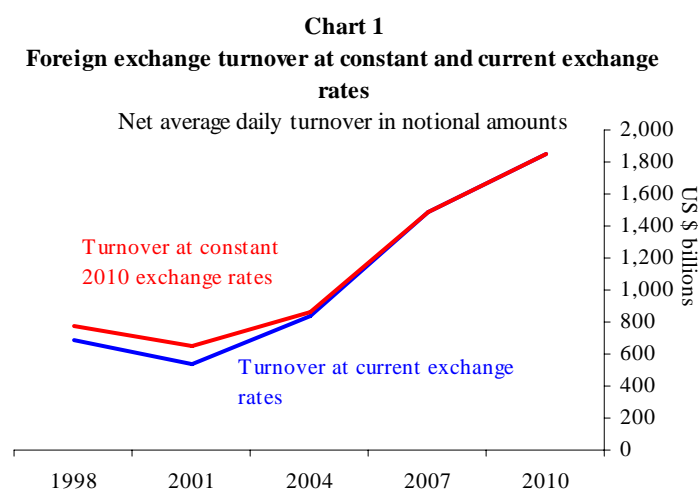


BIS TRIENNIAL SURVEY OF FOREIGN EXCHANGE AND OVER-THE-COUNTER INTEREST RATE DERIVATIVES MARKETS IN APRIL 2010 – UK DATA - RESULTS SUMMARY

FOREIGN EXCHANGE

Total Turnover

Net average daily turnover during April 2010 in the UK foreign exchange market was \$1,854 billion per day, 25% higher than the \$1,483 billion per day recorded in April 2007. A similar rise is seen in constant¹ 2010 exchange rates. This increase in nominal values is less than the 72% rise seen between the April 2004 and April 2007 surveys.



Instruments

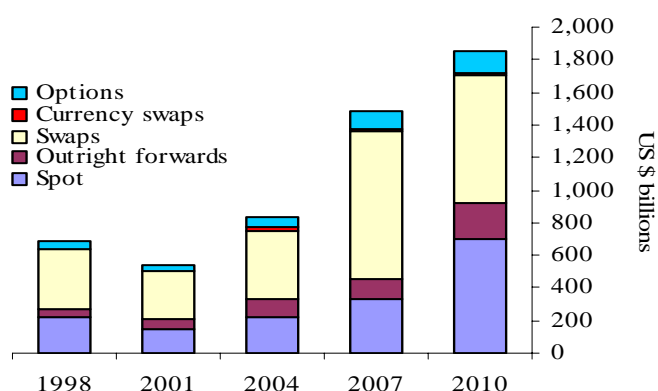
Foreign exchange spot turnover increased from \$335 billion per day in April 2007 to \$697 billion per day in April 2010, a 108% increase at current exchange rates. The increase in spot transactions accounts for 97% of the overall increase in foreign exchange market activity. Spot transactions accounted for 38% of total turnover, up from 23% in April 2007.

Trading activity in other related foreign exchange instruments increased marginally by 1% in the three years to April 2010. Forward transactions increased by 84% from \$124 billion per day in April 2007 to \$228 billion per day in April 2010, whilst Swap business fell from \$899 billion per day to \$775 billion per day over the same period. Foreign exchange swaps comprised 42% of total foreign exchange turnover, down from 61% in April 2007. Options increased by 27% to \$135 billion per day whilst currency swaps remained stable at \$18 billion per day.

¹ Each leg of a foreign currency transaction other than the US dollar leg has been converted into original currency amounts at average current April exchange rates and then reconverted into US dollar amounts at average April 2010 exchange rates.

Chart 2 Foreign exchange turnover by instrument

Net average daily turnover in notional amounts

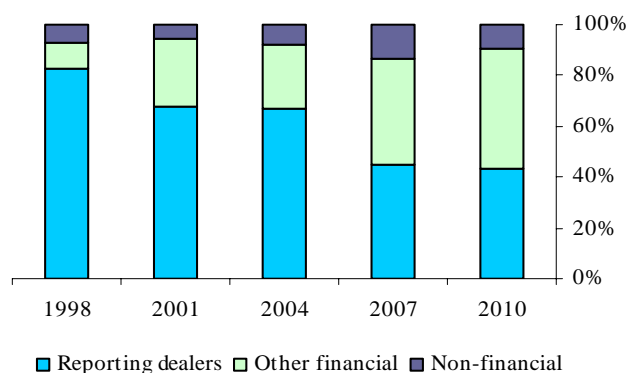


Counterparties

Turnover grew largely due to increased activity with ‘other financial institutions’ – a category that includes non-reporting banks, hedge funds, pension funds, mutual funds, insurance companies and central banks. Turnover by this category rose to \$866 billion per day, an increase of 39% compared with April 2007. For the first time activity with other financial institutions was larger than between reporting dealers, which increased by 22% to \$809 billion per day in 2010. Business with ‘non-financial institutions’ dropped 10%, to an average of \$178 billion per day. Customer business accounted for over half of total turnover (56%), a similar level to that recorded in April 2007.

Chart 3 Foreign exchange turnover by counterparty

Net average daily turnover in notional amounts



Currency composition

US dollar/euro remained the most traded currency pair, with 32% of total foreign exchange market turnover, similar in percentage terms to April 2007. The level of trading in US dollar/sterling fell to 13% of the total, down from 17% in April 2007 and 22% in April 2004.

The US dollar continued to be the most traded currency in the UK market, with 85% of all trades having one side denominated in dollars². The euro showed a slight rise from previous surveys to 44%, while the proportion of turnover involving sterling fell from 22% to 18%.

Execution method

The average daily turnover of interdealer direct trades was \$317 billion in April 2010, accounting for 17% of all trades³. Foreign exchange trades via electronic broking systems and electronic trading systems were \$393 billion and \$376 billion respectively. Customer direct trades were \$473 billion and accounted for 26% of all methods of execution of foreign exchange. Voice broker was the least common method of execution for trades in the UK, at \$276 billion in April 2010.

Market concentration

The UK foreign exchange market was more concentrated than in 2007, continuing the trend seen in previous surveys. The combined market share of the ten institutions with the highest turnover increased from 70% to 77%, and the share of the top twenty from 90% to 93%. The number of firms accounting for more than 1% of total turnover fell from 21 in 2007 to 19 in 2010.

² For foreign exchange turnover, the sum of the percentage shares of individual currencies totals 200 instead of 100 percent because two currencies are involved in each transaction.

³ For turnover via execution method, though total turnover was collected in 2007 it is not possible to calculate average daily turnover from this, so direct comparisons cannot be made. Turnover via execution method does not include currency swaps.

INTEREST RATE OTC DERIVATIVES

Total turnover

In the UK, average daily turnover in OTC interest rate derivatives increased by 29% between April 2007 and 2010, rising from \$957 billion to \$1,235 billion.

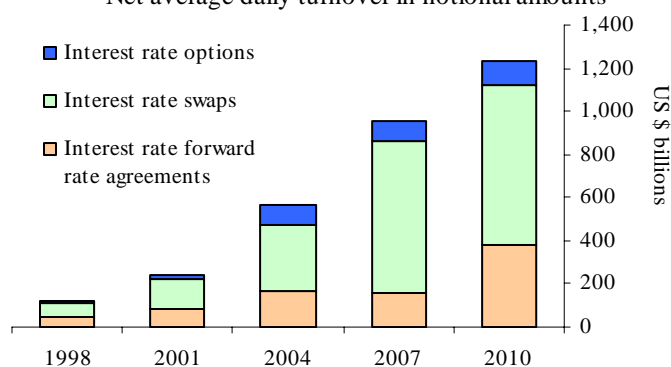
Instruments

Interest rate derivatives turnover rose 29%, driven by a 147% increase in turnover in forward rate agreements which now account for 31% of the interest rate derivatives market, up from 16% in 2007.

Interest rate swaps still account for over half (60%) of the OTC interest rate derivatives market in 2010, down from 74% in 2007. Turnover in interest rate options increased 23% to \$114 billion per day in April 2010.

Chart 4: Interest rate derivatives turnover by instrument

Net average daily turnover in notional amounts

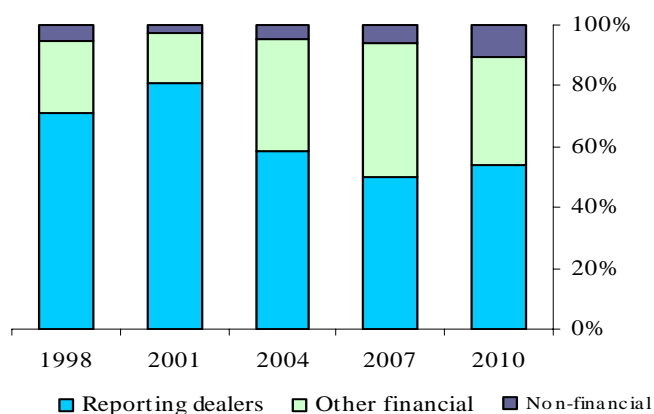


Counterparties

Customer business has decreased slightly in percentage terms, and now accounts for 46% in 2010 from 50% in 2007. The proportion of turnover with reporting dealers increased 4% to 54% of the total, and business with 'other financial institutions' decreased to 36% compared with 44% in April 2007.

Cross-border business accounted for 65% of total turnover, down from 75% in 2007. Growth in local business has increased by 76% since April 2007 and stood at \$427 billion per day in April 2010.

Chart 5: OTC Interest rate derivatives turnover by counterparty



Currency composition

The euro remained the dominant currency in the OTC interest rate derivatives market, accounting for 54% of total turnover (up from 51% in 2007). The proportion of OTC interest rate derivatives turnover attributable to the US dollar remained stable at 15%, while sterling increased from 18% in April 2007 to 19%.

Market concentration

The OTC interest rate derivatives market was more concentrated than in April 2007. The ten institutions with the highest derivatives trading volumes accounted for 92% of total turnover (81% in 2007), and the top twenty institutions comprised 99% of total turnover (95% in 2007). Of the 47 participants in the April 2010 survey, 42 were undertaking business in the interest rate OTC derivatives markets.

Tables showing the results in more detail are attached. These are in a similar format to the global tables released by the BIS. Totals may not sum due to rounding. Definitions of the different instruments covered by the survey are also attached.

Table 1
Global foreign exchange market turnover by instrument¹

Average daily turnover in April, in billions of US dollars

Instrument	1998	2001	2004	2007	2010
Foreign exchange instruments	685	542	833	1,483	1,854
Spot transactions	217	151	223	335	697
Outright forwards	48	53	103	124	228
Foreign exchange swaps	372	300	428	899	775
Currency swaps	5	4	16	18	18
Options and other instruments	43	33	65	106	135
<i>Memo:</i>					
<i>Turnover at April 2010 exchange rates</i>	<i>771</i>	<i>648</i>	<i>864</i>	<i>1,486</i>	<i>1,854</i>
<i>Exchange-traded derivatives²</i>					

1 Adjusted for local double-counting. 2 Each leg of a foreign currency transaction other than the US dollar leg has been converted into original currency amounts at average current April exchange rates and then reconverted into US dollar amounts at average April 2010 exchange rates.

Table 2

Foreign exchange market turnover by instrument, counterparty and maturity¹

Daily averages in April, in billions of US dollars and percentages

Instrument/counterparty	2001		2004		2007		2010	
	Amount	%	Amount	%	Amount	%	Amount	%
Spot	151	28	223	27	335	23	697	38
with reporting dealers	107	71	147	66	158	47	293	42
with other financial institutions	37	25	59	27	135	40	344	49
with non-financial customers	7	5	17	7	43	13	60	9
Outright forwards	53	10	103	12	124	8	228	12
with reporting dealers	31	59	60	58	37	30	63	28
with other financial institutions	16	30	28	27	62	50	124	55
with non-financial customers	6	11	15	15	26	21	40	18
Foreign exchange swaps	300	55	428	51	899	61	775	42
with reporting dealers	203	68	301	70	419	47	399	52
with other financial institutions	85	28	102	24	375	42	309	40
with non-financial customers	12	4	25	6	105	12	67	9
Currency swaps	4	1	16	2	18	1	18	1
with reporting dealers	3	71	11	72	9	51	7	37
with other financial institutions	1	12	3	16	6	36	11	58
with non-financial customers	1	16	2	12	2	13	1	5
Options and other instruments²	33	6	65	8	106	7	135	7
with reporting dealers	22	67	38	59	39	37	47	34
with other financial institutions	6	18	21	32	44	42	79	58
with non-financial customers	5	15	6	9	23	21	10	7
Total	542	100	833	100	1,483	100	1,854	100
with reporting dealers	366	68	557	67	663	45	809	44
with other financial institutions	145	27	213	26	622	42	866	47
with non-financial customers	31	6	64	8	199	13	178	10
Local	177	33	262	31	465	31	547	29
Cross-border	365	67	571	69	1,019	69	1,307	71
Outright forwards³	62	100	113	100	126	100	241	100
Up to 7 days	27	43	64	56	61	49	144	60
Over 7 days and up to 1 year	33	53	47	41	62	49	94	39
Over 1 year	2	4	2	2	3	2	3	1
Foreign exchange swaps³	319	100	527	100	966	100	873	100
Up to 7 days	225	71	394	75	792	82	653	75
Over 7 days and up to 1 year	91	28	129	24	167	17	215	25
Over 1 year	3	1	4	1	7	1	6	1

1 Adjusted for local double-counting. 2 The category "other instruments" covers highly leveraged transactions and/or trades whose notional amount is variable and where a decomposition into individual plain vanilla components was impractical or impossible. 3 Data for maturity breakdown cannot be adjusted for local reporting dealers, so maturity values will not be equal to product totals.

Table 3
Currency distribution of foreign exchange market turnover¹

Percentage shares of average daily turnover in April

Currency	1998	2001	2004	2007	2010
US dollar	86.8	90.9	88.4	87.6	84.7
Euro	.	41.5	42.7	41.6	44.3
Deutsche mark	32.9	.	.	.	.
French franc	5.0	.	.	.	.
Ecu and other EMS currencies	21.0	.	.	.	.
Japanese yen	15.6	18.7	16.3	14.6	17.2
Pound sterling	17.9	23.7	26.7	21.5	17.8
Australian dollar	2.0	3.5	4.0	4.3	5.9
Swiss franc	7.0	5.5	5.7	6.2	5.9
Canadian dollar	2.4	3.7	3.1	3.0	4.4
Other currencies	9.3	12.6	13.1	21.3	19.8
All currencies	200.0	200.0	200.0	200.0	200.0

1 Because two currencies are involved in each transaction, the sum of the percentage shares of individual currencies totals 200 instead of 100 percent. The figures relate to reported "net-gross" turnover, i.e. they are adjusted for local double counting.

Table 4**Foreign exchange market turnover by currency pair¹**

Daily averages in April, in billions of US dollars and percentages

Currency pair	1998		2001		2004		2007		2010	
	Amount	%	Amount	%	Amount	%	Amount		Amount	%
USD/EUR	.	.	181	33	275	33	472	32	595	32
USD/DEM	149	22	.	.	.	.	.	.	.	.
USD/OthEMS	145	21	.	.	.	.	.	.	.	.
USD/JPY	94	14	84	16	104	12	175	12	250	14
USD/Oth	44	6	59	11	87	10	240	16	244	13
USD/GBP	92	13	106	19	183	22	254	17	233	13
USD/AUD	14	2	19	3	31	4	60	4	102	6
USD/CAD	16	2	19	4	24	3	40	3	75	4
USD/CHF	38	6	25	5	33	4	58	4	71	4
EUR/JPY	.	.	15	3	26	3	31	2	56	3
EUR/GBP	.	.	19	3	30	4	43	3	75	4
EUR/Oth	.	.	5	1	10	1	34	2	50	3
EUR/CHF	.	.	4	1	13	2	30	2	35	2
EUR/CAD	.	.	0	0	1	0	3	0	4	0
EUR/AUD	.	.	0	0	2	0	3	0	5	0
DEM/JPY	12	2	.	.	.	.	.	.	.	.
DEM/GBP	24	4	.	.	.	.	.	.	.	.
DEM/CHF	9	1	.	.	.	.	.	.	.	.
DEM/OthEMS	20	3	.	.	.	.	.	.	.	.
Other pairs	29	4	6	1	15	2	40	3	58	3
All currency pairs	685	100	542	100	833	100	1,483	100	1,854	100

¹ Adjusted for local double-counting.

Table 5
Global OTC interest rate derivatives market turnover by instrument¹

Average daily turnover in April, in billions of US dollars

Instrument	1998	2001	2004	2007	2010
Interest rate instruments²	123	238	563	957	1,235
FRAs	42	83	170	154	382
Swaps	69	142	299	710	739
Options and other instruments	12	13	94	93	114
<i>Memo:</i>					
<i>Turnover at April 2010 exchange rates</i>	<i>144</i>	<i>307</i>	<i>596</i>	<i>932</i>	<i>1,235</i>
<i>Exchange-traded derivatives³</i>					

1 Adjusted for local double-counting. 2 Single-currency interest rate contracts only. 3 Each leg of a foreign currency transaction other than the US dollar leg has been converted into original currency amounts at average current April exchange rates and then reconverted into US dollar amounts at average April 2010 exchange rates.

Table 6
OTC interest rate derivatives turnover by instrument, counterparty¹

Daily averages in April, in billions of US dollars and percentages

Instrument/counterparty	2001		2004		2007		2010	
	Amount	%	Amount	%	Amount	%	Amount	%
FRAs	83	35	170	30	154	16	382	31
with reporting dealers	68	29	89	16	100	10	233	19
with other financial institutions	14	6	78	14	36	4	125	10
with non-financial customers	1	0	2	0	18	2	25	2
Swaps	142	60	299	53	710	74	739	60
with reporting dealers	116	49	198	35	329	34	377	31
with other financial institutions	23	10	87	15	347	36	268	22
with non-financial customers	3	1	15	3	34	4	93	8
Options and other instruments²	13	5	94	17	93	10	114	9
with reporting dealers	8	4	42	8	52	5	57	5
with other financial institutions	2	1	44	8	33	3	47	4
with non-financial customers	2	1	7	1	7	1	10	1
Total	238	100	563	100	957	100	1,235	100
with reporting dealers	192	81	329	59	481	50	668	54
with other financial institutions	39	17	209	37	417	44	440	36
with non-financial customers	6	2	24	4	59	6	127	10
Local	85	36	189	34	242	25	427	35
Cross-border	152	64	374	66	715	75	808	65

1 Adjusted for local double-counting. Single-currency interest rate contracts only. 2 The category "other instruments" covers highly leveraged transactions and/or trades whose notional amount is variable and where a decomposition into individual plain vanilla components was impractical or impossible.

Table 7

OTC interest rate derivatives turnover by currency¹

Daily averages in April, in billions of US dollars

Currency	1998	2001	2004	2007	2010
FRAs	42	83	170	154	382
US dollar	9	25	28	43	99
Euro	0	34	104	40	197
Japanese Yen	2	3	0	1	1
Pound sterling	8	13	24	44	59
Swiss franc	2	1	1	2	7
Canadian dollar	1	0	0	0	1
Australian dollar	0	0	1	1	2
Swedish krona	0	0	0	0	0
Other	20	7	11	23	17
Swaps	69	142	299	710	739
US dollar	9	35	58	76	67
Euro	0	71	168	391	405
Japanese Yen	3	4	11	62	82
Pound sterling	7	25	48	119	154
Swiss franc	2	2	4	4	5
Canadian dollar	1	0	1	0	5
Australian dollar	0	2	3	2	4
Swedish krona	0	0	0	0	0
Other	46	3	7	56	17
Options	12	13	94	93	114
US dollar	2	2	31	25	20
Euro	0	9	53	56	65
Japanese Yen	0	0	2	3	3
Pound sterling	1	1	6	6	21
Swiss franc	0	0	1	0	0
Canadian dollar	0	0	0	0	0
Australian dollar	0	0	1	0	0
Swedish krona	0	0	0	0	0
Other	8	0	1	2	3
Other products	0	0	0	0	0
Total	123	238	563	957	1,235
US dollar	20	62	116	144	186
Euro	0	113	325	487	668
Japanese Yen	5	7	13	66	86
Pound sterling	16	40	78	169	234
Swiss franc	5	3	6	6	12
Canadian dollar	2	0	2	1	6
Australian dollar	1	2	4	3	7
Swedish krona	0	0	0	0	0
Other	74	10	18	81	38

¹ Adjusted for local double-counting. Single-currency interest rate contracts only.

INSTRUMENT DEFINITIONS AND CATEGORISATION

Details of turnover in the following instruments were collected:

Foreign Exchange Transactions

Spot Transaction

Single outright transaction involving the exchange of two currencies at a rate agreed on the date of the contract for value or delivery (cash settlement) within two business days. The spot legs of swaps, and swaps that were for settlement within two days (i.e. overnight swaps, spot next swaps, and “tomorrow/next day” swap transactions) were excluded from this category.

Outright Forward

Transaction involving the exchange of two currencies at a rate agreed on the date of the contract for value or delivery (cash settlement) at some time in the future (more than two business days later). Also included in this category were forward foreign exchange agreement transactions (FXA), non-deliverable forwards, and other forward contracts for differences.

Foreign Exchange Swap

Transaction which involves the actual exchange of two currencies (principal amount only) on a specific date at a rate agreed at the time of the conclusion of the contract (the short leg), and a reverse exchange of the same two currencies at a date further in the future at a rate (generally different from the rate applied to the short leg) agreed at the time of the conclusion of the contract (the long leg). Short-term swaps carried out as “tomorrow/next day” transactions are included in this category.

Currency Swap

Transaction which involves the actual exchange of two currencies on a specific date at a rate agreed at the time of the conclusion of the contract and an agreement to exchange streams of interest payments in the currencies for an agreed period of time, followed by a reverse exchange at a pre-agreed exchange rate at maturity.

Currency Option

Option contract that gives the right to buy or sell a currency with another currency at a specified exchange rate during a specified period. This category also includes currency swaptions, currency warrants, plain vanilla contracts and exotic foreign exchange options such as average rate options and barrier options.

OTC Interest Rate Derivatives

Interest rate contracts are contracts related to an interest-bearing financial instrument whose cash flows are determined by referencing interest rates or another interest rate contract (e.g. an option on a futures contract to purchase a Treasury bill).

This category is limited to those deals where all the legs are exposed to only one currency's interest rate. Thus it excludes contracts involving the exchange of one or more foreign currencies (e.g. cross-currency swaps and currency options) and other contracts whose predominant risk characteristic is foreign exchange risk.

Forward Rate Agreement (FRA)

Interest rate forward contract in which the rate to be paid or received on a specific obligation for a set period of time, beginning at some time in the future, is determined at contract initiation.

Interest Rate Swap

Agreement to exchange periodic payments related to interest rates on a single currency. Can be fixed for floating, or floating for floating based on different indices. This category includes those swaps whose notional principal is amortised according to a fixed schedule independent of interest rates.

Interest Rate Option

Option contract that gives the right to pay or receive a specific interest rate on a predetermined principal for a set period of time. Included in this category are interest rate caps, floors, collars, corridors, swaptions and warrants.

COUNTERPARTY DEFINITIONS AND CATEGORISATION

Reporting dealers

Reporting dealers refer to financial institutions that are participating in the globally co-ordinated survey. These firms actively participate in local and global foreign exchange and derivatives markets.

Other financial institutions

This category covers the financial institutions that are not reporting dealers. Thus, it will include smaller commercial banks, investment banks and securities houses, and in addition mutual funds, pension funds, hedge funds, currency funds, money market funds, building societies, leasing companies, insurance companies, other financial subsidiaries of corporate firms and central banks.

Non-financial customers

This category covers any counterparty other than those described above, i.e. mainly non-financial end-users, such as corporates and governments.