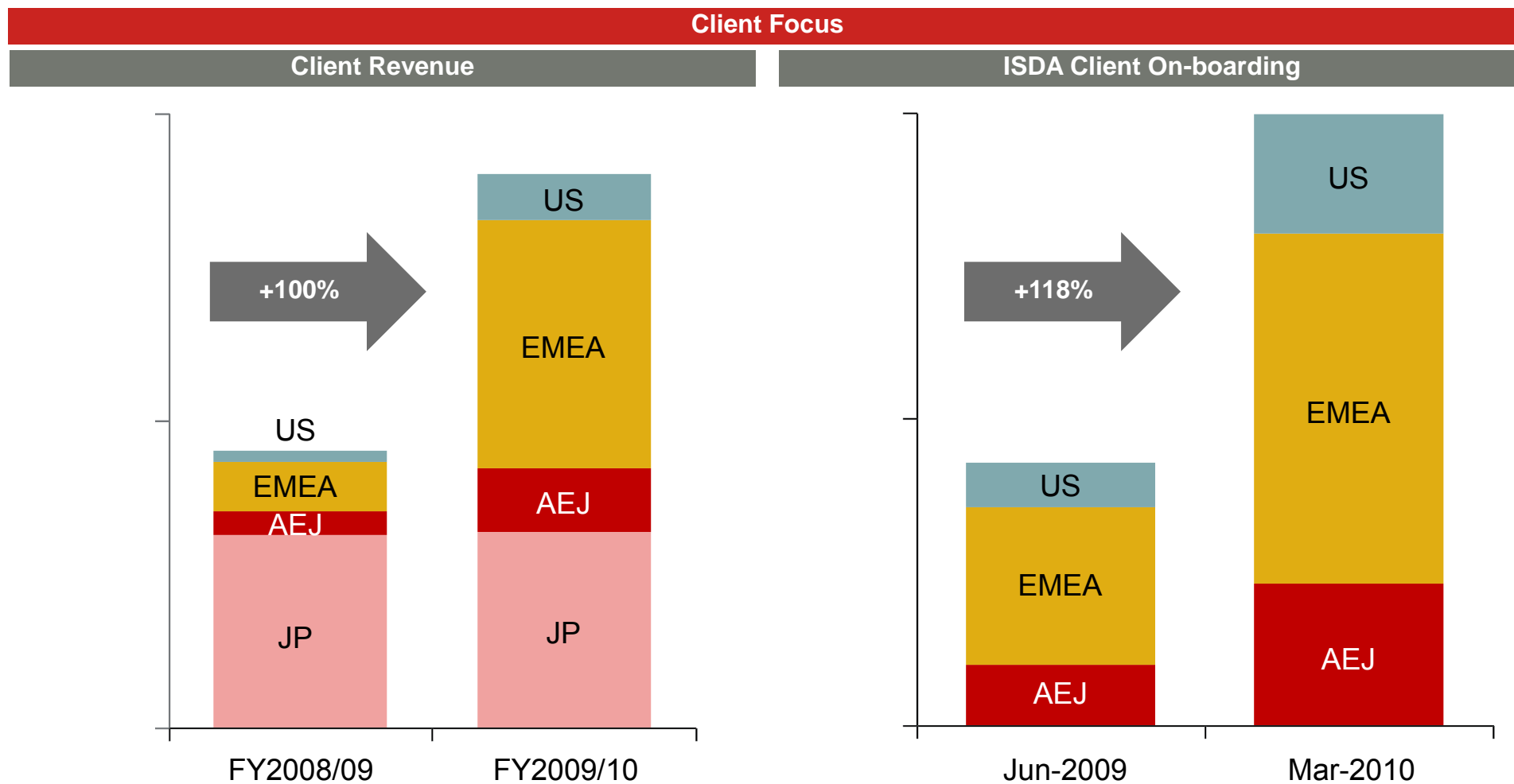
4. Synergy within Nomura

5. The Road Ahead

# FY2009/10 Performance

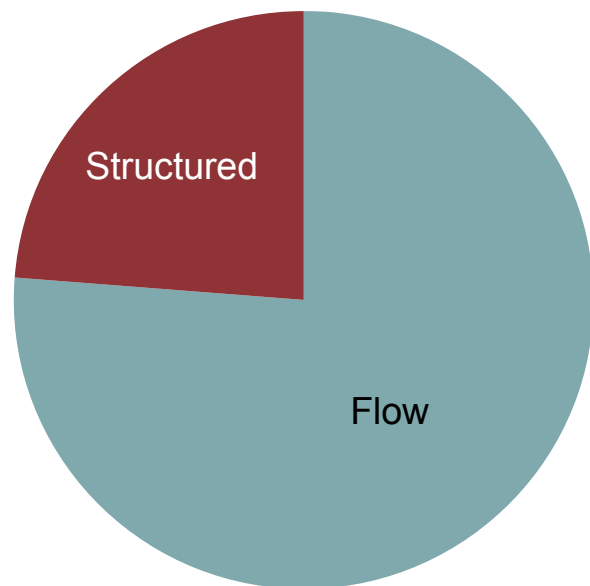


# FY2009/10 Client Franchise Momentum

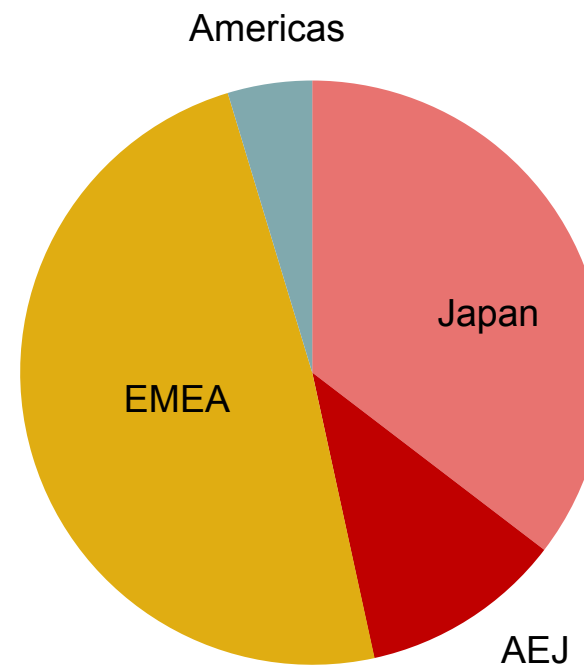


# FY2009/10 Earnings Quality

Flow Centric



Diversified Revenue Composition



Excluding Instinet, etc.

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# Key Achievements

## Fixed Income

### ■ Key Deals

#### *United Kingdom* **Debt Management Office**

- £3.5bn 30-year inflation-linked gilt
- Deal twice as big as typical auction
- Nomura's first bookrunning role for a syndicated issue by the UK

#### **Suncorp**

- \$2.5bn 18mth FRN – Nomura joint Bookrunner and swap provider
- Advised client on strategies to hedge transaction and won exclusive mandate to execute the hedge

#### **GDF Suez**

- JPY65bn 5-year Samurai – Nomura joint Bookrunner and swap provider
- More than 2x oversubscribed, allowing GDF to reach maximum desired size
- Nomura involved in “pre-marketing” roadshow, official marketing and execution

#### **KKR**

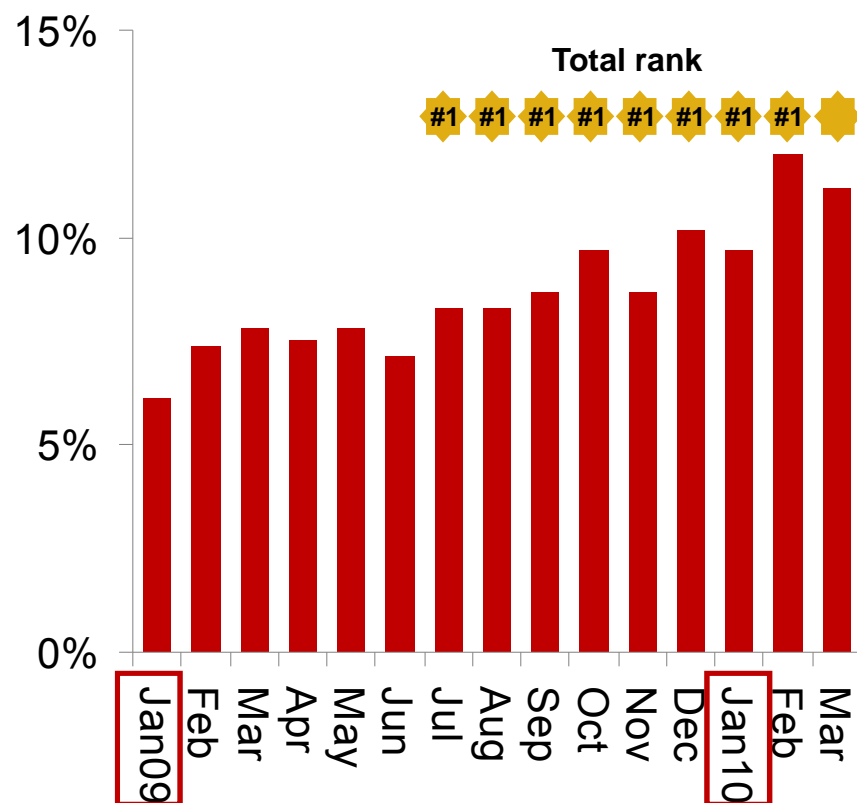
- KKR acquired Oriental Brewery (OB) in Korea from ABInBev for US\$1.8bn in June 2009 – largest LBO in AEJ since 2008
- Nomura acted as Joint Mandated Lead Arranger and Joint Mandated Bookrunner on the financing

# Key Achievements

## Equities

- Established Leading Market Share

TSE Market Share



LSE Market Share





# Market Recognition

## Fixed Income

Global



### Greenwich

- #3 Global Fixed Income Quality
- #1 in Quality in Japan
- #9 in Quality in EMEA

Global



### Institutional Investor

#### Economics Research Team

- Ranked #2 in EMEA
- Ranked #2 in Japan

EMEA



### Credit magazine

- #1 Bank for Yen Bonds
- mtn-i**
- #1 CLN issuer - 25%+ market share Q109

AEJ



### IFR

#### Global Awards for 2009

- "Best Asia-Pacific loan"
- KKR – Oriental Brewery acquisition financing

Asia

2009

### The Banker

- Best Investment Bank in Asia

### FinanceAsia

- Top 10 FI franchise in Asia

Global



### Euromoney

- #1 in JPY long dated swaps, exotic rates
- #2 in JPY inflation products and JPY currency

Japan



### Thomson DealWatch

- Japan Straight Bond House of the Year for 2009
- #1 in Japanese Corporate Bond Underwriting 2009

Japan



### Ministry of Finance

- #1 Dealer of JGBs

# Market Recognition

## Equities

- Leading Research Rankings

### Japan



**The Nikkei Veritas**                    *2010 (Nikkei Analyst)*  
**Institutional Investor**            *2010*  
**Greenwich**                            *2009*

- #1 Nikkei analyst survey
- #1 II ranking
- #1 Greenwich ranking
- 586 stocks covered

### Europe



**Institutional Investor 2010**

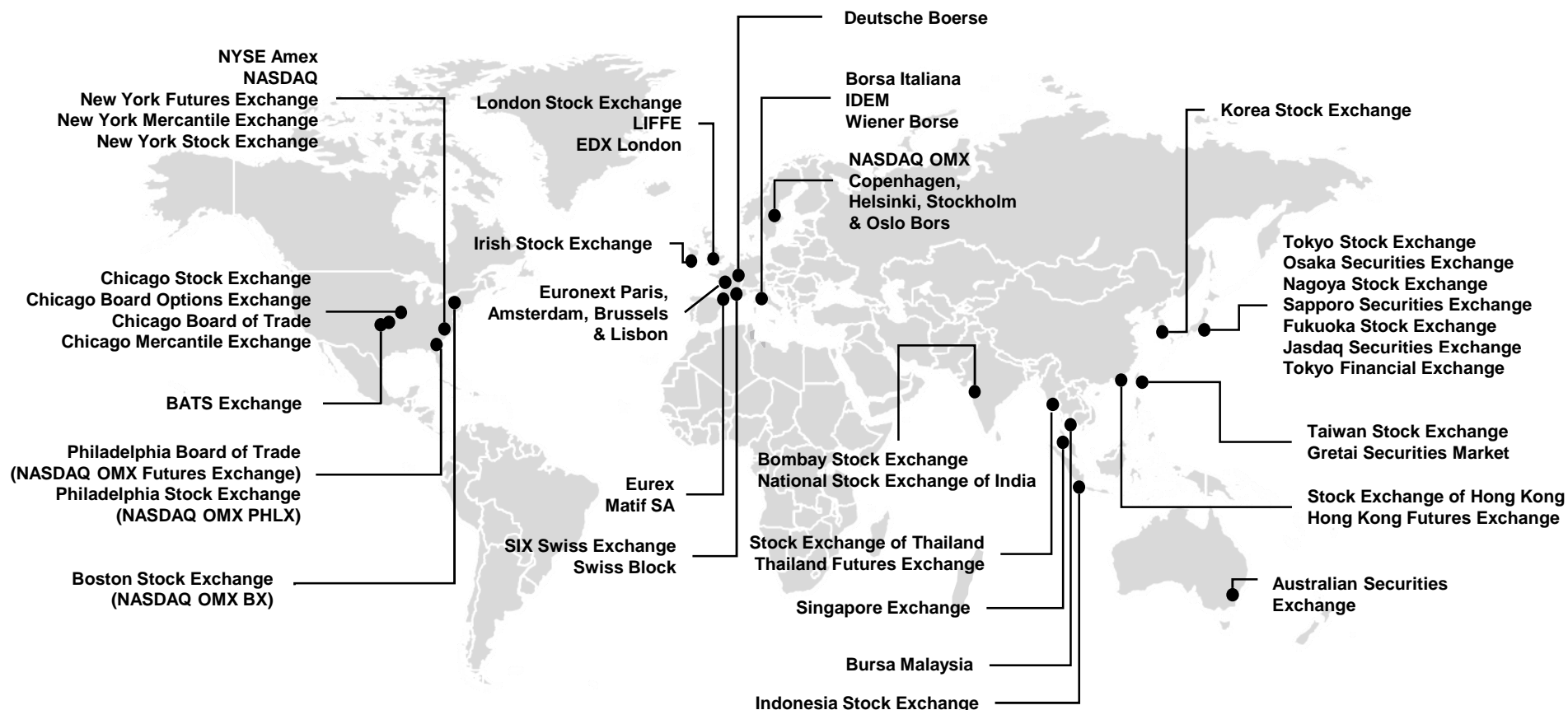
- #2 II ranking
- 594 stocks covered

## Global Capability – Primary Dealership

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# Global Capability – Liquidity Network



## Instinet's Global Market Access

Through Instinet's global trading platform, clients can source liquidity strategically in the equity markets of more than 40 countries, including exchanges, dark pools and other types of trading venue. :Americas: Canada, Mexico, USA :APAC: Australia, Hong Kong, Japan, Korea, Malaysia, Singapore, Taiwan :EMEA: Austria, Belgium, Czech Republic, Republic Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Portugal, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom

# Franchise Growth

## Fixed Income

- Acquisition of Nexen Marketing to build physical footprint in Commodities in EMEA
  
- Expansion of local market presence
  - AEJ: On-shore presence in India, Korea, Malaysia, Taiwan
  - Middle-East: Licenses in key markets (Dubai, Bahrain, Saudi Arabia, Qatar)



## Equities

- Exchange Membership of Malaysia and Australia
  
- Expansion to multi-asset execution
  
- Chi-X Global joint venture with SGX
  
- Foundation in Japan and Australia



# Infrastructure Investments

## Fixed Income

- NomuraLive: Launch of our Single-Dealer Platform
- LCH.Clearnet: Only Asia based firm to be granted membership
- One of the first to centrally clear CDS in Europe (Eurex, ICE)
- Membership to key E-Trading platforms (Tradeweb, Bloomberg, MarketAxess)

NomuraLive

## Equities

- NX EMEA: the first investment bank launched MTF dark pool
- Market-leading algorithmic trading
- Portfolio and trading analytics
- Investing in a best-of-breed ETF platform 94 stocks covered
- New aggregating block dark pool BLX launched by Instinet in the US

**NX**<sup>TM</sup>  
Nomura Cross

**ModelEx**

**TradeSpex**

**source**

**INSTINET. BLX**

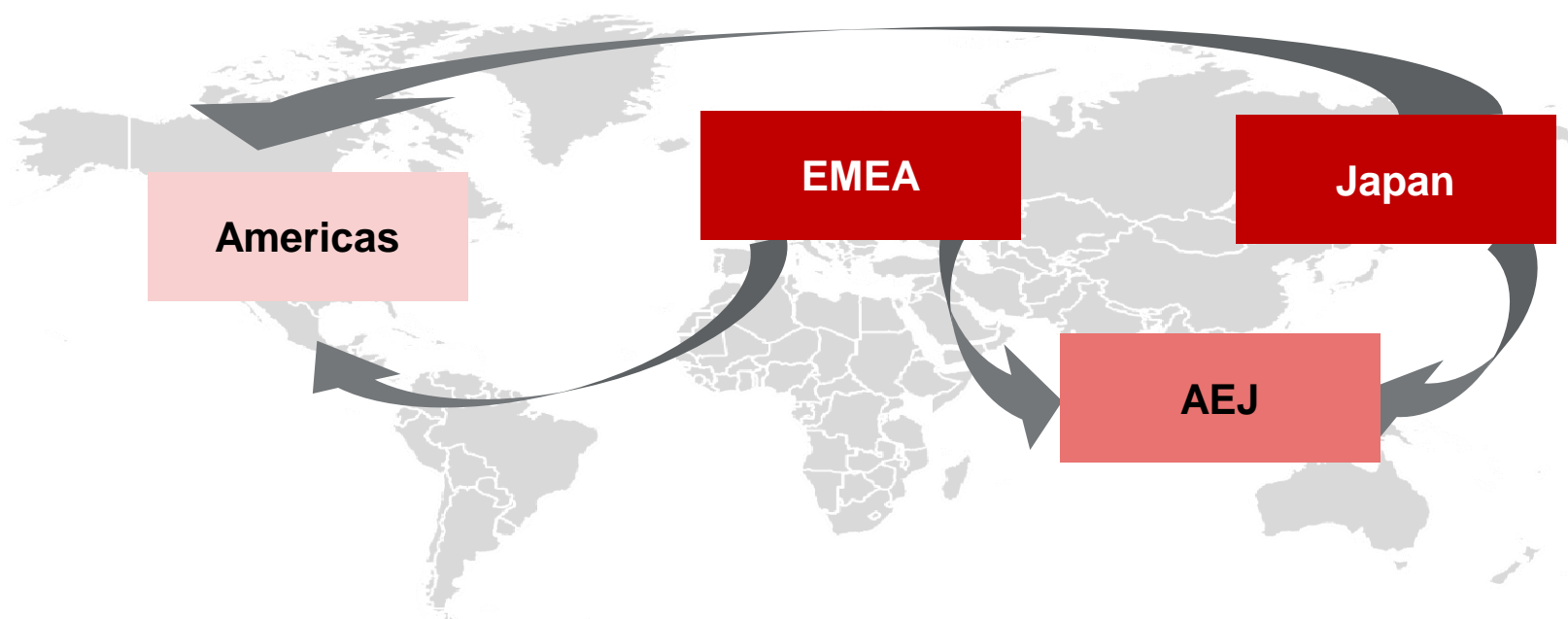
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## Truly Global Platform Build-out

- Management
  - Established Wholesale Division
  - Global Leadership and Matrix Organization
  - Global Function Role
- Leverage Strong Franchises to Deliver Global Success





# Global Leadership

## Fixed Income

### Global Head



**Tarun Jotwani**

*Head of Global  
Fixed Income*

### Regional / Global Functional Head



**Jai Rajpal**

*Head of Fixed  
Income, AEJ*



**Georges Assi**

*Co-Head of  
Fixed Income, EMEA*



**Jeffrey Michaels**

*Joint Head of  
Fixed Income, Americas*



**Dave Bizer**

*Global Head of  
Fixed Income Sales*



**Kieran Higgins**

*Co-Head of  
Fixed Income, EMEA*



**Charles Spero**

*Joint Head of  
Fixed Income, Americas*

# Global Leadership

## Equities

### Global Heads



**Naoki Matsuba**

*Co-Head of  
Global Equities*



**Rachid Bouzouba**

*Co-Head of  
Global Equities*

### Regional / Global Functional Head



**Ciaran O'Kelly**

*Head of Equities,  
Americas*



**Anthony Abenante**

*Co-CEO of  
Instinet*



**Fumiki Kondo**

*Co-CEO of  
Instinet*



**Chris Wendel**

*Global Head of  
Equity Sales*



**Abdelkerim Karim**

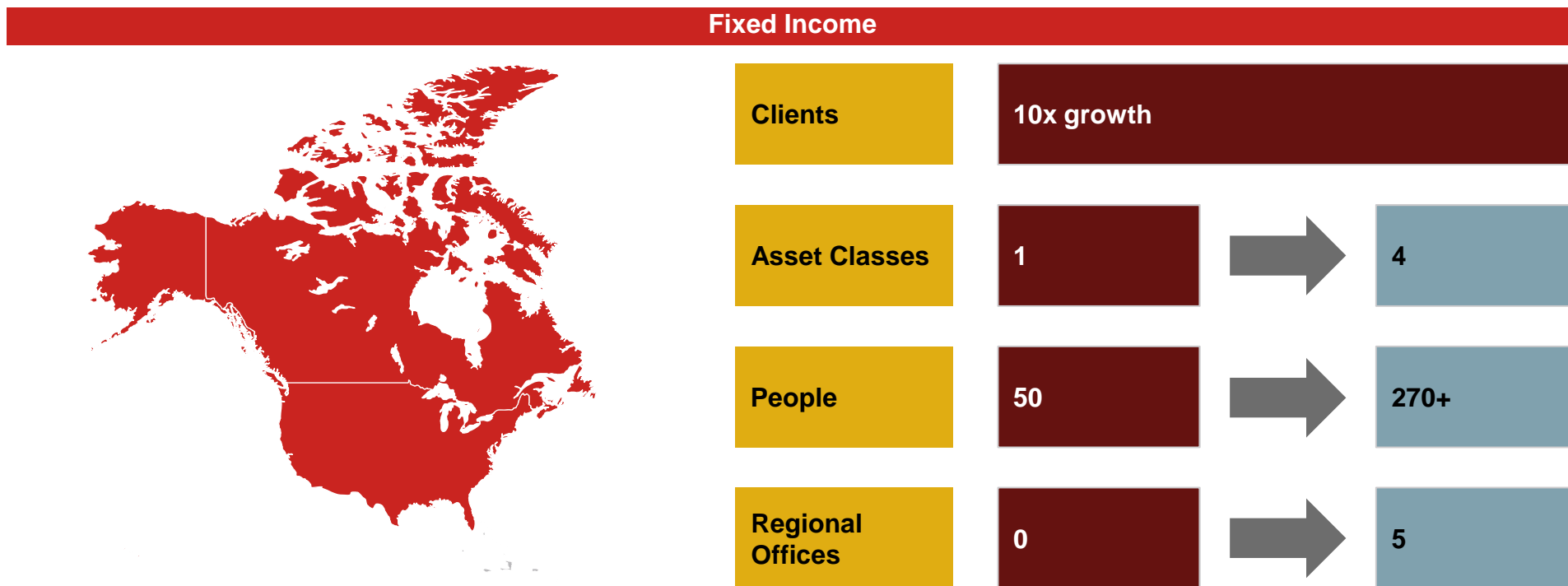
*Co Head of  
Equities EMEA*



**Sam Ruiz**

*Co Head of  
Equities EMEA*

# US Build Out

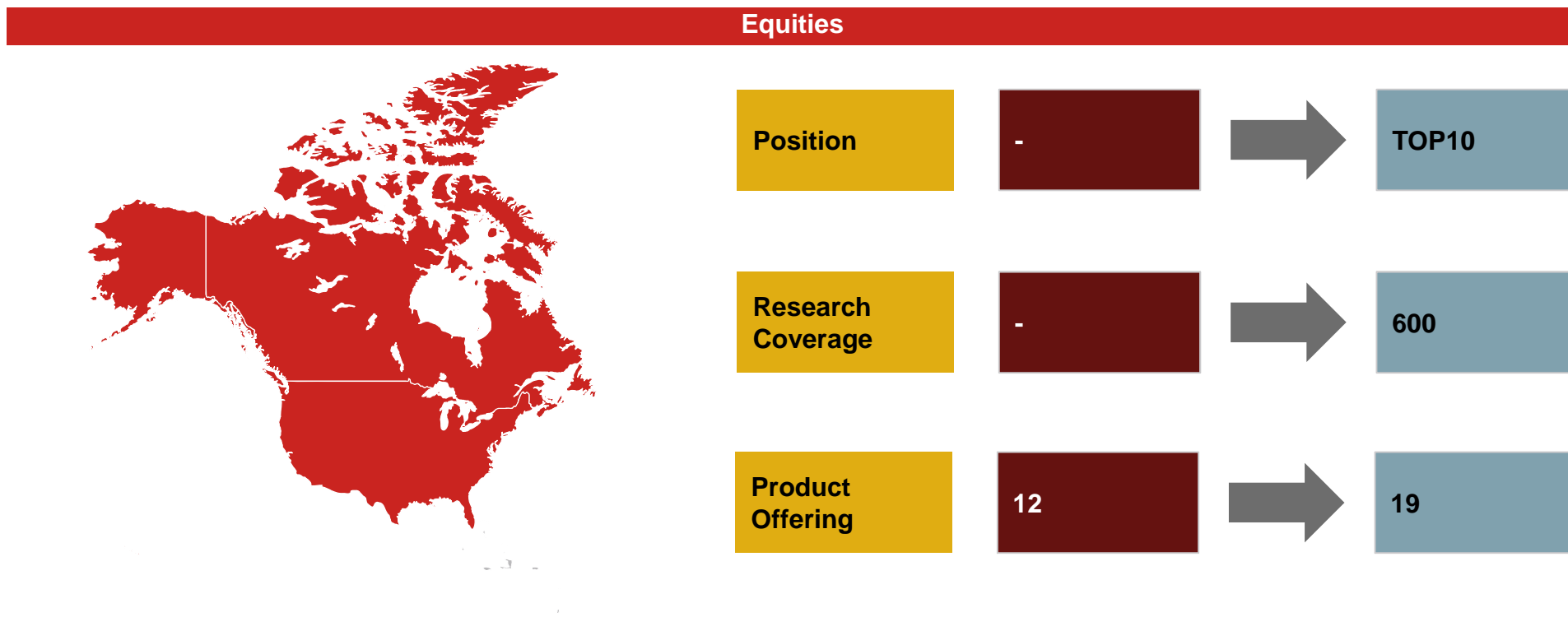


Expansion into new asset classes

Broaden distribution capability

Senior / transformational hires to scale-up further

# US Build Out



Establish focused research offering

Leverage global distribution capabilities

Develop robust, high-capacity execution platform

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# One Firm, Collaboration with IB

## Expand Opportunities in Syndicate and Banking

### 2009 – 2010 Selected Transactions

- Givaudan
- The Dai-ichi Life Insurance Company
- United Company Rusal
- A-TEC INDUSTRIES
- TATA POWER
- HITACHI
- Société Générale
- LLOYDS BANKING GROUP
- HMV GROUP PLC
- Enel
- Mitsubishi UFJ Financial Group
- CHINA EVERBRIGHT INTERNATIONAL LIMITED
- FIRST QUANTUM MINERALS LTD.
- HSBC
- UniCredit Group
- MF Global
- Nippon Yusen Kaisha

- Expand banking-linked revenue globally
- Partnership with trading in respect of institutional blocks
- Develop risk / insurance solution type business

# One Firm, Collaboration with Retail

**Retail**  
 Mass Retail / HNW /  
 Regional Financial Institutions / Corporations

**Fixed Income Marketing Dept**

Products across geographies  
 and currencies

Enhance client coverage  
 through I-PORT system



**Equity Marketing Dept**

Research and  
 Cash Execution

Derivatives Products

**Research Coverage**

JAPAN  
 586

AEJ  
 583

EMEA  
 594

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# Mission & Strategy

## Fixed Income

Build a truly global, top tier fixed income franchise that achieves top 5 status in the markets we choose to dominate within 3 years & continues our strong position in Japan

### Create A Diversified Business Model

#### Products

- Credit
- Rates
- Commodities
- Securitized products
- FX

#### Geography

- Dominate Japan
- Scale EMEA
- Invest in AEJ
- Build US

### Establish Nomura as a Leading Market Maker

#### Market Access

- Primary Dealerships
- Central Clearing
- Electronic Presence
- Industry Participation

#### Flow Commitment

- Increasing volumes and market share
- Proprietary e-commerce platform

### Build A Top Tier Client Franchise

#### Our Differentiation

- Access to Asia
- Superior Research content
- Unique Client Experience

#### Our Platform

- 500+ salesforce
- Region, product & sector specialism
- Global Research

### Deliver a World Class Operating Platform

#### Talent

- Experienced operators
- Global management, matrix organization
- Regional autonomy

#### Infrastructure

- Globally consistent trading platforms
- E-trading
- Investments in technology

# Initiatives of Growth

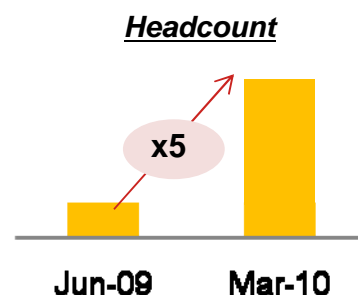
## Fixed Income

### Franchise Breadth

### Franchise Depth

#### US Build Out

- Maintain trading momentum gained in H2 09/10
- Continue to hire significantly from top houses
- Expand distribution capabilities within US and selling product internationally



#### Superior Content

- Continue hiring industry recognised research professionals
- Leverage new client focussed groups and publications
- Innovation and new ideas – Global Emerging Markets Risk Index (GEMaRI)
- Exporting our Asia Pacific expertise to other regions



#### Scale in Our Businesses

- Continue expansion of flow businesses
- Increase share of client wallets
- Maintain investment in infrastructure to support business
- Aim for market leadership positions in select products

#### E-trading

- Onboard clients to e-trading platform in all regions
- Adding leading edge features and technology
- Goal is be the market leading client portal integrating cross-asset e-trading with research, trade ideas, and data and analytic tools



# Vision

## Equities

To be a top 5 global Equities house in 3 years

**Position**

#1 in Asia-Pacific

Top 5 in EMEA

Top 10 in Americas

**Liquidity**

#1 Global Liquidity Provider

**Infrastructure**

Best in Class Trading Infrastructure

**Research**

#3 Global Research ranking  
#1 Stock Coverage in Numbers

# Initiatives of Growth

## Equities

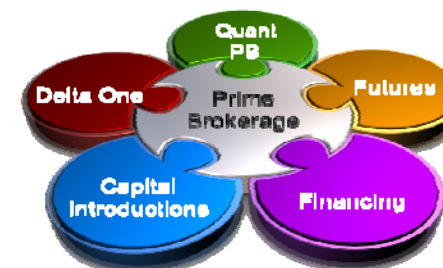
### Monetize Research and Execution Franchise

- Monetize leading content rankings and coverage
- Drive global client wallet penetration and deliver multi-product capabilities
- Roll out new alpha capture systems



### Cash Prime Brokerage

- Build global, multi-asset, multi-product platform
- Create gateway for key clients to access GEQ and GFI franchise



## Derivatives

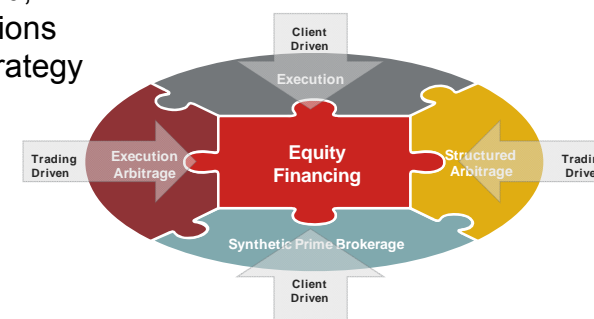
- Develop issuance and secondary market capabilities
- Maintain flow of unique Enovara and Flexis™ offerings



- Leverage Nomura distribution strength in Japan

## Global Delta One

- Deliver co-ordinated, multi-product solutions tailored to client strategy
- Fully monetize infrastructure investment and global revenue synergies



**Nomura Holdings, Inc.**  
[www.nomura.com/](http://www.nomura.com/)