

Two speeds - a world perspective

- Emerging markets lead world growth, but are not without risk

NOMURA



- US Economics
- Ellen Zentner; Executive Director
- Senior US Economist
- ellen.zentner@nomura.com

- March 2012

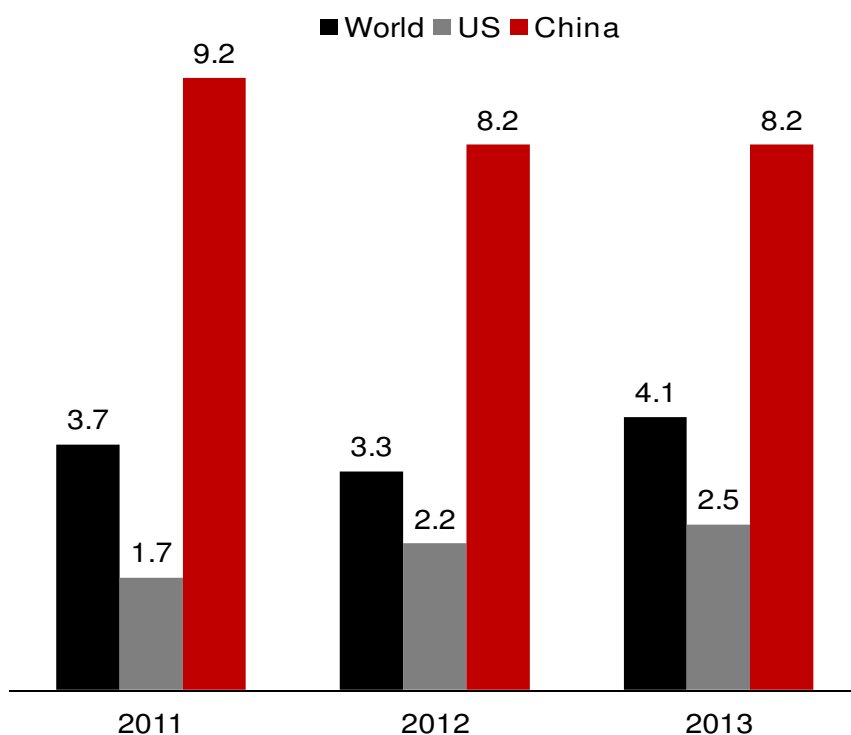
See Disclosure Appendix A1 for the Analyst Certification and Other Important Disclosures

© Nomura Securities International Inc.

World growth

developed nations lagging

GDP growth rates



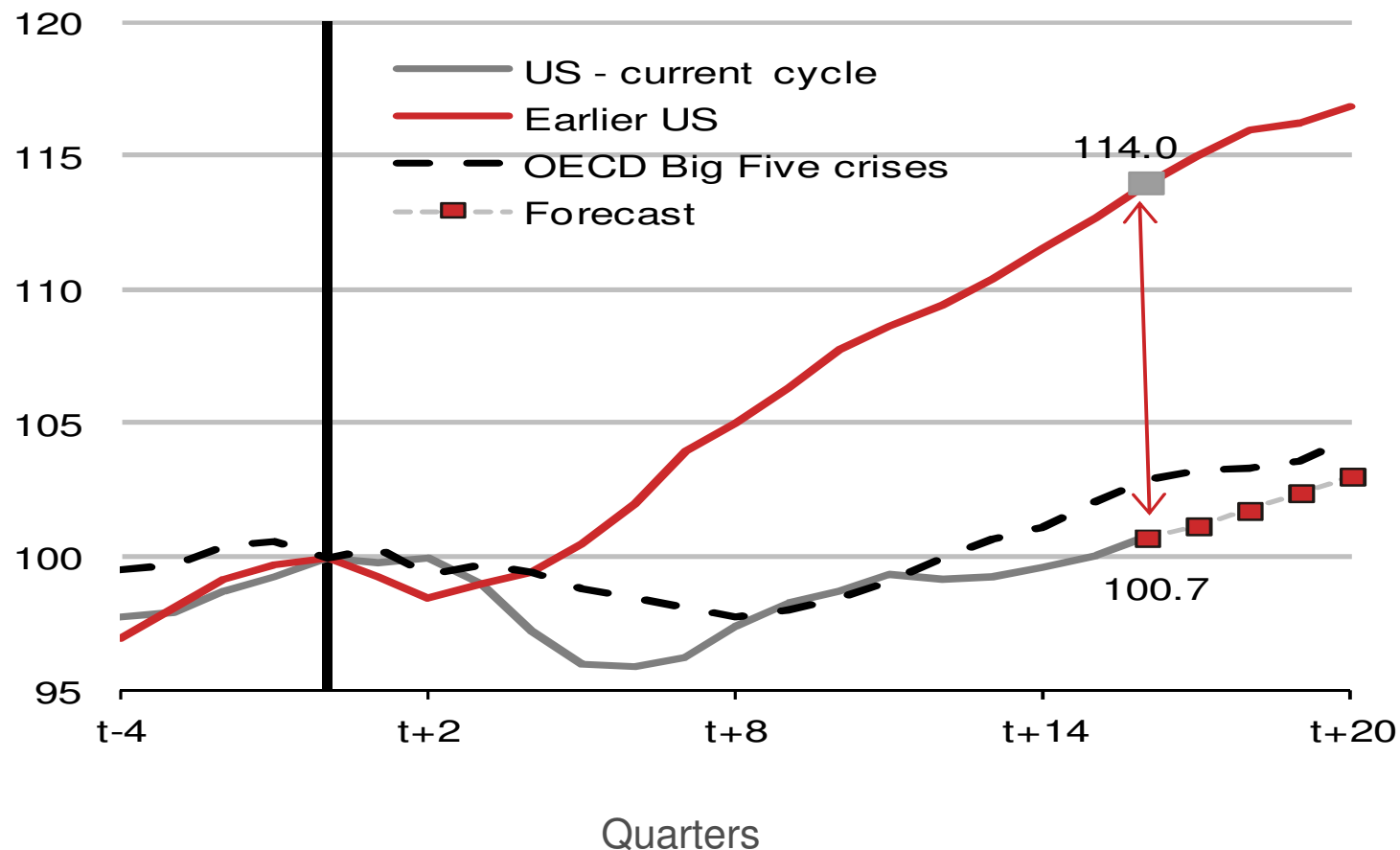
Contributions to growth

	2011	2012	2013
Global growth (% y-o-y)	3.7	3.3	4.1
Contributions to growth (pp):			
Developed	0.8	0.7	1.1
<i>United States</i>	0.4	0.5	0.6
<i>Euro area</i>	0.3	-0.1	0.2
<i>United Kingdom</i>	0.0	0.0	0.1
<i>Japan</i>	0.0	0.1	0.1
Emerging Markets	3.0	2.6	3.0
<i>China</i>	1.6	1.5	1.5
<i>India</i>	0.5	0.5	0.6

Source: Nomura Global Economics

Tracking earlier post-crisis recoveries

Real GDP around recessions and financial crises (index, time t =100)

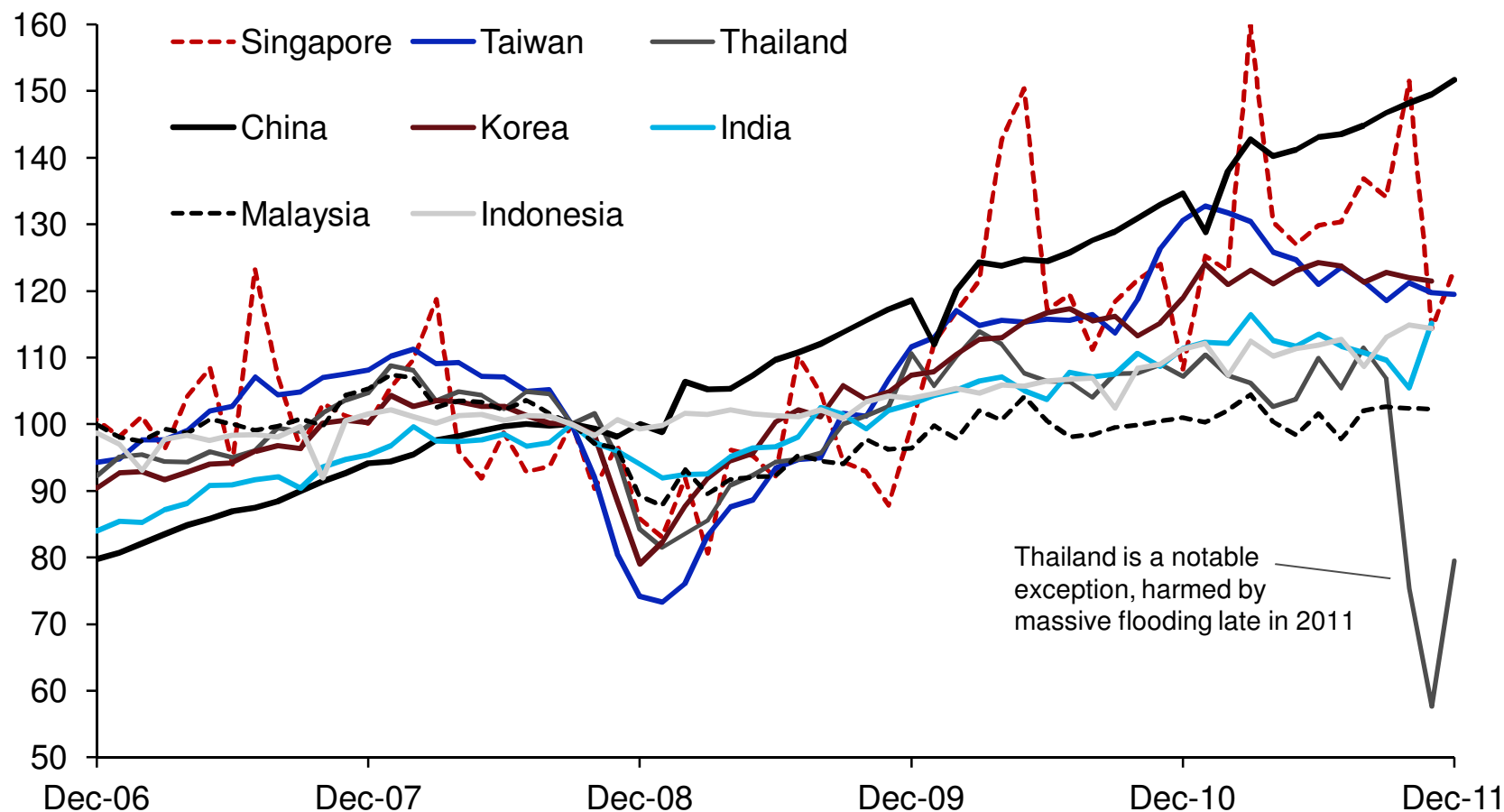


Source: OECD, Nomura Global Economics; Note: "Earlier US" is average of last 10 recessions; OECD Big Five financial crises first identified by Kaminsky and Reinhart (1999); Countries are Spain (1977), Norway (1987), Finland (1991), Sweden (1991) and Japan (1997); We use 1997 for Japan (instead of 1992) is this was the start of the most intense phase of the financial crisis there.

Asian economies have shot well past pre-crisis levels

Seasonally adjusted industrial output in levels

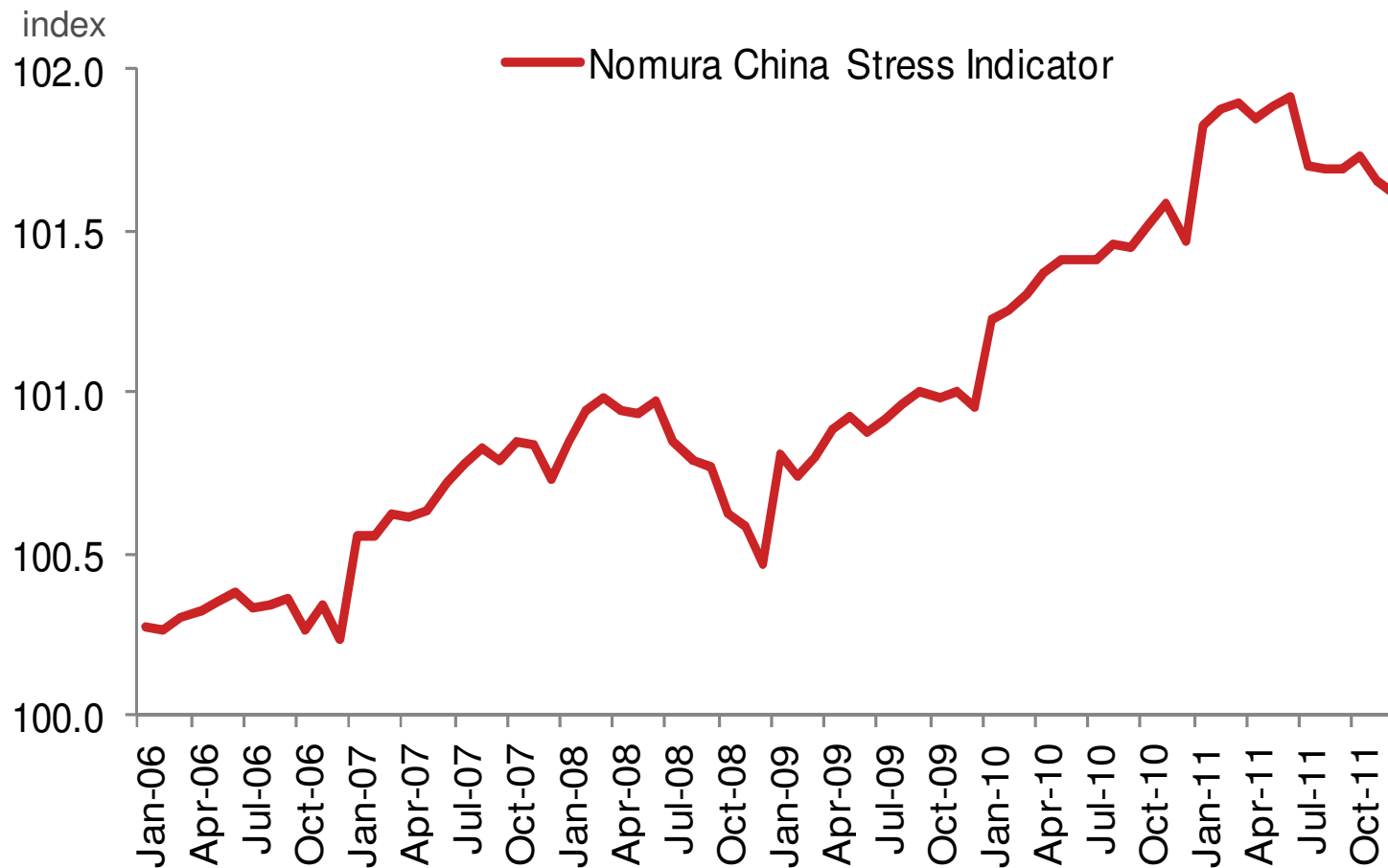
Index, Sept. 2008 = 100



Thailand is a notable exception, harmed by massive flooding late in 2011

Source: CEIC and Nomura Global Economics

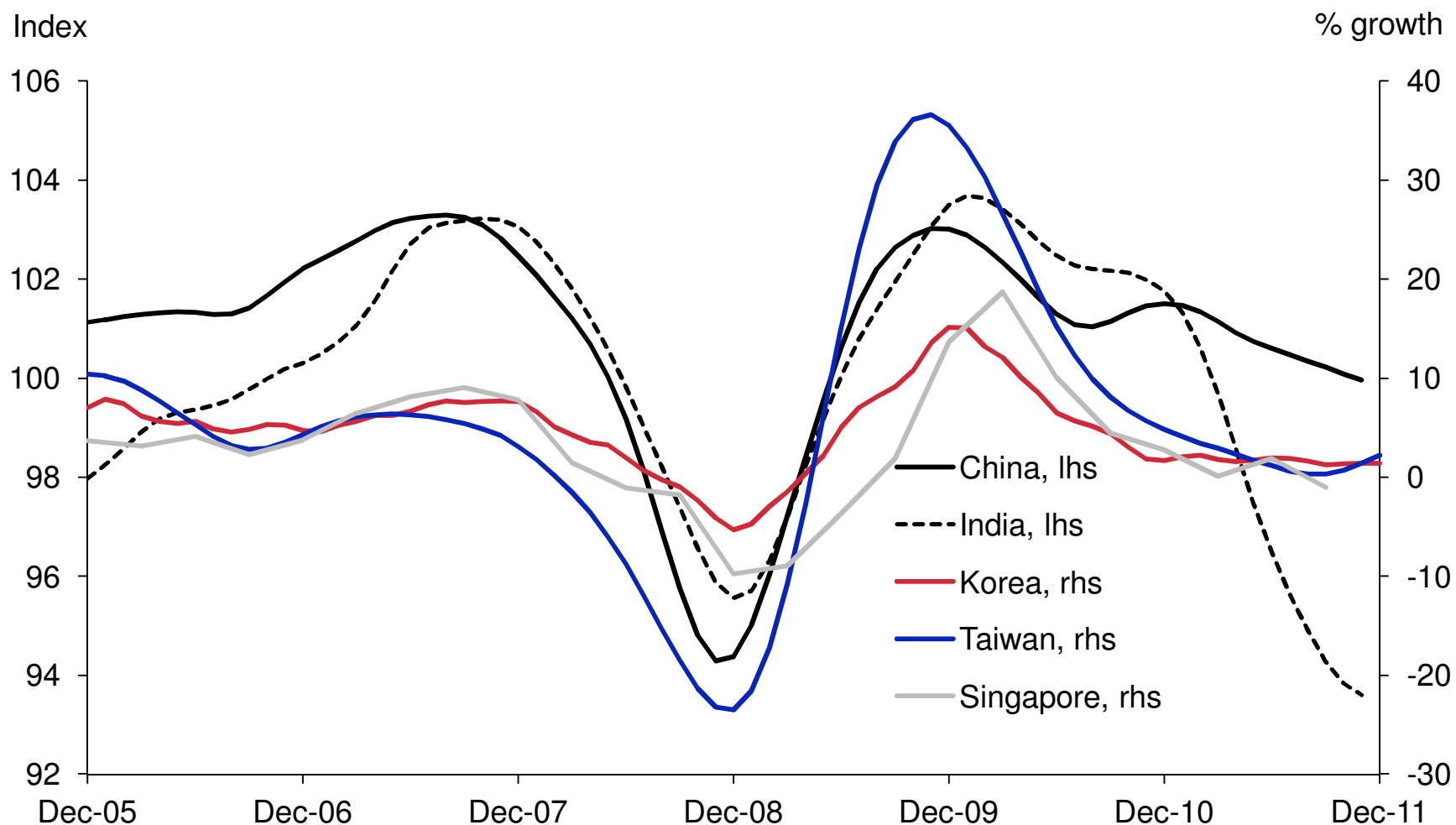
Stresses in China are a concern



Source: Bloomberg; NY Fed; Nomura Global Economics

Leading indexes – cooling, not collapsing bar India

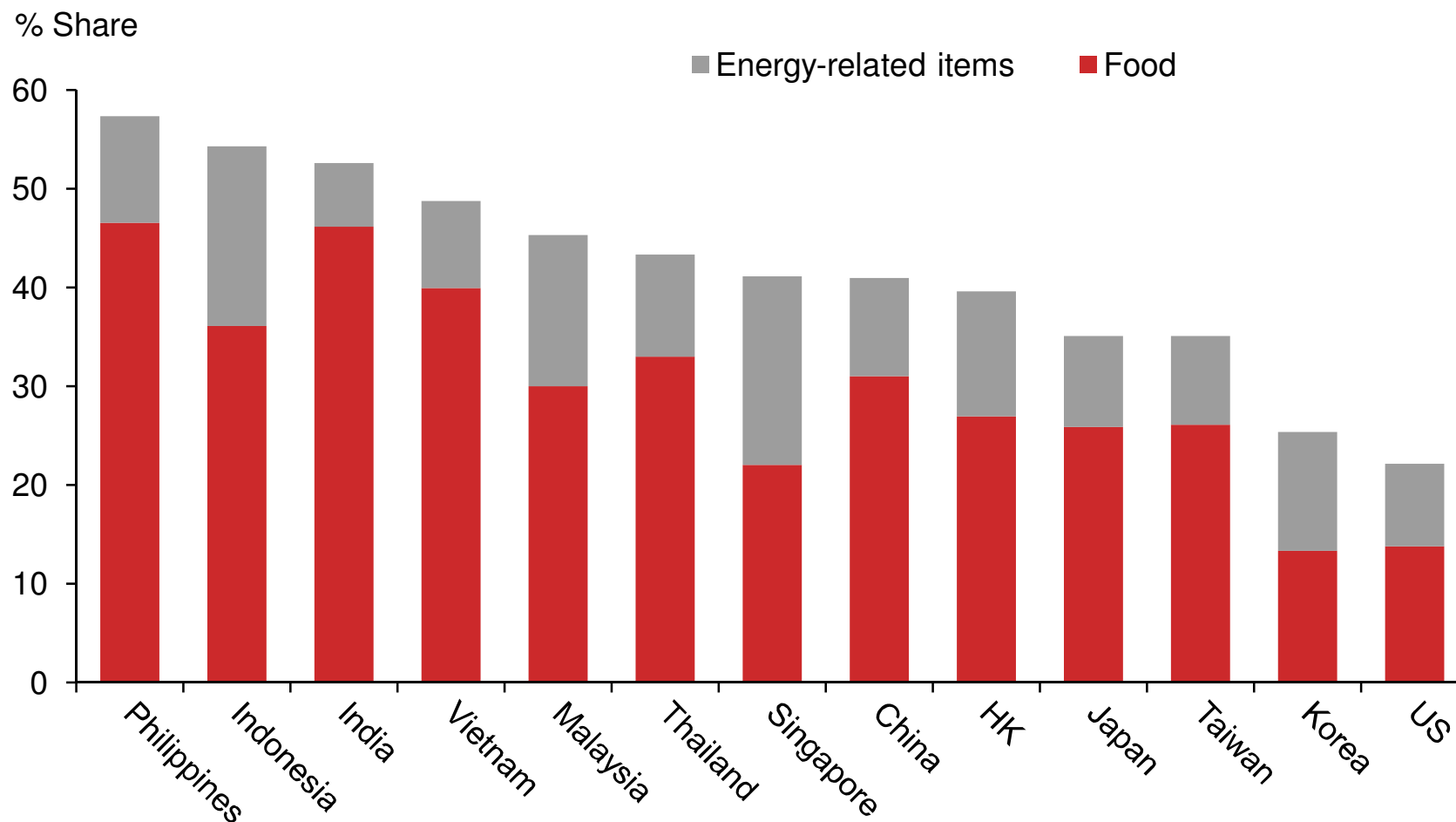
Official leading economic indexes



Source: Korea: National Statistics Office; Taiwan: Council for Economic Planning; China and India: OECD; Singapore: Economic Development Board; Nomura Global Economics
 © Nomura Global Economics March 21, 2012

Asia's high exposure to commodity prices

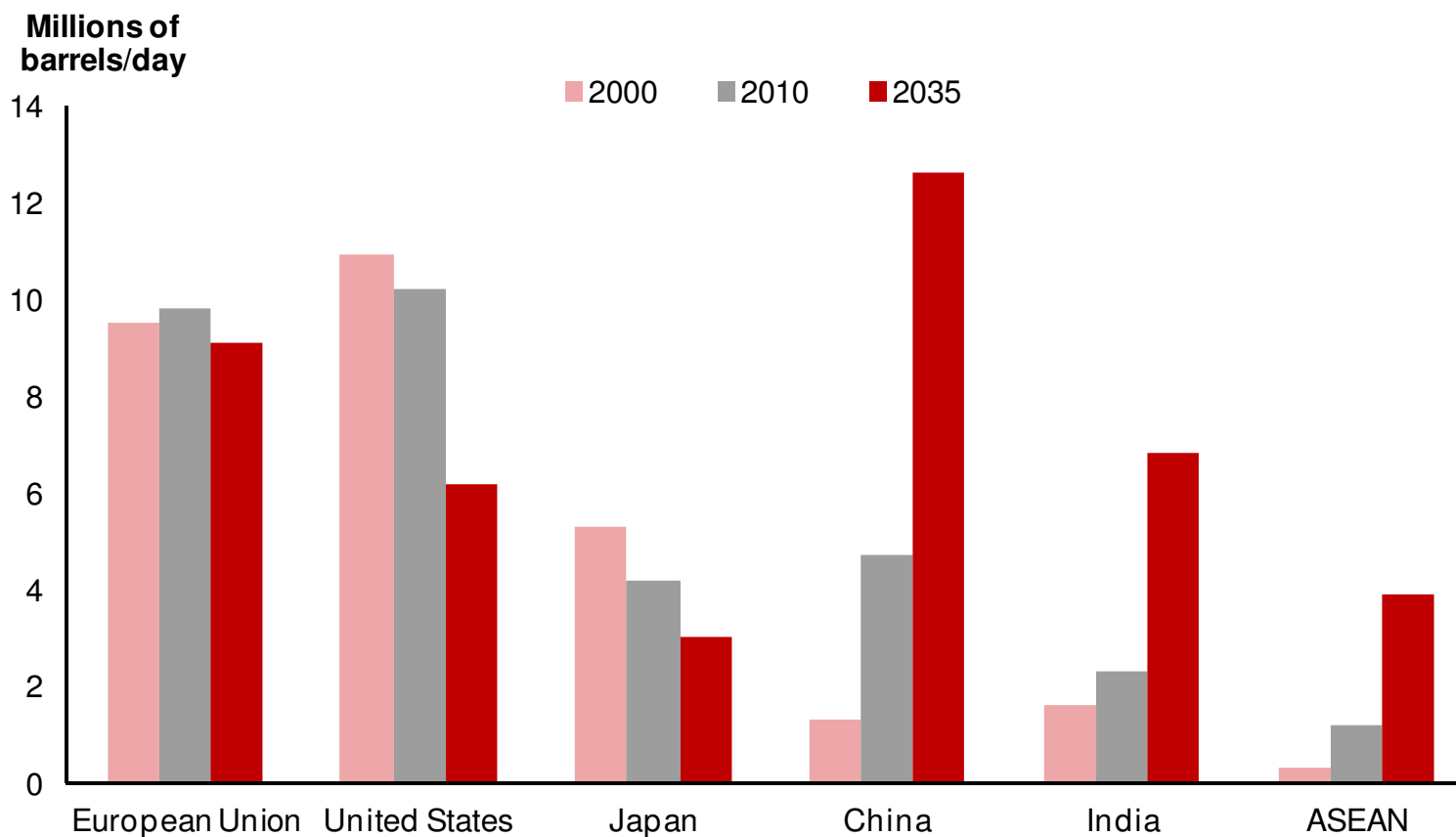
Weightings of food and energy items in Asian CPI



Source: China Statistics Yearbook; CEIC; Nomura Global Economics

Net imports of oil

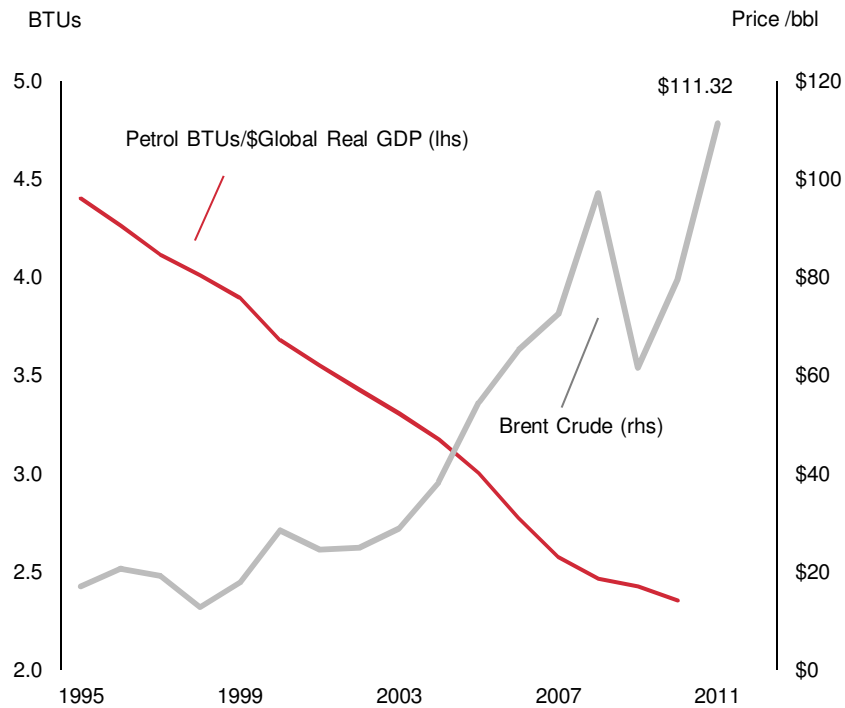
Asia ex-Japan becoming more dependent



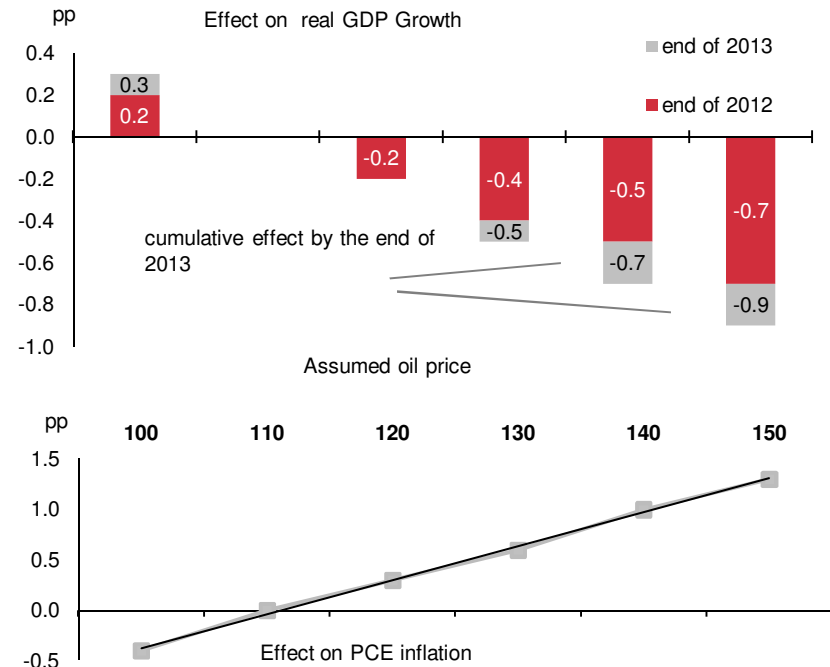
Source: Energy Information Administration; Nomura Global Economics

World and US not as vulnerable to oil price increases

World is less dependent on oil today



\$10/bbl increase = 0.2pp hit to US GDP

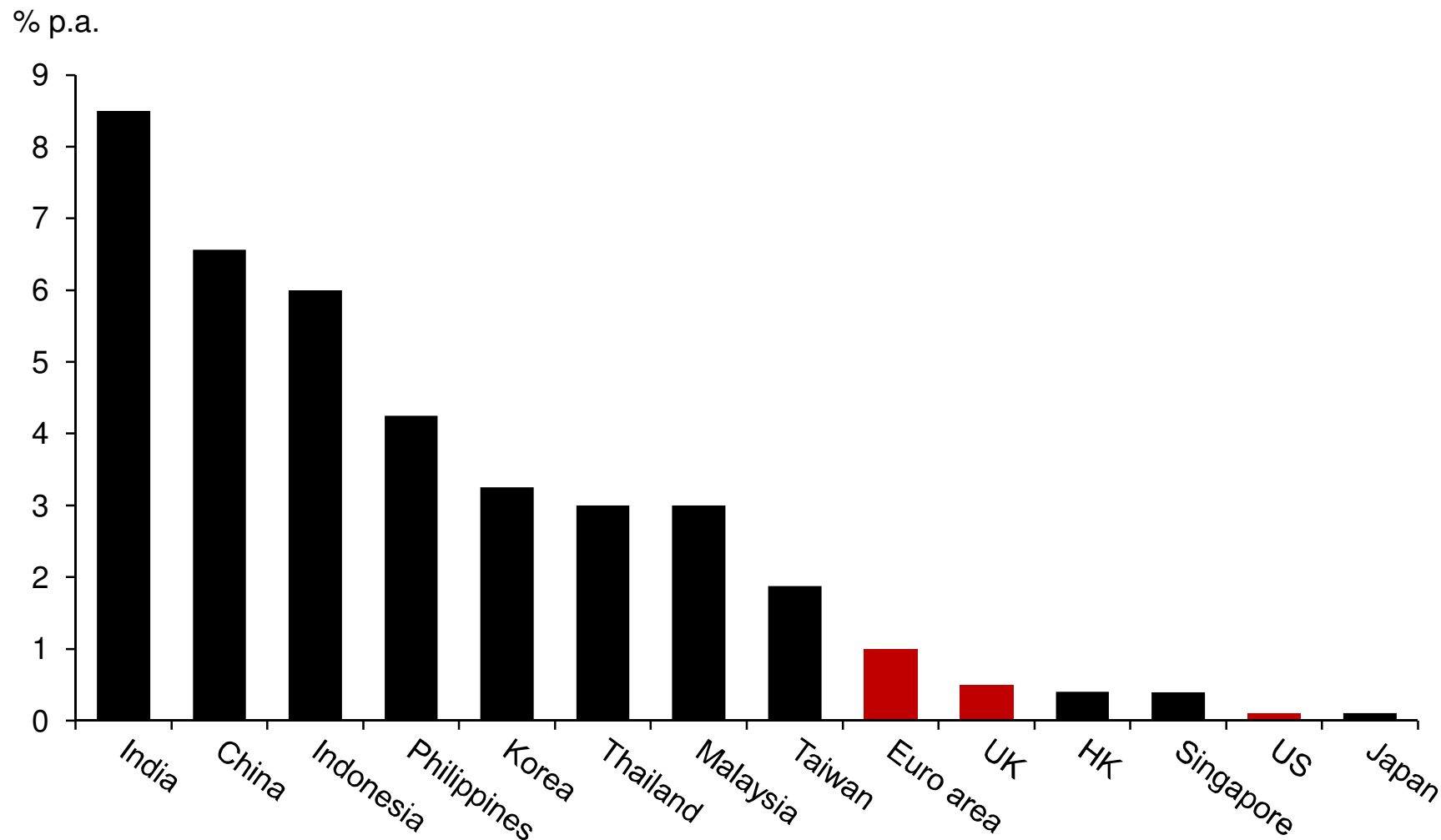


Source: Energy Information Administration; IMF; Nomura Global Economics

© Nomura Global Economics March 21, 2012

Asia has lots of room to cut interest rates...

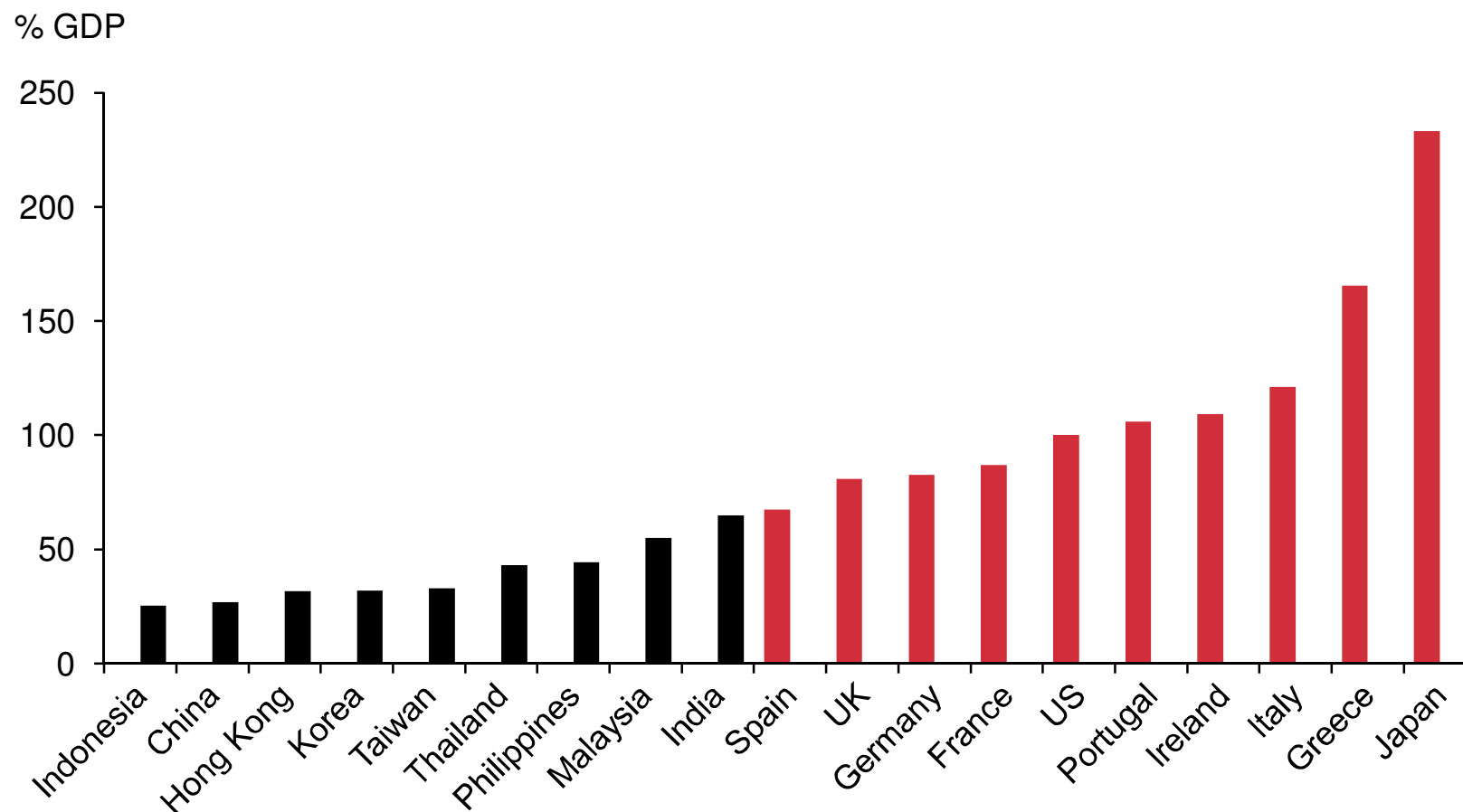
Latest policy interest rates in Asia and the G3



Source: Bloomberg; CEIC; Nomura Global Economics. Note: For China, we use the 1-yr bank lending rate; for HK and Singapore we use the 3m inter-bank rates.

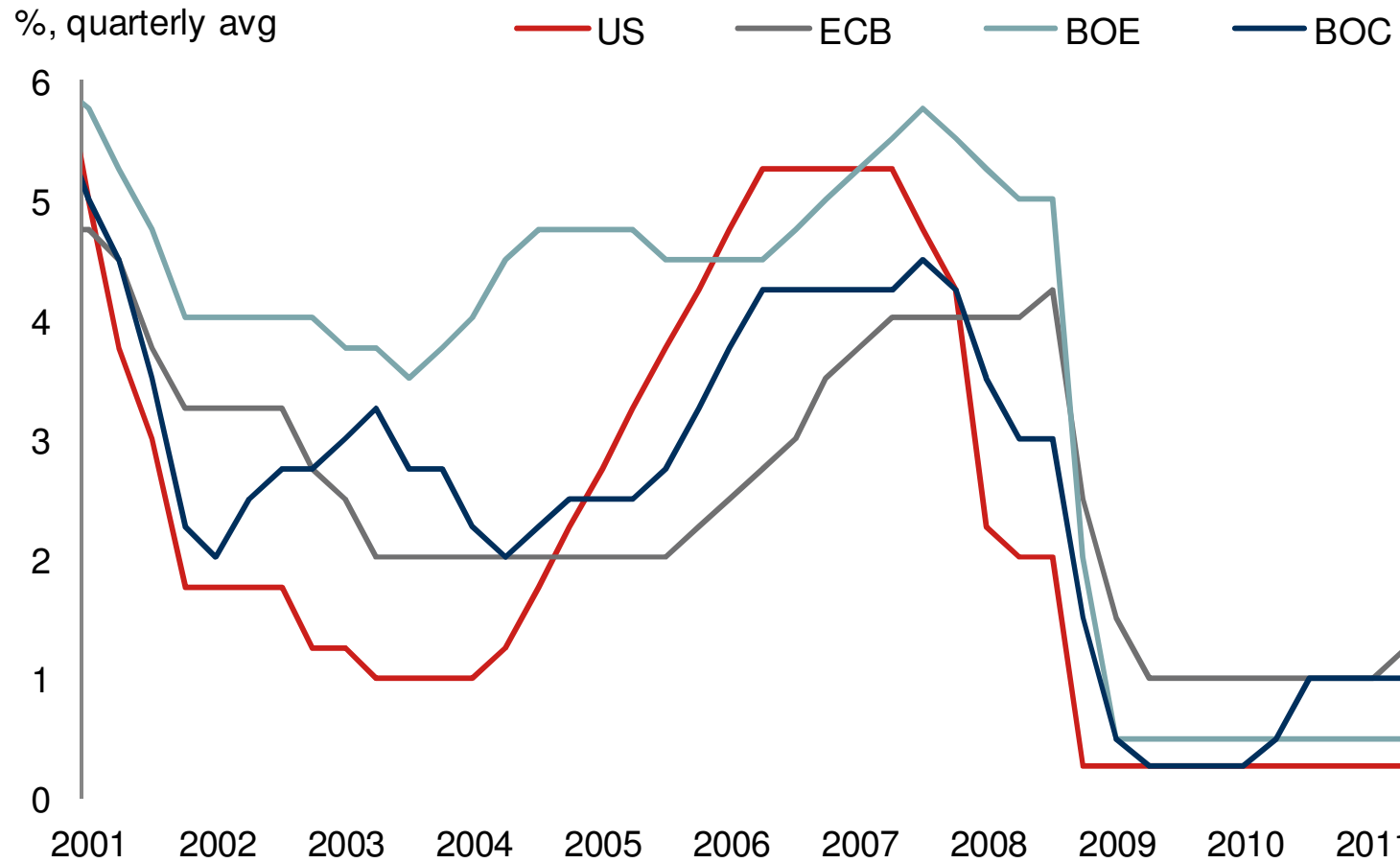
... and expand fiscal policy

Estimates of general government debt in 2011



Source: IMF; Nomura Global Economics

Global policy rates

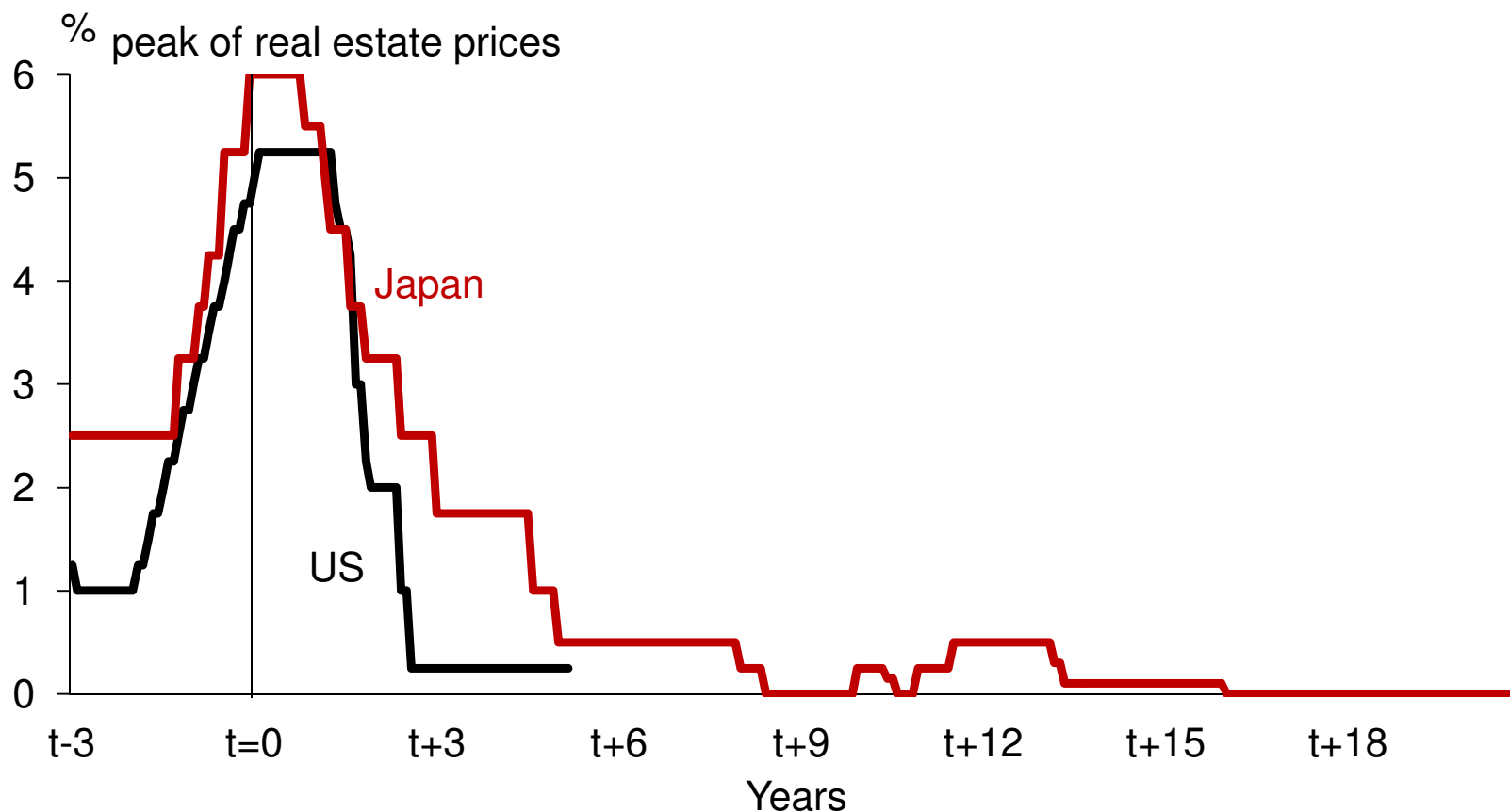


Source: Bloomberg; Nomura Global Economics

The Fed was much quicker to get to the zero bound

It took three years for the Fed to cut rates to close to zero; it took the BOJ nine years

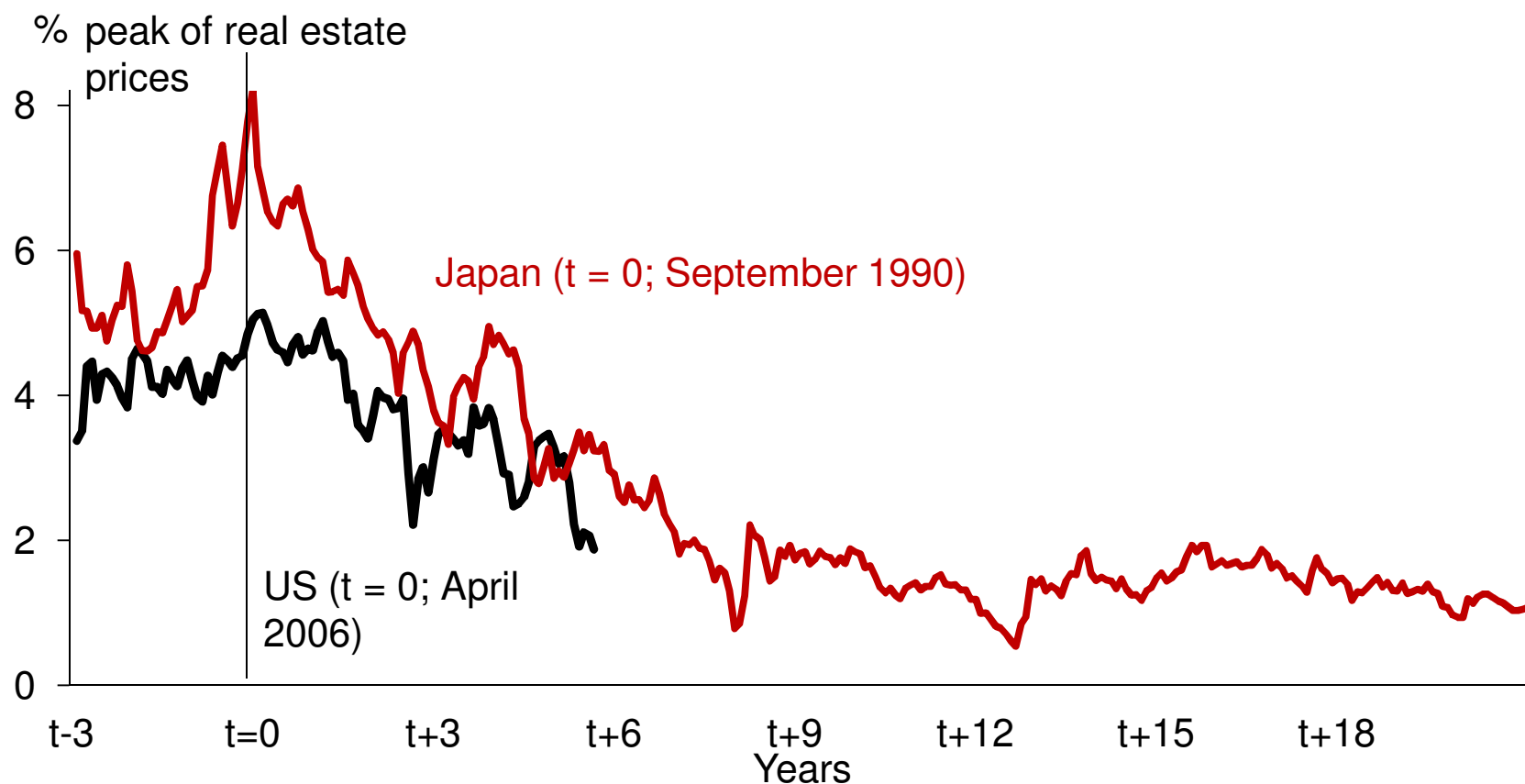
Central bank policy rates (Japan $t = 0$, September 1990 | US $t = 0$, April 2006)



Source: Bank of Japan; Federal Reserve; Nomura Global Economics

Long-term yields: US following in Japan's footsteps?

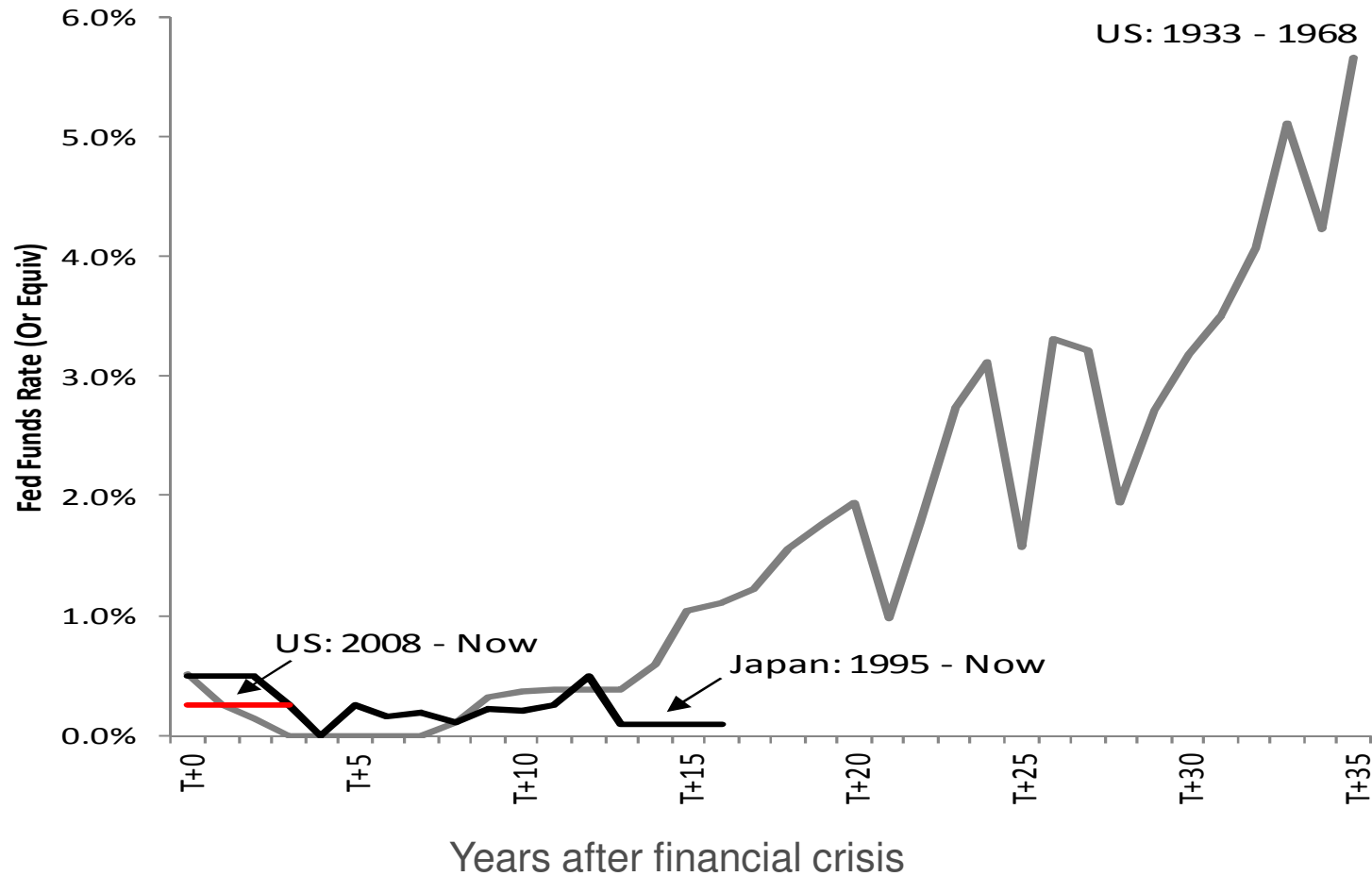
JGB and UST 10-year yields



Source: Bloomberg; Nomura Global Economics

© Nomura Securities International March 21, 2012

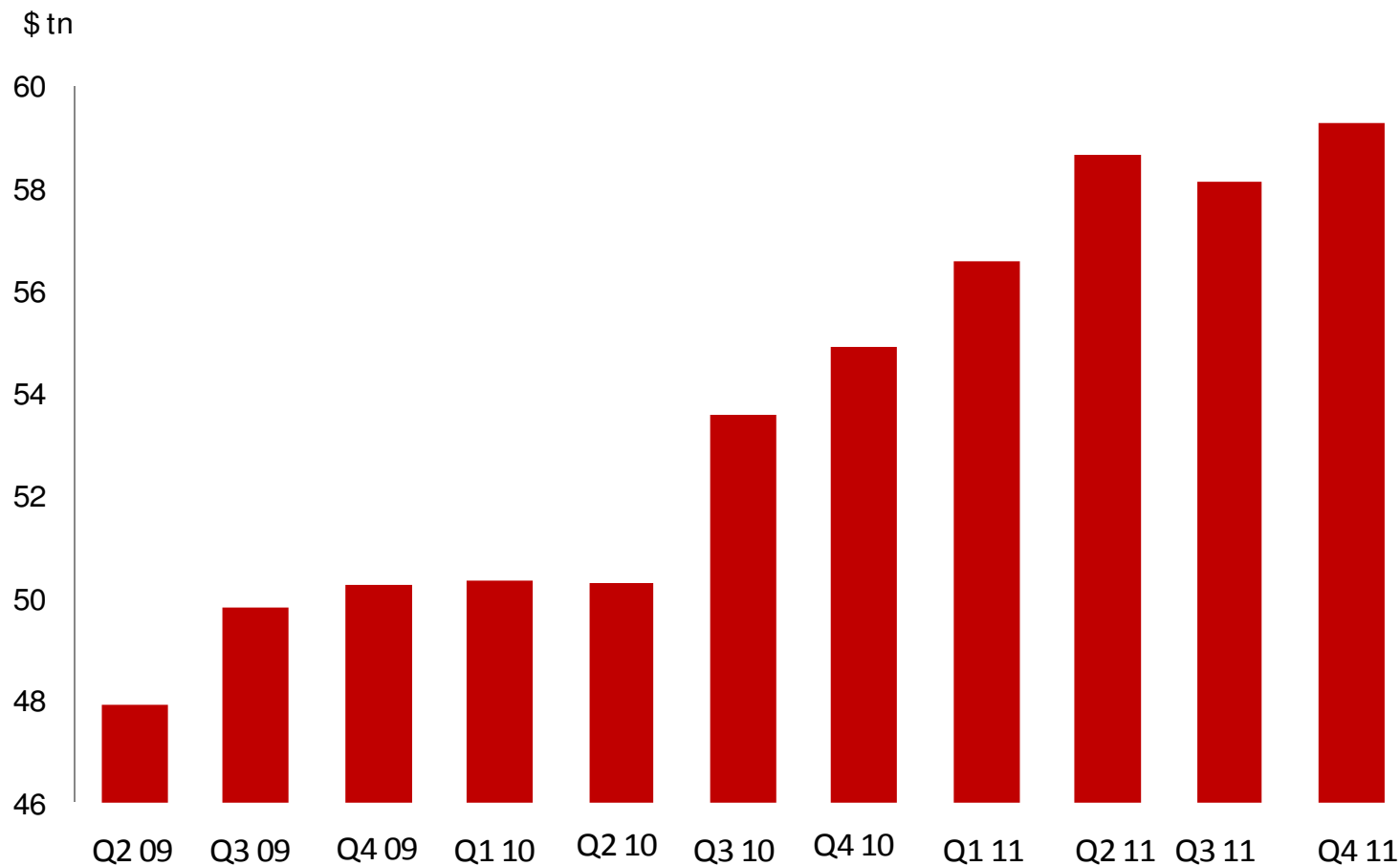
A post-crisis perspective on rates



Source: Bloomberg; Nomura Global Economics

Global money supply, M2

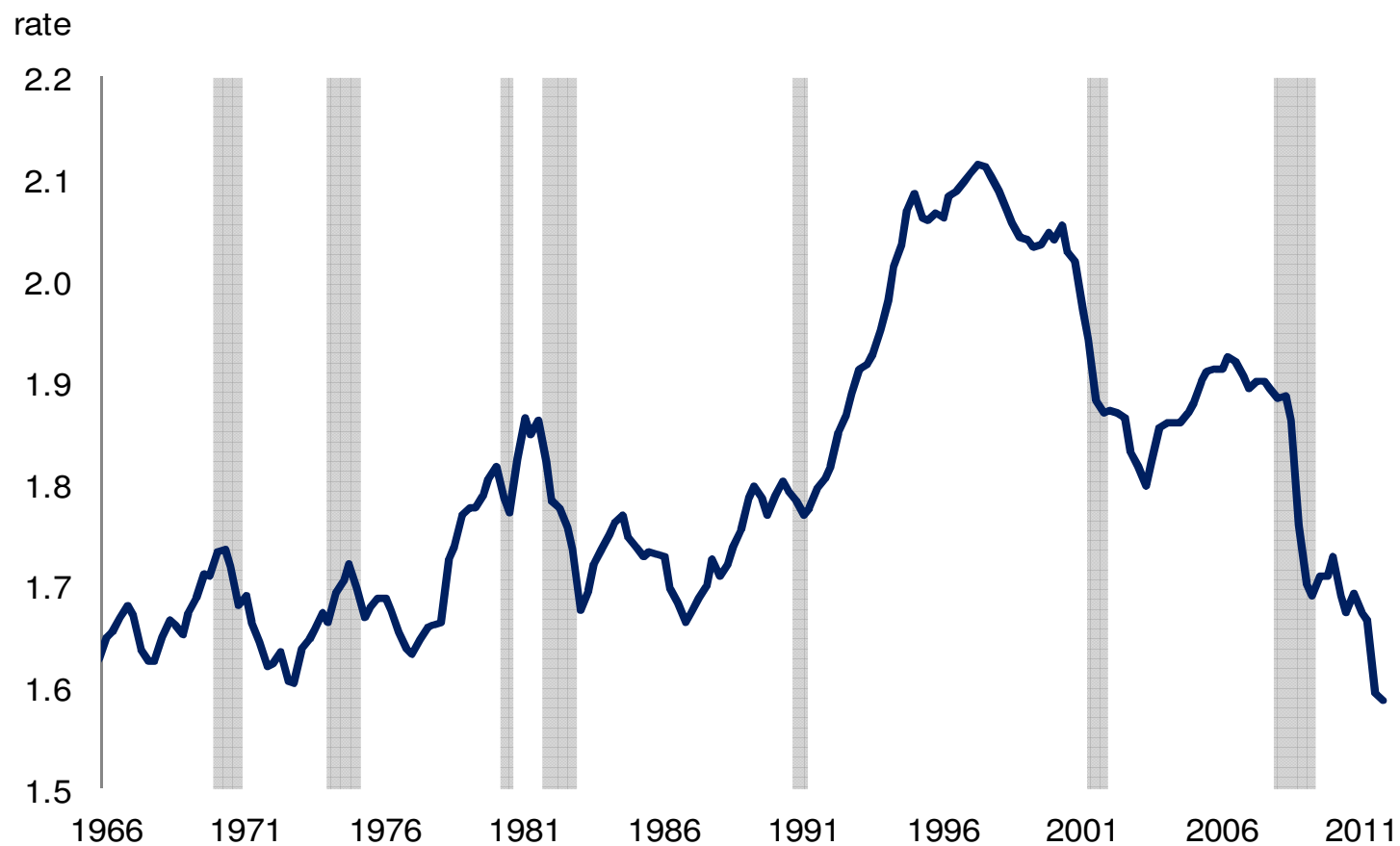
abundant liquidity



Source: Bloomberg; Nomura Global Economics

US money velocity

the rate at which money changes hands (GDP/M2)



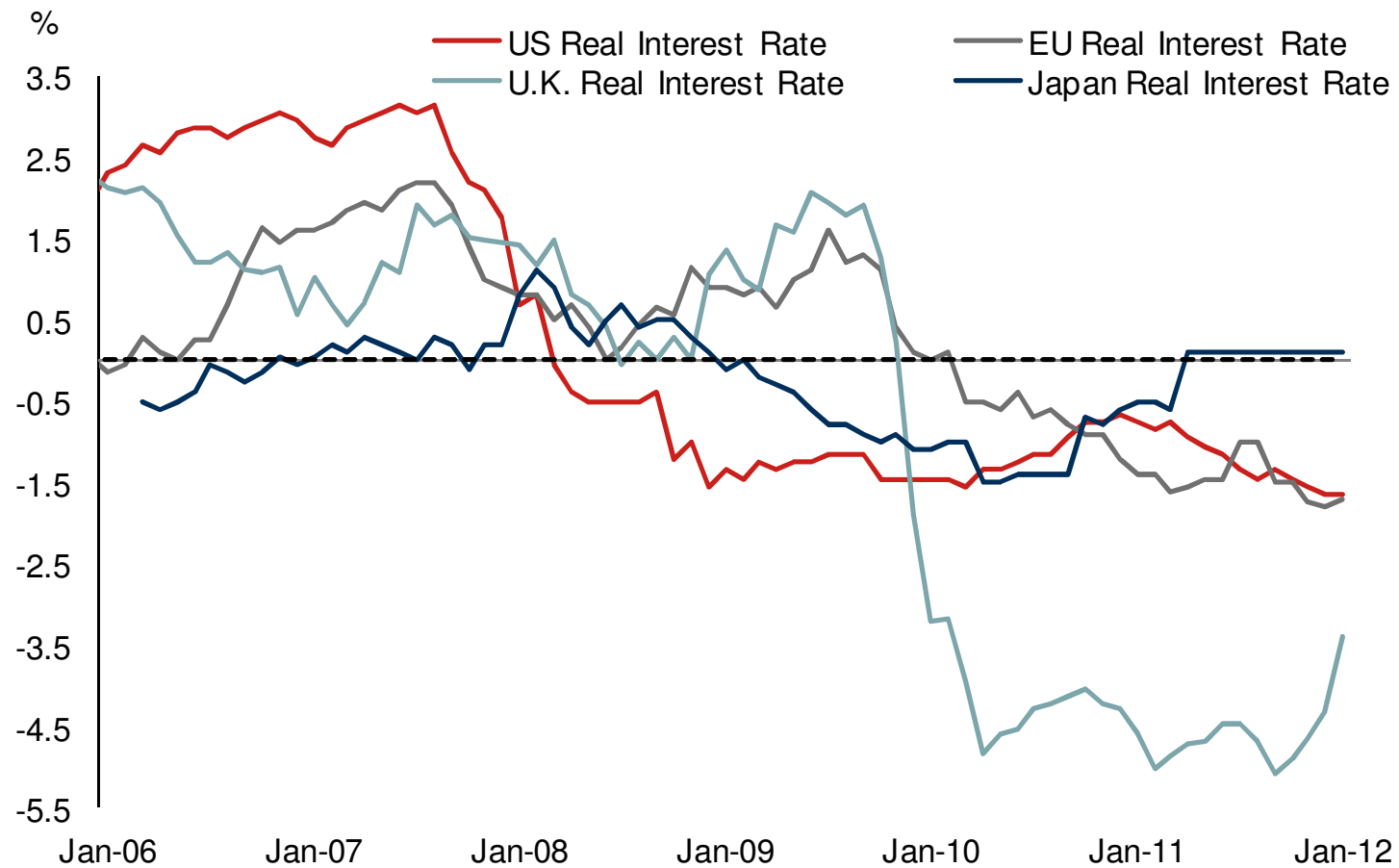
Source: Bloomberg; Nomura Global Economics

Inflation monitor

Country	Target Inflation Rate (%)			Central Bank Policy Rate (%)		Output Gap(%)
	Target	Actual	(+/-)	Nominal	Real	
Denmark	--	2.8	--	0.7	-2.1	-3.6
Euro Area	<2.0	2.7	0.7	1.0	-1.7	-3.3
Japan	1.0	-0.2	-1.2	0.1	0.3	-4.0
New Zealand	1.0-3.0	1.8	In Range	2.5	0.7	-1.3
Norway	2.5	0.5	-2.0	1.8	1.3	-1.5
Sweden	2.0	1.9	-0.1	1.5	-0.4	-2.5
Switzerland	<2.0	-0.8	In Range	N.A.	0.8	-1.0
U.K.	2.0	3.6	1.6	0.5	-3.1	-3.9
U.S.	2.0	1.9	-0.1	0.3	-2.7	-3.8

Source: Bloomberg; Nomura Global Economics. Note: Core PCE price index used as "actual" inflation rate for the US. Data through January 2012.

Real interest rates: G-4

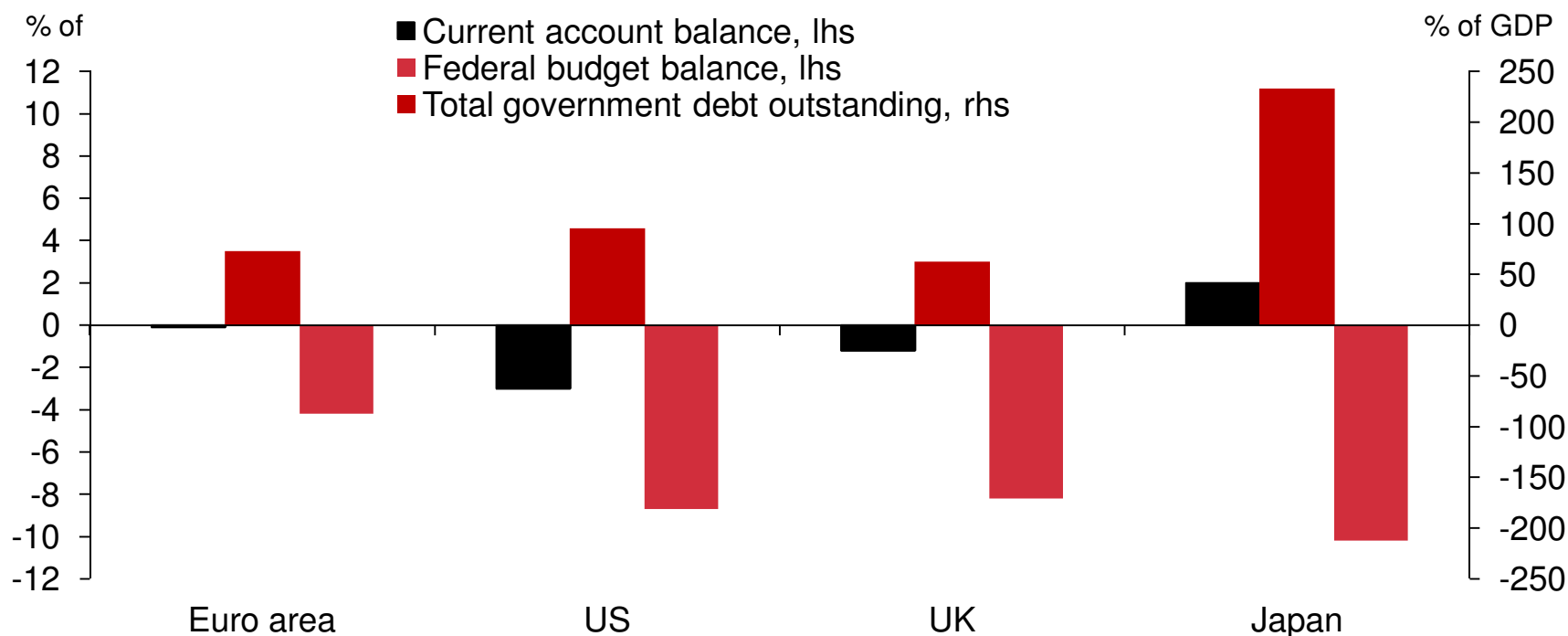


Source: Bloomberg; Nomura Global Economics

A “United States of Europe” would not be facing a fiscal crisis

Europe’s fiscal crisis is a self-manufactured one: a product of an imperfect (monetary) union

Key macro indicators of fiscal conditions: Euro area, US, UK and Japan

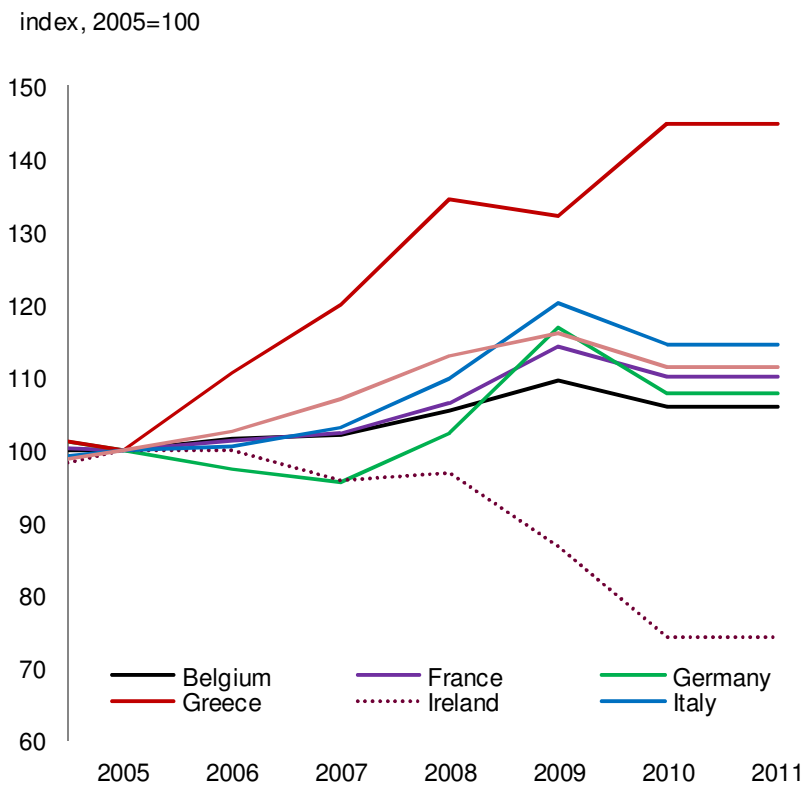


Source: Bank of Japan; US Treasury; Eurostat; Nomura Global Economics

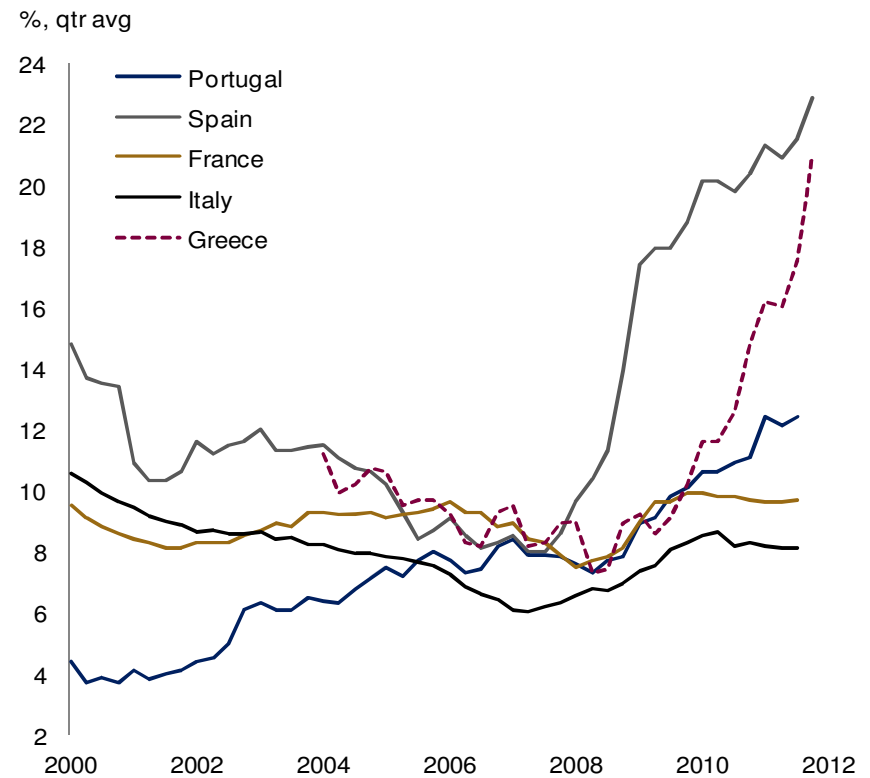
Note: Current account and federal budget numbers are Nomura forecasts for 2011; government debt outstanding is actual data through Q2 2011 for US and Japan; Q1 2011 for Euro area.

Europe's internal competitiveness crisis

Comparative European unit labor costs



Unemployment rates

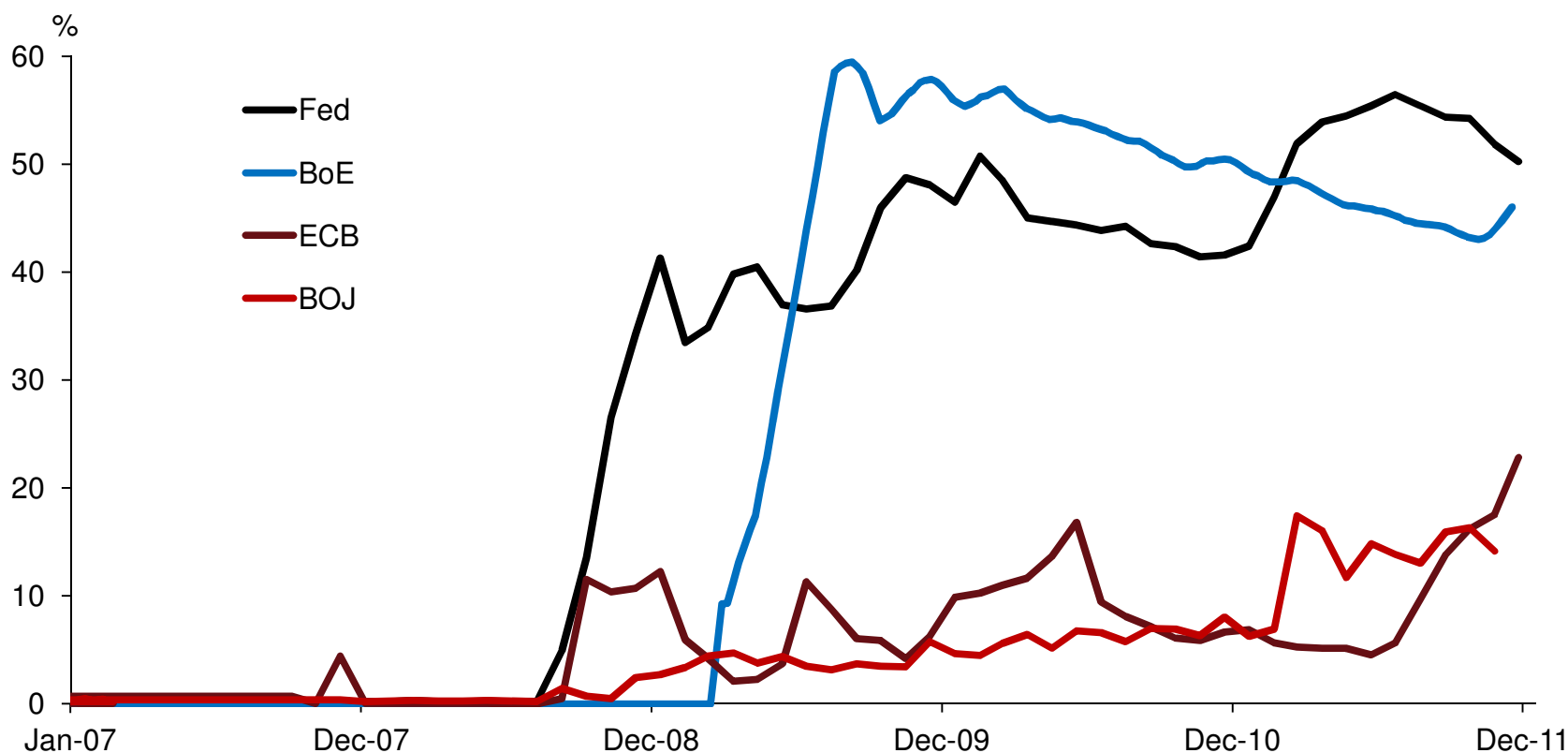


Source: OECD; Nomura Global Economics

© Nomura Global Economics March 21, 2012

ECB has room to engage in large-scale QE

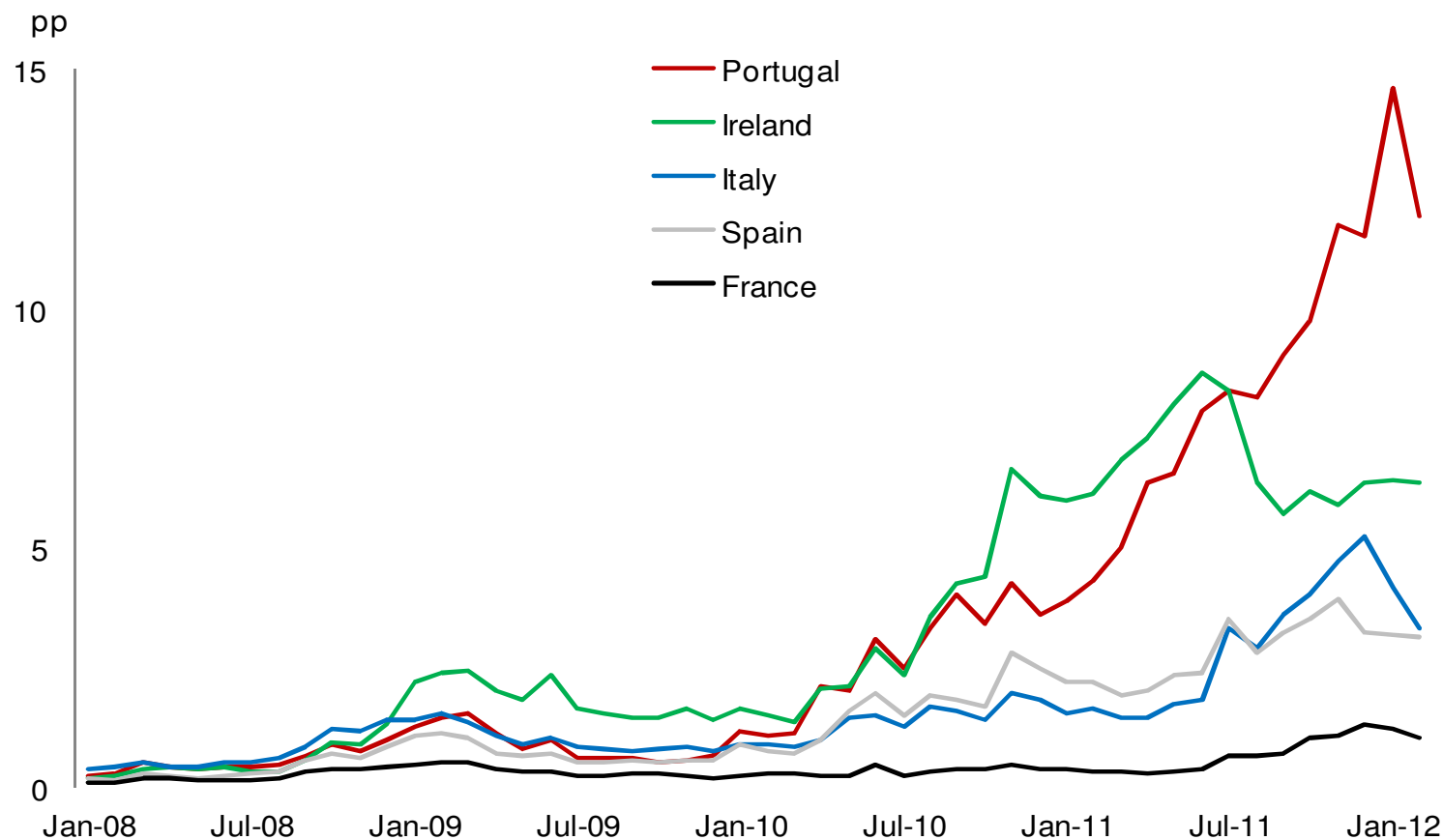
Excess reserves as a percent of central bank's balance sheet: ECB, Fed, BOJ, BOE



Source: Bank of Japan; Federal Reserve; Bank of England; European Central Bank; Nomura Global Economics

Financial conditions have eased somewhat but remain a “significant” downside risk

Sovereign debt spreads around Europe



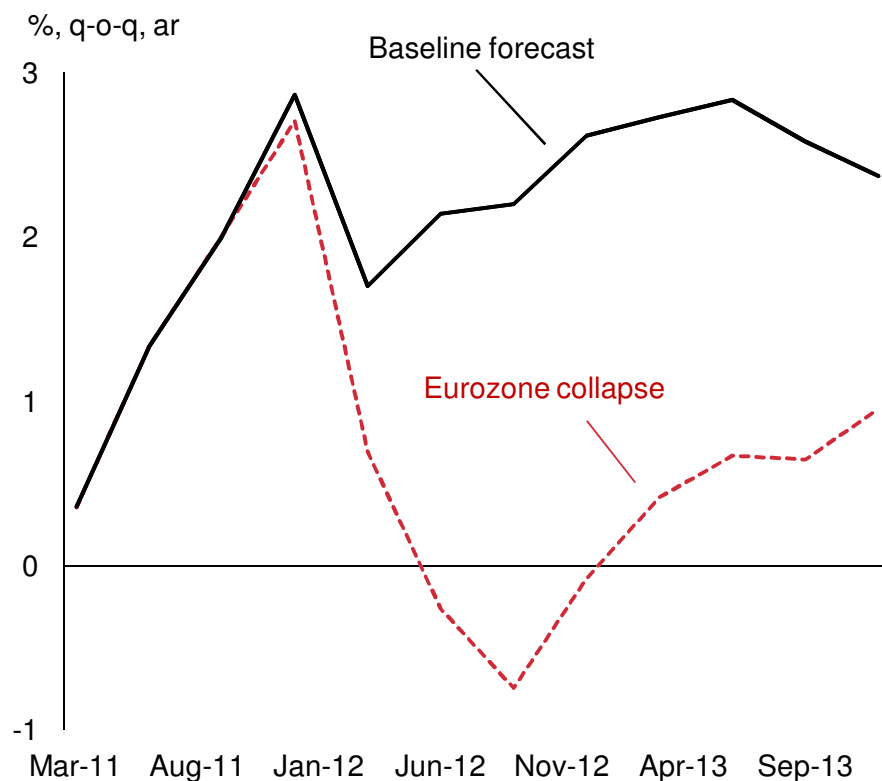
Source: Bloomberg; Nomura Global Economics

Europe remains a tail risk for the US

- ECB liquidity injections have:
 - Eased pressures on financial institutions
 - Reduced borrowing cost for sovereigns
- But the euro-area economy is slowing
- Policy is still behind curve in delivering growth.
 - All the crisis countries, including Spain and Italy, face the challenge improving fiscal performance as the economy contracts
 - Greece has made significant progress, but much is unresolved
- The biggest risks to the US are financial
 - Spillovers to asset markets will be a restraint on growth
 - Net exposures of US financial institutions look manageable
 - But gross exposures are very large, posing additional risk in an extreme scenario

Alternative forecast scenario: eurozone shock

Baseline vs. alternative forecast



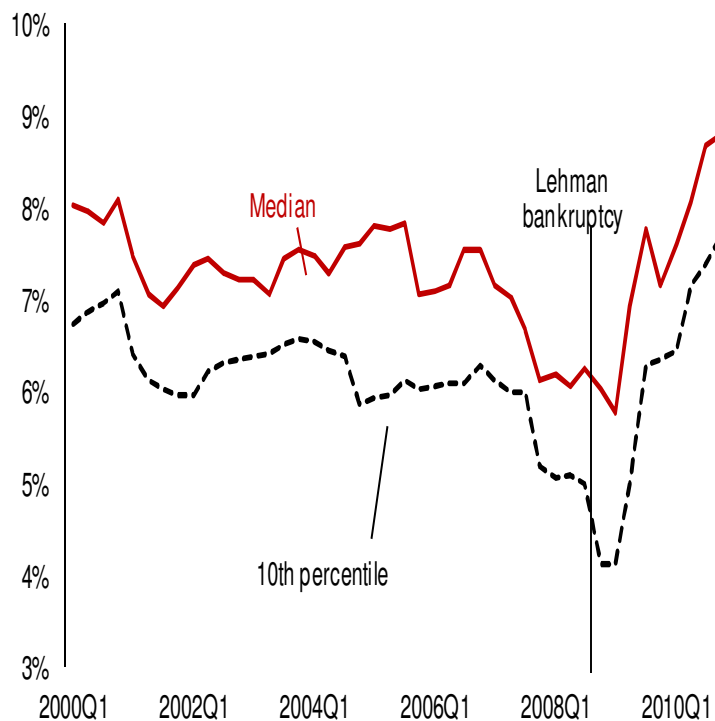
Impact of euro shock on 2012 growth

Baseline 2012 growth forecast (%, Q4/Q4 ar)	2.2
<i>Sources of reduced growth</i>	
Global GDP (pp)	-0.3
US financial conditions (pp)	-1.1
Stronger \$ (pp)	-0.9
US growth in Euro shock scenario (%)	-0.1

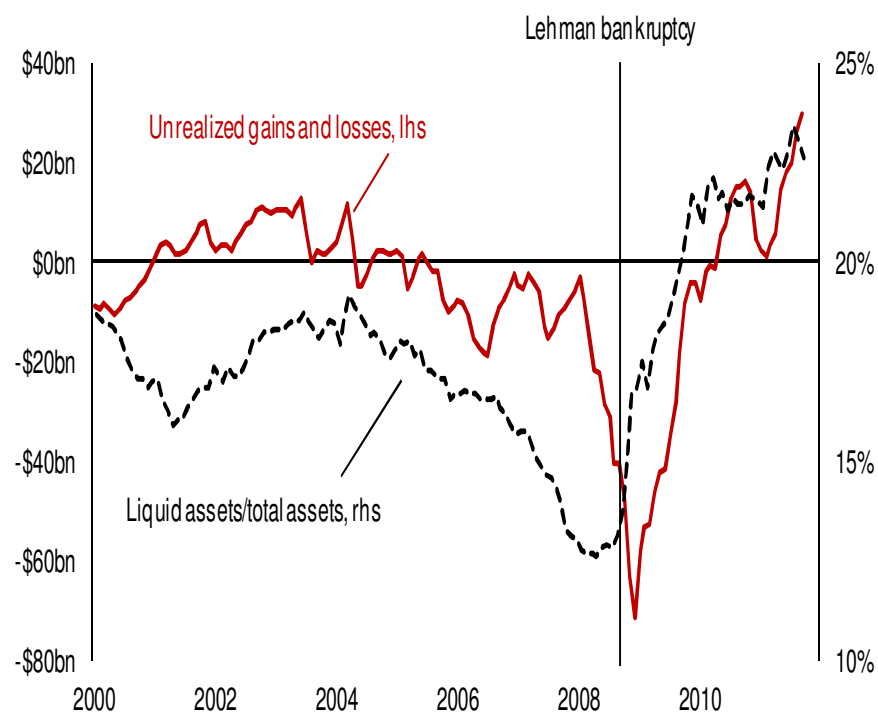
Source: Nomura Global Economics

US banks are better prepared than in 2008

Tier 1 common for large US banks



Liquid assets & unrealized gains for large US banks



Source: Nomura Global Economics

Direct exposure to Europe looks manageable, but ...

Reported net exposure to high spread euro-area countries*, 2011-Q3

Net Exposure to High-Spread Euro-Area Countries*	(US\$, billions)
Citi	16.3
J.P. Morgan	15.1
Bank of America	13.0
Morgan Stanley	3.4
Goldman Sachs	2.5
Total	50.3

* Greece, Ireland, Italy, Portugal, and Spain

Gross exposure of large US banks (total claims, \$bn)

	Public sector	Banks	Other sectors	Total
Greece	3	3	4	10
Portugal	2	3	2	7
Ireland	2	13	46	61
Sub-total	7	18	53	77
Spain	8	30	47	84
Italy	27	22	16	64
Sub-total	41	70	115	226
Belgium	11	18	10	39
France	30	204	58	292
Total	82	291	184	556

Source: Company Reports, Nomura Equity Research; FFIEC; Nomura Global Economics

The policy tools for containing financial stress have changed.

The passage of Dodd-Frank, and the demise of TARP, mean that the government will not be able to replicate the policy response of 2008-09 if the financial system faces another crisis.

One objective of the Dodd-Frank Act was to make “bailouts” less likely.

- Dodd-Frank created new “Orderly Liquidation Authority” (OLA) under the FDIC to make it “easier” to wind down large financial institutions.
- Dodd-Frank also eliminated, or severely restricted, some of the policy tools that were important in 2008-09.
 - The Federal Reserve’s emergency authority (under Section 13(3) of the Federal Reserve Act) was restricted.
 - The FDIC’s authority to provide “open bank” assistance and issue non-deposit guarantees was restricted.

The absence of fiscal resources, with the expiration of TARP authority, also restricts what is possible.

- It seems extremely unlikely that Congress would appropriate funds to support the financial sector in the current environment.

Major Programs: Pre-Lehman

	Program	Federal Reserve 13(3)	FDIC		TARP
			“widely - available” guarantees	“Systemic Risk” Exemption	
Aug-2007	Federal Reserve Lowered the Discount Rate				
Dec-2007	Term Auction Facility (TAF)				
Dec-2007	SWAP lines with foreign central banks				
Mar-2008	Maiden Lane I (Bear Stearns)	✓			
Mar-2008	Term Securities Lending Facility (TSLF) and Primary Dealer Credit Facility (PDCF)	✓			

Source: Nomura; Department of the Treasury; Federal Reserve; Federal Deposit Insurance Corporation
 Note: Yellow shading indicates programs that could not be implemented, as is, under Dodd-Frank.

Major Programs: Post Lehman

	Program	Federal Reserve 13(3)	FDIC		TARP
			“widely - available” guarantees	“Systemic Risk” Exemption	
Sep-2008	Federal Reserve Loan to AIG	✓			
Sep-2008	Treasury’s money market guarantee program				
Sep-2008	Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF)	✓			
Oct-2008	Commercial Paper Funding Facility (CPFF)	✓			
Oct-2008	Capital injections to nine large banks				✓
Oct-2008	Temporary Liquidity Guarantee Program (TLGP)		✓		
Oct-2008	Money-Market Investor Fund Facility (MMIFF)	✓			
Nov-2008	AIG Loan Restructured (Maiden Lane II&II)	✓			✓
Nov-2008	Term Asset-Backed Securities Loan Facility (TALF)	✓			✓
Nov-2008	Citi “ring fence”	✓		✓	✓
Jan-2009	Bank of America “ring fence”	✓		✓	✓
Feb-2009	Treasury’s Financial Stability Plan – Stress Test, expansion of TALF, HAMP, auto programs, etc.				✓

Orderly Liquidation Authority (OLA)

How OLA Works

- The Secretary of the Treasury, with the concurrence of Federal Reserve and FDIC Boards, can put a firm into FDIC receivership.
 - The Secretary must find that the firm in question is either in default or on the verge of default and that its failure would have serious adverse effects on financial stability.
- Once in receivership the FDIC takes over responsibility for running the firm.
 - Senior management is replaced.
- Once a firm has been put into receivership the FDIC can establish one or more bridge financial companies .
 - The FDIC can transfer assets and liabilities of the firm into the bridge financial companies.
 - Assets and liabilities that are not transferred remain in receivership.
 - The FDIC can fund the bridge financial companies in a number of ways, including by drawing funds from the Treasury and guaranteeing debt of the bridge companies.
- Counterparties with qualified financial contracts – derivatives, repos, etc – with the firm are prohibited from exercising their special rights under those contracts for two days.
 - This is designed to give the FDIC the opportunity to transfer those contracts to a bridge financial company thereby avoiding a messy unwind of those contract.
- The bridge financial companies can be wound down in an orderly way and/or they can be sold.
- Creditors with residual claims in receivership are paid out in order of priority.

Key Points

- The FDIC has considerable discretion under OLA.
 - Dodd- Frank directs the FDIC to minimize losses and moral hazard.
 - But the FDIC also has a mandate to mitigate risk.
 - With these mandates, and the FDIC's near-complete discretion, a considerable range of outcomes are possible.
- OLA is intended to build on the FDIC's experience in dealing with troubled banks.
 - But the FDIC's experience with today's large, complex, global institutions is limited.
- OLA is likely to be less disruptive than bankruptcy largely because of the new powers to deal with qualified financial contracts.
- But there are a number of problems.
 - For the moment an important part of the system is missing.
 - OLA was designed to work with pre-determined resolution plans, a.k.a. "living wills."
 - Final rules for "resolution plans" have been adopted.
 - The biggest problem with OLA relates to cross-border issues.
 - Foreign regulators may be tempted to ring-fence operations within their jurisdictions if a US firm is put into OLA receivership.
 - US and foreign regulators are working on this problem but little progress has been made, in large part because different countries approach this problem very differently.

Disclosure Appendix A-1

ANALYST CERTIFICATIONS

I, Ellen Zentner, hereby certify (1) that the views expressed in this report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this report, (2) no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report and (3) no part of our compensation is tied to any specific investment banking transactions performed by Nomura Securities International, Inc., Nomura International plc or any other Nomura Group company.

Issuer Specific Regulatory Disclosures

The term "Nomura Group Company" used herein refers to Nomura Holdings, Inc. or any affiliate or subsidiary of Nomura Holdings, Inc. Nomura Group Companies involved in the production of Research are detailed in the disclaimer below.

Issuer name Disclosures

BANK OF AMERICA CORP	A1,A2,A3,A4,A5,A6,A7,A9
Hellenic Republic	A10
KINGDOM OF SPAIN	A10
MORGAN STANLEY	A1,A2,A3,A9,B5
Republic of Italy	A10

A1 Nomura Securities International, Inc has received compensation for non-investment banking products or services from the issuer in the past 12 months.

A2 Nomura Securities International, Inc had a non-investment banking securities related services client relationship with the issuer during the past 12 months.

A3 Nomura Securities International, Inc had a non-securities related services client relationship with the issuer during the past 12 months.

A4 A Nomura Group Company had an investment banking services client relationship with the issuer during the past 12 months.

A5 A Nomura Group Company has received compensation for investment banking services from the issuer in the past 12 months.

A6 A Nomura Group Company expects to receive or intends to seek compensation for investment banking services from the issuer in the next three months.

A7 A Nomura Group Company has managed or co-managed a publicly announced or 144A offering of the issuer's securities or related derivatives in the past 12 months.

A9 Nomura Securities International Inc. makes a market in securities of the issuer.

A10 A Nomura Group Company is a registered market maker in the securities / related derivatives of the issuer.

B5 An associate of the analyst responsible for the preparation of the contents of this report holds equity securities of the issuer pursuant to a

Important Disclosures

Online availability of research and additional conflict-of-interest disclosures

Nomura's Research is available electronically for clients in the US on NOMURA.COM, REUTERS, BLOOMBERG and THOMSON ONE ANALYTICS. For clients in Europe, Japan and elsewhere in Asia it is available on NOMURA.COM, REUTERS and BLOOMBERG.

Important disclosures may be accessed through the left hand side of the Nomura Disclosure web page <http://go.nomuranow.com/research/globalresearchportal> or requested from Nomura Securities International, Inc., on 1-877-865-5752. If you have any difficulties with the website, please email grpsupport-eu@nomura.com for technical assistance.

The analysts responsible for preparing this report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by Investment Banking activities.

Unless otherwise noted, the non-US analysts listed at the front of this report are not registered/qualified as research analysts under FINRA/NYSE rules, may not be associated persons of NSI, and may not be subject to FINRA Rule 2711 and NYSE Rule 472 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

ADDITIONAL DISCLOSURES REQUIRED IN THE U.S. Principal Trading: Nomura Securities International, Inc and its affiliates will usually trade as principal in the fixed income securities (or in related derivatives) that are the subject of this research report. Analyst Interactions with other Nomura Securities International, Inc Personnel: The fixed income research analysts of Nomura Securities International, Inc and its affiliates regularly interact with sales and trading desk personnel in connection with obtaining liquidity and pricing information for their respective coverage universe.

Economic Research

Valuation Methodology - Global Strategy A "Relative Value" based recommendation is the principal approach used by Nomura's Fixed Income Strategists / Analysts when they make "Buy" (Long) "Hold" and "Sell" (Short) recommendations to clients. These recommendations use a valuation methodology that identifies relative value based on:

- a) Opportunistic spread differences between the appropriate benchmark and the security or the financial instrument,
- b) Divergence between a country's underlying macro or micro-economic fundamentals and its currency's value and
- c) Technical factors such as supply and demand flows in the market that may temporarily distort valuations when compared to an equilibrium priced solely on fundamental factors.

In addition, a "Buy" (Long) or "Sell" (Short) recommendation on an individual security or financial instrument is intended to convey Nomura's belief that the price/spread on the security in question is expected to outperform (underperform) similarly structured securities over a three to twelve-month time period. This outperformance (underperformance) can be the result of several factors, including but not limited to: credit fundamentals, macro/micro economic factors, unexpected trading activity or an unexpected upgrade (downgrade) by a major rating agency.

Disclaimers

This document contains material that has been prepared by the Nomura entity identified at the top or bottom of page 1 herein, if any, and/or, with the sole or joint contributions of one or more Nomura entities whose employees and their respective affiliations are specified on page 1 herein or identified elsewhere in the document. Affiliates and subsidiaries of Nomura Holdings, Inc. (collectively, the 'Nomura Group'), include: Nomura Securities Co., Ltd. ('NSC') Tokyo, Japan; Nomura International plc ('Nlplc'), UK; Nomura Securities International, Inc. ('NSI'), New York, US; Nomura International (Hong Kong) Ltd. ('NIHK'), Hong Kong; Nomura Financial Investment (Korea) Co., Ltd. ('NFIK'), Korea (Information on Nomura analysts registered with the Korea Financial Investment Association ('KOFIA') can be found on the KOFIA Intranet at <http://dis.kofia.or.kr>); Nomura Singapore Ltd. ('NSL'), Singapore (Registration number 197201440E, regulated by the Monetary Authority of Singapore); Capital Nomura Securities Public Company Limited ('CNS'), Thailand; Nomura Australia Ltd. ('NAL'), Australia (ABN 48 003 032 513), regulated by the Australian Securities and Investment Commission ('ASIC') and holder of an Australian financial services licence number 246412; P.T. Nomura Indonesia ('PTNI'), Indonesia; Nomura Securities Malaysia Sdn. Bhd. ('NSM'), Malaysia; Nomura International (Hong Kong) Ltd., Taipei Branch ('NITB'), Taiwan; Nomura Financial Advisory and Securities (India) Private Limited ('NFASL'), Mumbai, India (Registered Address: Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400 018, India; Tel: +91 22 4037 4037, Fax: +91 22 4037 4111; SEBI Registration No: BSE INB011299030, NSE INB231299034, INF231299034, INE 231299034, MCX: INE261299034); Banque Nomura France ('BNF'), regulated by the Autorité des marchés financiers and the Autorité de Contrôle Prudentiel; Nlplc, Dubai Branch ('Nlplc, Dubai'); Nlplc, Madrid Branch ('Nlplc, Madrid') and Nlplc, Italian Branch ('Nlplc, Italy').

This material is: (i) for your private information, and we are not soliciting any action based upon it; (ii) not to be construed as an offer to sell or a solicitation of an offer to buy any security in any jurisdiction where such offer or solicitation would be illegal; and (iii) based upon information from sources that we consider reliable, but has not been independently verified by Nomura Group.

Nomura Group does not warrant or represent that the document is accurate, complete, reliable, fit for any particular purpose or merchantable and does not accept liability for any act (or decision not to act) resulting from use of this document and related data. To the maximum extent permissible all warranties and other assurances by Nomura group are hereby excluded and Nomura Group shall have no liability for the use, misuse, or distribution of this information.

Opinions or estimates expressed are current opinions as of the original publication date appearing on this material and the information, including the opinions and estimates contained herein, are subject to change without notice. Nomura Group is under no duty to update this document. Any comments or statements made herein are those of the author(s) and may differ from views held by other parties within Nomura Group. Clients should consider whether any advice or recommendation in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. Nomura Group does not provide tax advice.

Nomura Group, and/or its officers, directors and employees, may, to the extent permitted by applicable law and/or regulation, deal as principal, agent, or otherwise, or have long or short positions in, or buy or sell, the securities, commodities or instruments, or options or other derivative instruments based thereon, of issuers or securities mentioned herein. Nomura Group companies may also act as market maker or liquidity provider (as defined within Financial Services Authority ('FSA') rules in the UK) in the financial instruments of the issuer. Where the activity of market maker is carried out in accordance with the definition given to it by specific laws and regulations of the US or other jurisdictions, this will be separately disclosed within the specific issuer disclosures.

This document may contain information obtained from third parties, including ratings from credit ratings agencies such as Standard & Poor's. Reproduction and distribution of third party content in any form is prohibited except with the prior written permission of the related third party. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content, including ratings. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase hold or sell securities. They do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice.

Any MSCI sourced information in this document is the exclusive property of MSCI Inc. ('MSCI'). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, re-disseminated or used to create any financial products, including any indices. This information is provided on an "as is" basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI and the MSCI indexes are services marks of MSCI and its affiliates.

Investors should consider this document as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. Nomura Group produces a number of different types of research product including, among others, fundamental analysis, quantitative analysis and short term trading ideas; recommendations contained in one type of research product may differ from recommendations contained in other types of research product, whether as a result of differing time horizons, methodologies or otherwise. Nomura Group publishes research product in a number of different ways including the posting of product on Nomura Group portals and/or distribution directly to clients. Different groups of clients may receive different products and services from the research department depending on their individual requirements.

Economic Research

Figures presented herein may refer to past performance or simulations based on past performance which are not reliable indicators of future performance. Where the information contains an indication of future performance, such forecasts may not be a reliable indicator of future performance. Moreover, simulations are based on models and simplifying assumptions which may oversimplify and not reflect the future distribution of returns.

Certain securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment.

The securities described herein may not have been registered under the US Securities Act of 1933 (the '1933 Act'), and, in such case, may not be offered or sold in the US or to US persons unless they have been registered under the 1933 Act, or except in compliance with an exemption from the registration requirements of the 1933 Act. Unless governing law permits otherwise, any transaction should be executed via a Nomura entity in your home jurisdiction.

This document has been approved for distribution in the UK and European Economic Area as investment research by NIplc, which is authorized and regulated by the FSA and is a member of the London Stock Exchange. It does not constitute a personal recommendation, as defined by the FSA, or take into account the particular investment objectives, financial situations, or needs of individual investors. It is intended only for investors who are 'eligible counterparties' or 'professional clients' as defined by the FSA, and may not, therefore, be redistributed to retail clients as defined by the FSA. This document has been approved by NIHK, which is regulated by the Hong Kong Securities and Futures Commission, for distribution in Hong Kong by NIHK. This document has been approved for distribution in Australia by NAL, which is authorized and regulated in Australia by the ASIC. This document has also been approved for distribution in Malaysia by NSM. In Singapore, this document has been distributed by NSL. NSL accepts legal responsibility for the content of this document, where it concerns securities, futures and foreign exchange, issued by their foreign affiliates in respect of recipients who are not accredited, expert or institutional investors as defined by the Securities and Futures Act (Chapter 289). Recipients of this document in Singapore should contact NSL in respect of matters arising from, or in connection with, this document. Unless prohibited by the provisions of Regulation S of the 1933 Act, this material is distributed in the US, by NSI, a US-registered broker-dealer, which accepts responsibility for its contents in accordance with the provisions of Rule 15a-6, under the US Securities Exchange Act of 1934.

This document has not been approved for distribution in the Kingdom of Saudi Arabia ('Saudi Arabia') or to clients other than 'professional clients' in the United Arab Emirates ('UAE') by Nomura Saudi Arabia, NIplc or any other member of Nomura Group, as the case may be. Neither this document nor any copy thereof may be taken or transmitted or distributed, directly or indirectly, by any person other than those authorised to do so into Saudi Arabia or in the UAE or to any person located in Saudi Arabia or to clients other than 'professional clients' in the UAE. By accepting to receive this document, you represent that you are not located in Saudi Arabia or that you are a 'professional client' in the UAE and agree to comply with these restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of Saudi Arabia or the UAE.

NO PART OF THIS MATERIAL MAY BE (I) COPIED, PHOTOCOPIED, OR DUPLICATED IN ANY FORM, BY ANY MEANS; OR (II) REDISTRIBUTED WITHOUT THE PRIOR WRITTEN CONSENT OF A MEMBER OF NOMURA GROUP.

No part of this material may be (i) copied, photocopied, or duplicated in any form, by any means; or (ii) redistributed without the prior written consent of a member of Nomura Group. Further information on any of the securities mentioned herein may be obtained upon request. If this document has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this document, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version.

Nomura Group manages conflicts with respect to the production of research through its compliance policies and procedures (including, but not limited to, Conflicts of Interest, Chinese Wall and Confidentiality policies) as well as through the maintenance of Chinese walls and employee training.

Additional information is available upon request. Disclosure information is available at the Nomura Disclosure web page:

<http://go.nomuranow.com/research/globalresearchportal/pages/disclosures/disclosures.aspx>