

RISK SUMMARY

Nomura Culross Alpha Exchangeable Notes (GBP)

This document provides summary information in relation to the proposed issuance of GBP5,000,000 Culross Alpha Stags Index (GBP) Performance Tracking Exchangeable Notes (the “**Securities**”) and highlights some risks associated with investment in the Securities. For a complete description of the transaction, please refer to the attached termsheet and the prospectus relating to the Securities (the “**Issue Documents**”). This document is must be read in conjunction with the Issue Documents and sole reliance should not be placed on the contents of this document.

It is proposed that Nomura Bank International plc (the “**Issuer**”) will issue the Securities. The Securities will be denominated in Great Britain Pounds (“**GBP**”). The issue price will be GBP 1 subject to a minimum subscription of at least GBP 50,000.

It is anticipated that in a majority of cases, the Securities will deliver warrants (the “**Warrants**”) issued by STAGS Limited, a Cayman Islands company. The Warrants will be exercisable within a given time period and will deliver one preference share (“**Preference Share**”) in STAGS Limited for each Warrant exercised.

The Preference Shares have a pre-determined value of GBP 10 per share. The difference between this pre-determined value and the exercise price of each Warrant will, in effect, be the financial performance that an investor in the Securities can expect to receive over the course of its investment in the Securities.

The value of the Warrant will ultimately be driven by the performance of the Culross Alpha STAGS Index (GBP) (the “**Underlying Index**”). Value of the Underlying Index will, in turn, be driven by a number of factors including, principally, the performance of Culross Global Segregated Portfolio and Culross Arbitrage Segregated Portfolio, both segregated portfolios of Culross Global SPC Limited. Further details about the composition of the Underlying Index and its operation are provided in the Issue Documents.

Risk Factors

Following is a summary of certain risk factors associated with investment in the Securities. Please note that this is not a complete list of all risks that a prospective investor in the Securities could be exposed to. For a complete description of all risks please refer to the Issue Documents which are available from the Nomura International plc (the “**Dealer**”). If a prospective investor is unsure about the suitability of this investment, then it should take financial advice.

ISSUER SPECIFIC RISKS

As a global financial services provider, fluctuations in the market situation can impair the Issuer's ability to implement business strategies and have a direct, negative impact on earnings. Accordingly, the Issuer's revenues and earnings are, and have been, subject to fluctuations. The revenues and earnings figures from a specific period, thus, are not

evidence of sustainable results. They can change from one year to the next and affect Issuer's ability to achieve its strategic objectives.

General Insolvency Risk

Each investor bears the general risk that the financial situation of the Issuer could deteriorate. The Securities constitute immediate, unsecured and unsubordinated obligations of the Issuer, which – even in the event of the Issuer's insolvency - rank *pari passu* with each other and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions.

If the Issuer becomes insolvent, then an investor may receive less than the amount they were expecting and possibly receive nothing. Any such payments on insolvency may not be paid for a substantial amount of time.

Issuer Credit Risk and Effect of Downgrading of the Issuer's Rating

By investing in Securities, an investor will run credit risk against the Issuer. The Issuer has a current Standard & Poor's credit rating of 'A-'. The Standard & Poor's credit rating is a current opinion of an issuer's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the issuer's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. The credit rating is not a recommendation to purchase, sell, or hold a financial obligation, as it does not comment on market price or suitability for a particular investor.

Any changes to the credit standing (including the credit rating) could adversely affect the price and value of the Securities.

SECONDARY MARKET RISKS

While Nomura International plc intends, under normal market conditions, to indicate prices for the Securities there can be no assurance (i) that any prices will be indicated, (ii) as to the prices that will be indicated and (iii) that Nomura International plc will offer to purchase or sell any Securities.

Any such prices indicated shall be determined by Nomura International plc in its sole discretion and shall be subject to prevailing circumstances and no adverse change in market conditions. Accordingly, although Nomura International plc intends to provide a secondary market for the Securities under normal market conditions, this is not a commitment to purchase or sell any Security at any particular time or price and Nomura International plc may suspend or terminate any secondary market it provides at any time regardless of conditions, at its own absolute discretion and without notice to holders of the Securities. Prospective purchasers should therefore not rely on the existence of a secondary market in making any decision to purchase any Securities.

PRODUCT SPECIFIC RISKS

- The Nomura Group of companies ("**Nomura**"), is not providing any advice regarding this security, or acting in any form of fiduciary capacity. Therefore an investor should only decide to purchase this security after careful consideration together with its legal, tax, accounting, financial and other advisers. An investor should pay particular attention to the risk factors included in this document and the Issue Documentation and ensure that it understands these before purchasing Securities. If a prospective investor does not already have such documentation, a copy can be requested from Nomura International Plc. There may be other risks and other considerations not listed below that a prospective investor may also need to consider before investing in the Securities.
- A prospective investor should understand the reference asset(s) in detail before deciding whether to invest in the Securities therefore it may wish to perform such investigation itself or arrange for its advisors to do so for them. Any information presented to investors in connection with the Securities is based only on publicly available information concerning the reference asset(s) and not for example on any investigation Nomura may have performed on its own behalf. The reference asset(s) may be subject to change during the life of the Securities for example to respond to corporate actions or market disruption events that may occur.
- As an Investor in Securities, an investor will assume and be responsible for any and all taxes of any jurisdiction or governmental or regulatory authority that may be payable in respect of the underlying assets or investments that drive the value of the Securities. Therefore before purchasing a prospective investor should consider its tax position and consult with its advisers as it deems necessary.
- Due to the existence of the potential leverage feature in this product, any movement in the value of the market asset component may cause a greater movement in the value of the Securities, which may result in greater gains or losses for the investor than if the investment had been exclusively in the market asset component and had not been leveraged.
- The funds of hedge funds that are included as the market asset component may invest in a wide variety of markets, asset classes and currencies, and may follow aggressive investment strategies, which may be very broad or subject to change from time to time. The fund of hedge funds (or the underlying funds they invest in) may use derivative instruments, illiquid securities or those that do not have transparent pricings. In addition, the fund of hedge funds (or the underlying funds they invest in) may acquire leveraged trading positions and may be exposed to credit risk in relation to their counterparties.
- In the event of the issuing institution being unable to meet its financial obligations, an investor could lose part, or all, of their capital or investment return.
- If an investor's circumstances change it could be forced to sell its investments early. If this happens, it may get back less than the amount that it originally invested depending upon the value of the Culross Alpha STAGS Index (GBP) at that time. An investor cannot claim full reimbursement if the price at which the Securities were purchased has fallen after initial purchase.

I confirm that I have read, understood and agree with the matters set out in this Risk Summary and the attached termsheet.

Signed:
Name:
Address:
Date: