

Foreign Exchange Surveys

Date: 5th February 2008
Produced by: Toby Cole

The materials may not be used or relied upon in any way.

Euromoney FX Survey

- Largest private sector survey
- Internet based poll, conducted over approx 8 week period
- Participation from individual traders, Corporates, Institutional Investors, State agencies, Financial Institutions
- Surveys available in multiple languages

Methodology

Questionnaires sent out as online survey

Ranking by market share

- based on total volume of fx business
- clients asked to rank top 10
- total business with each service provider across all questionnaires received was then divided by total business questionnaires to arrive at market share figure

Other results based on a scoring system of 4:3:2 for 1st, 2nd and 3rd place respectively. Results are not volume weighted.

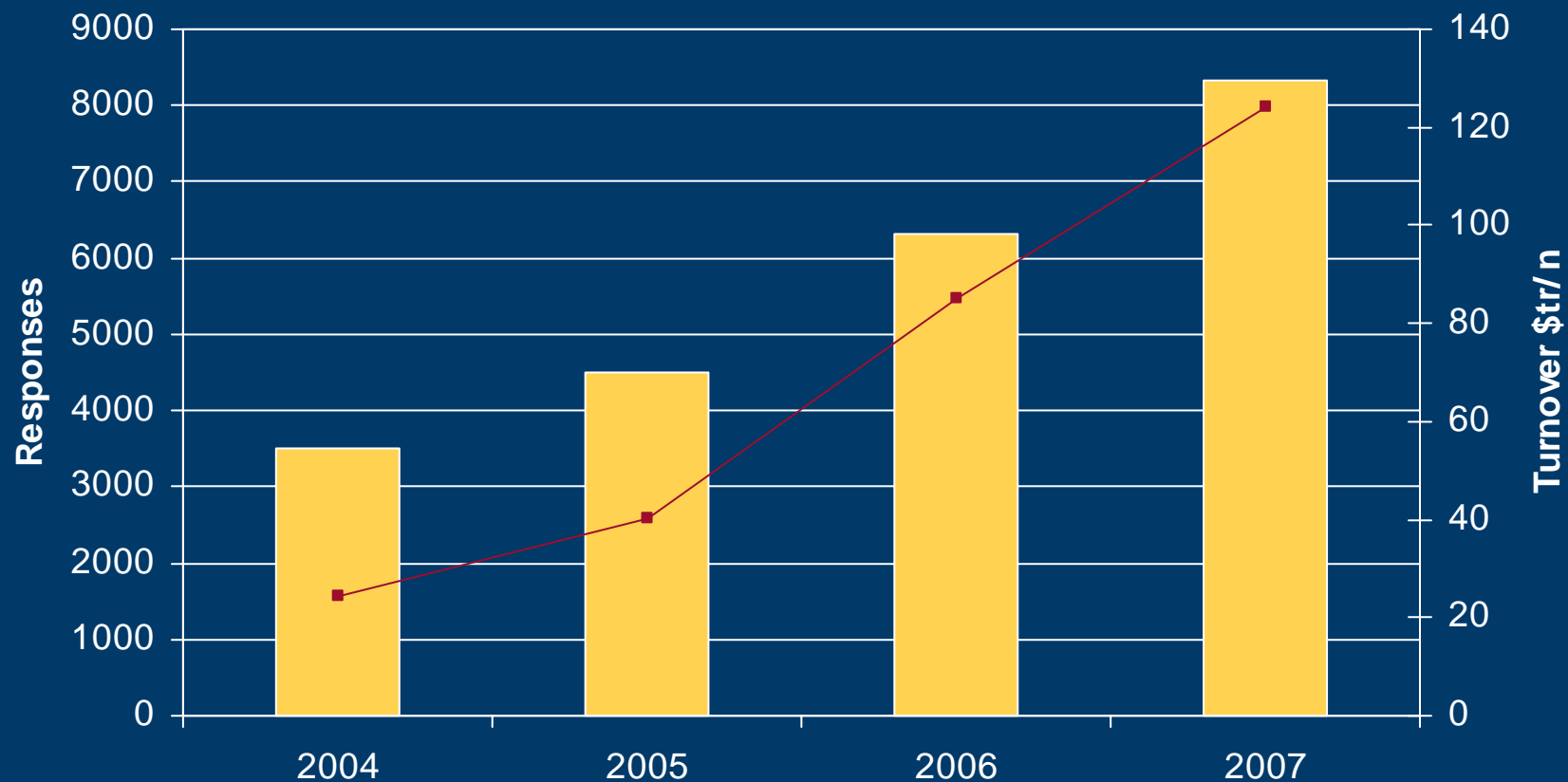
Pros

- Provides broad snapshot of the marketplace
- Promoted by banks, helping insure large number of responses
- Efforts made to validate all responses
- Extensive history – survey running for 30 years

Cons

- Importance as a marketing tool, creates issues
 - Leads to inducements offered to clients
 - Increasing evidence of ‘inflated’ turnover and duplicate entries.
- Over 50% of votes from corporates
- Hard to reconcile market share data
- Influenced by ‘look and feel’ over substance
- Can be influenced by votes from 3-4 large customers

Summary of Results



2007 Turnover figures imply Euromoney captures approx 15% of the Market (based on BIS data)

Trends Highlighted

<u>Turnover by a/c type</u>	<u>2004</u>		<u>2007</u>
Leveraged funds	21.1%	->	35.7%
Banks	20.1%	->	29.21%
Non-financial Corporates	20.94%	->	11.01%
Electronic trading platforms	<1%	->	7.28%

Regional balance has changed little

Market Share Results

2007

Deutsche	19.30%
UBS	14.85%
Citibank	9.00%
RBS	8.90%
Barclays	8.80%

2006

Deutsche	19.26%
UBS	11.86%
Citigroup	10.39%
Barclays Capital	6.61%
RBS	6.43%

From 8,337 valid votes

- Top 2 dominance driven by e-trading
- Top 5 account for >60% market
- Saxobank break into the top 25

2008 Survey

- Breakdown of volume into spot/swap
- Inclusion of question on correlation/hybrid products
- Additional questions on electronic trading

Other Surveys

- Consolidation amongst trade periodicals leaves few alternative fx surveys in the public domain
- Survey fatigue amongst clients limits scale of other surveys
- Central Banks surveys in general form part of BIS Survey

FX Week Survey

More qualitative than Euromoney

- not market share focussed

Overall results similar to Euromoney

FX Week

1. Citibank
2. UBS
3. Deutsche
4. HSBC
5. Barclays

(4,861 votes)

Saxobank voted as No1 for Investors

Euromoney

1. Deutsche
2. UBS
3. Citibank
4. RBS
5. Barclays

(8,337 votes)

Summary

- Euromoney by far the largest bank specific survey
- Gets the broad picture right
- Volume data open to many inaccuracies
- Influenced by 'look and feel' over substance
- A marketing tool not a management tool