

Electronic Trading Survey



European Fixed-Income
E-Trading Conference

Old Billingsgate Market, London

14 – 15 March 2006

Survey Demographics

Results compiled from January to March 2006

Sell-Side Survey:

- 18 Participating Firms

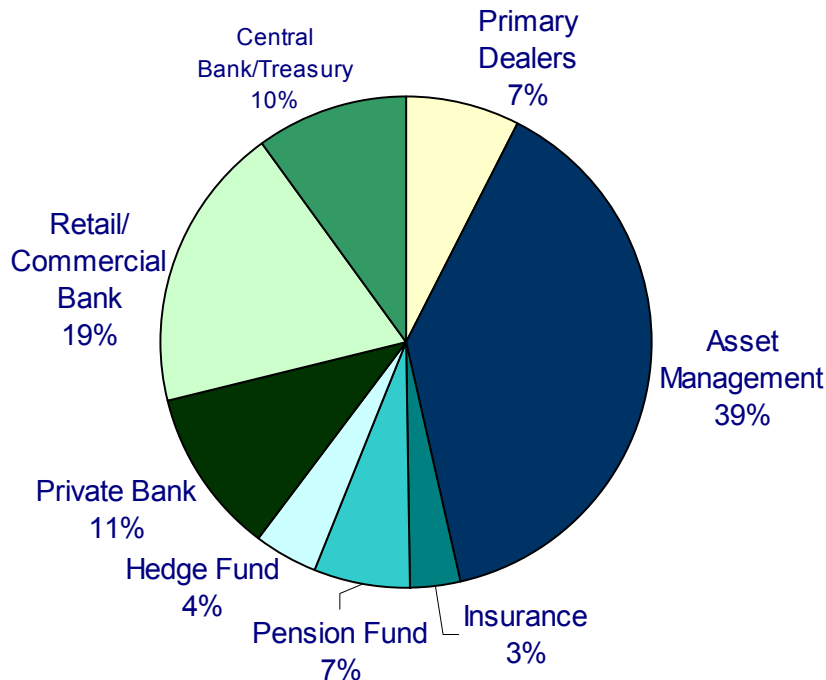
ABN Amro • Barclays • BNP
Paribas • Calyon • Citigroup
Deutsche • Dresdner
Goldman Sachs • Lehman
Brothers •, Merrill Lynch
Morgan Stanley • Nomura
RBS • Société Générale

Trading Platforms:

- 5 Participating Platforms

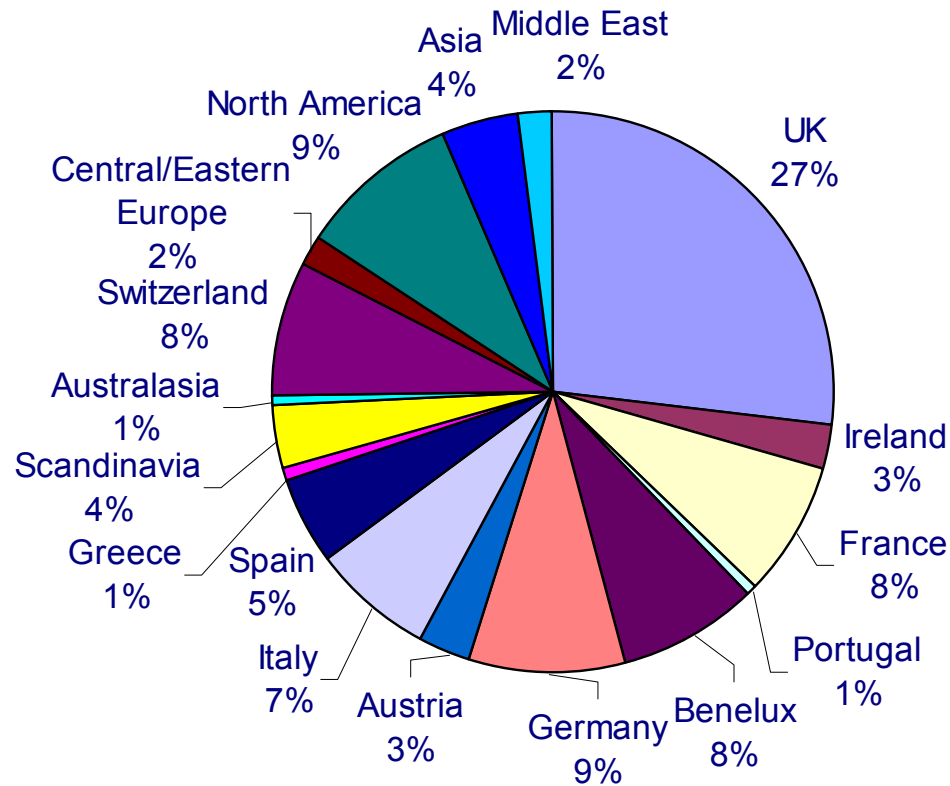
Survey Demographics: Buy-Side

Type of Investor



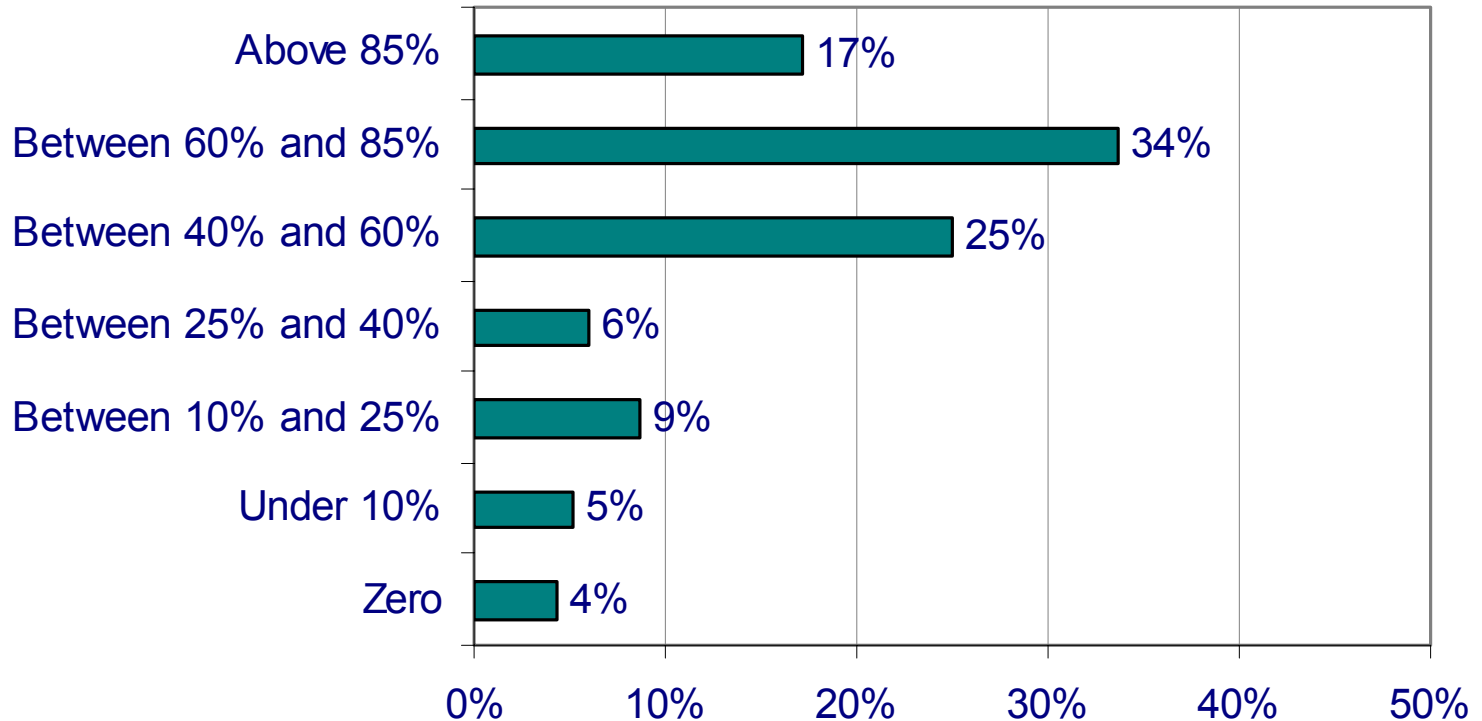
- 116 Participating Firms
- 88% have over €1 billion under management

Survey Demographics: Buy-Side Geographical Breakdown



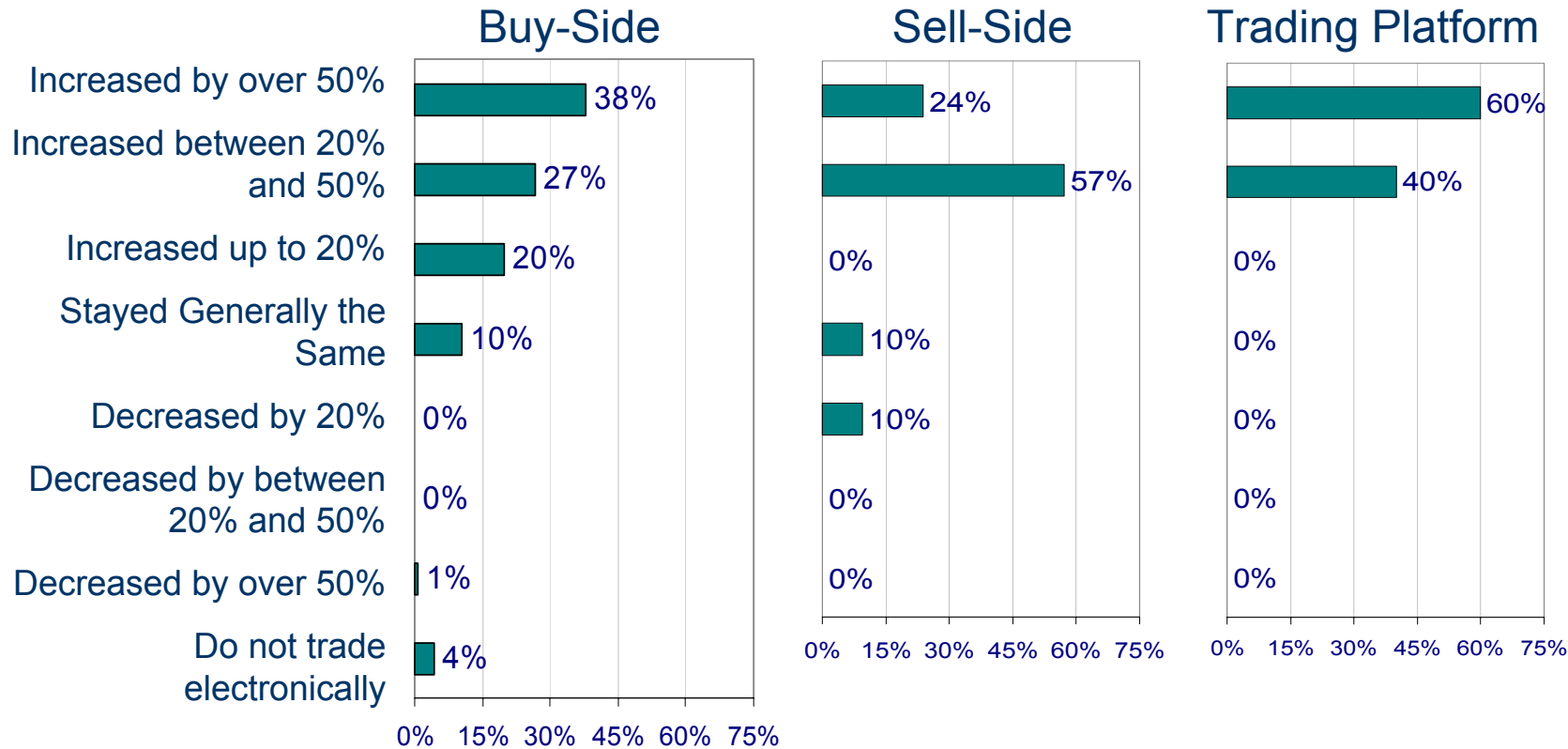
Electronic Trading Volume: Buy-Side

Percentage of overall trading volume in Europe executed electronically

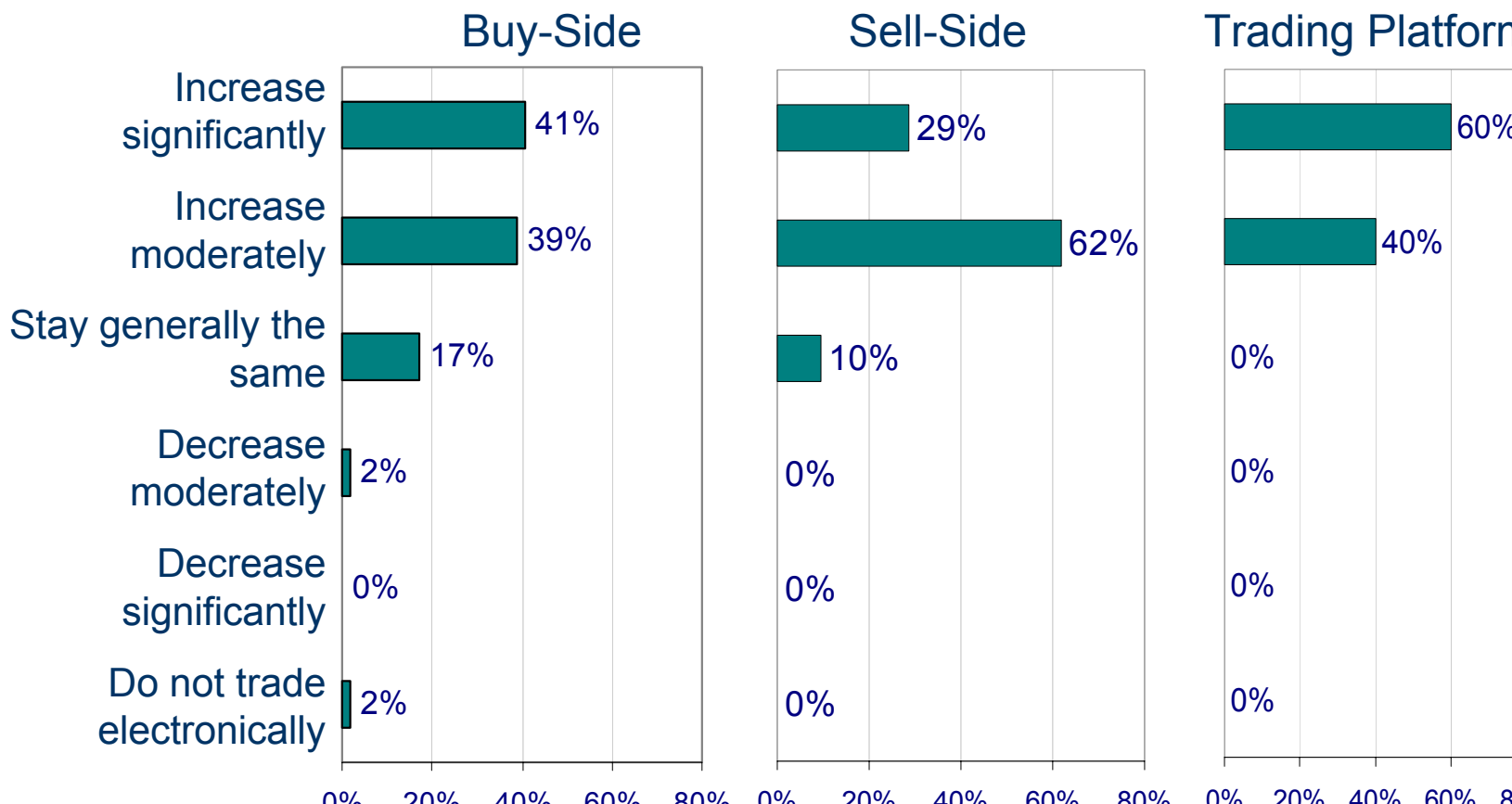


Electronic Trading Volume

Firms' change in electronic trading volume in Europe over the last 2 years



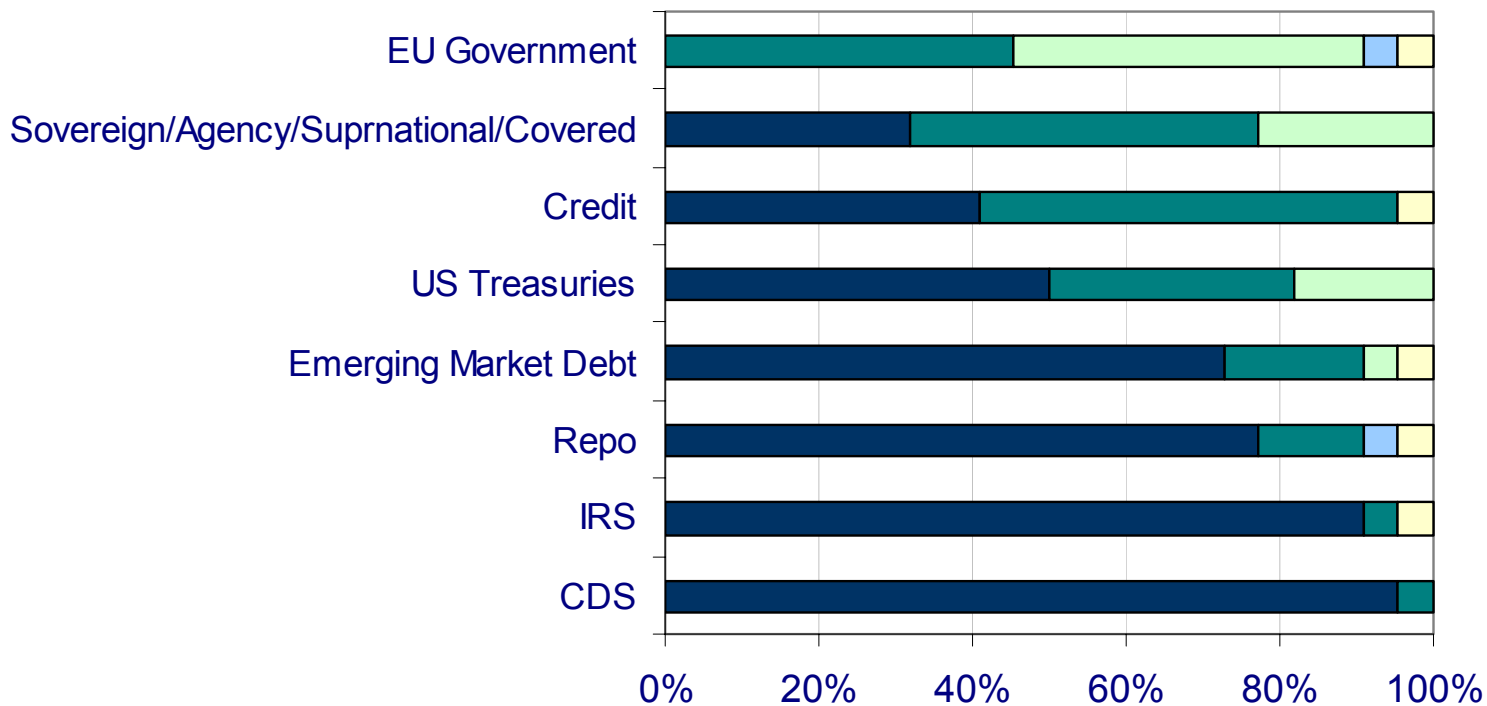
Expected Changes in the Next 12 Months in Electronic Trading Volume



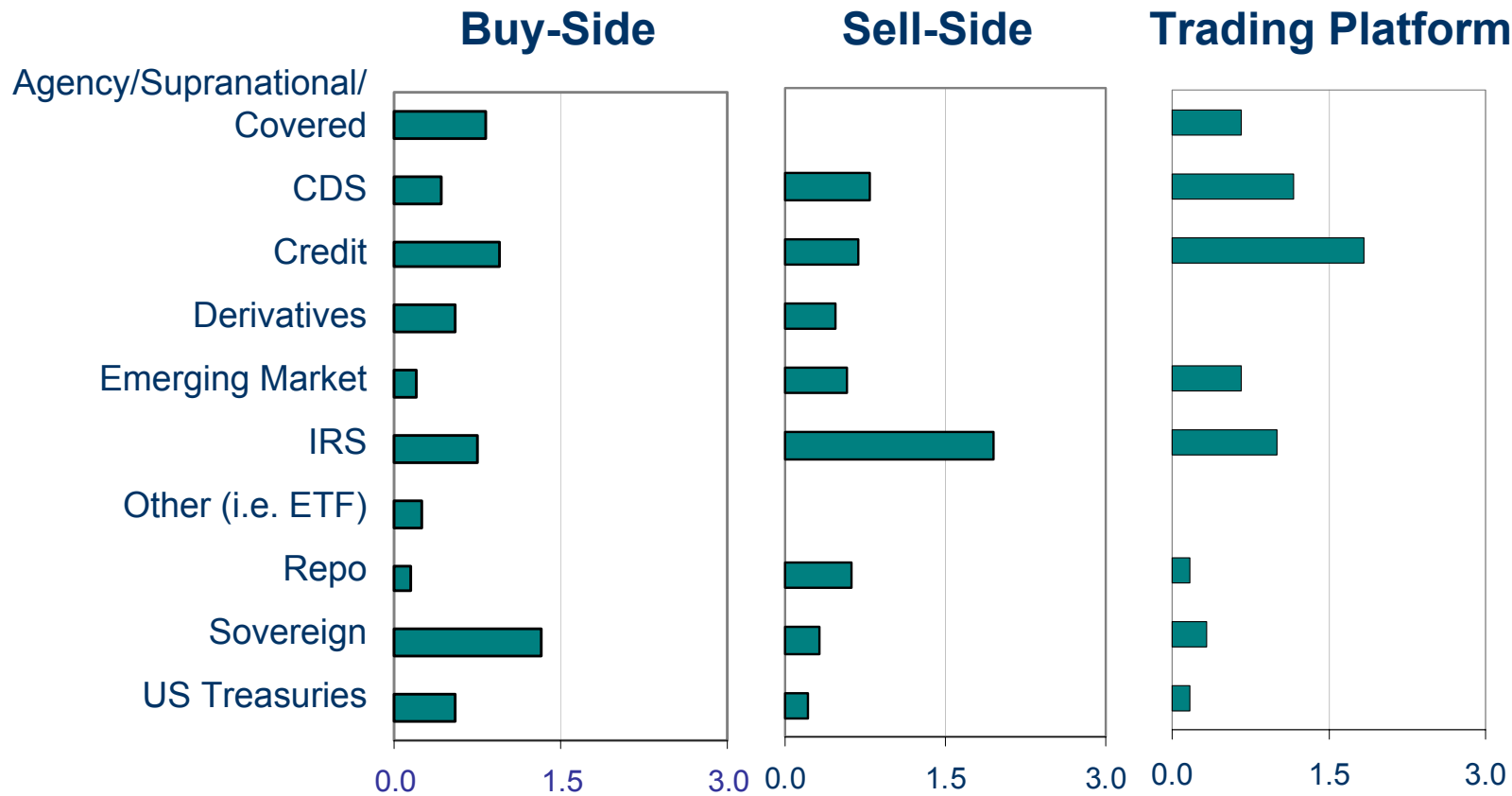
Volume of Products Traded Electronically: Sell-Side

Percentage of total volume electronically traded in Europe:

■ Less than 10%
 ■ 11 to 34%
 ■ 35 to 60%
 ■ 61 to 89%
 ■ More than 90%

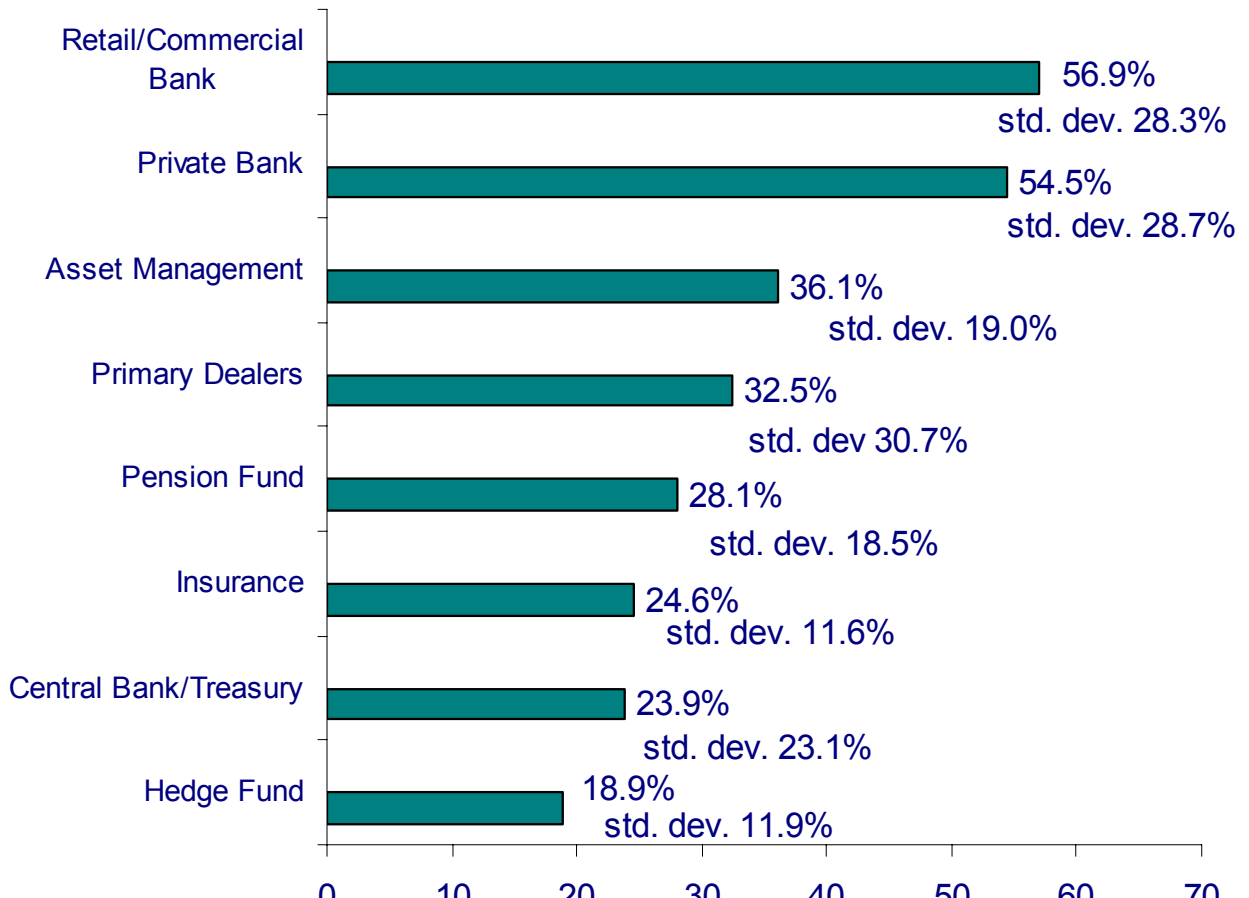


Greatest Increase Expected in 2006 in Volumes Traded Electronically



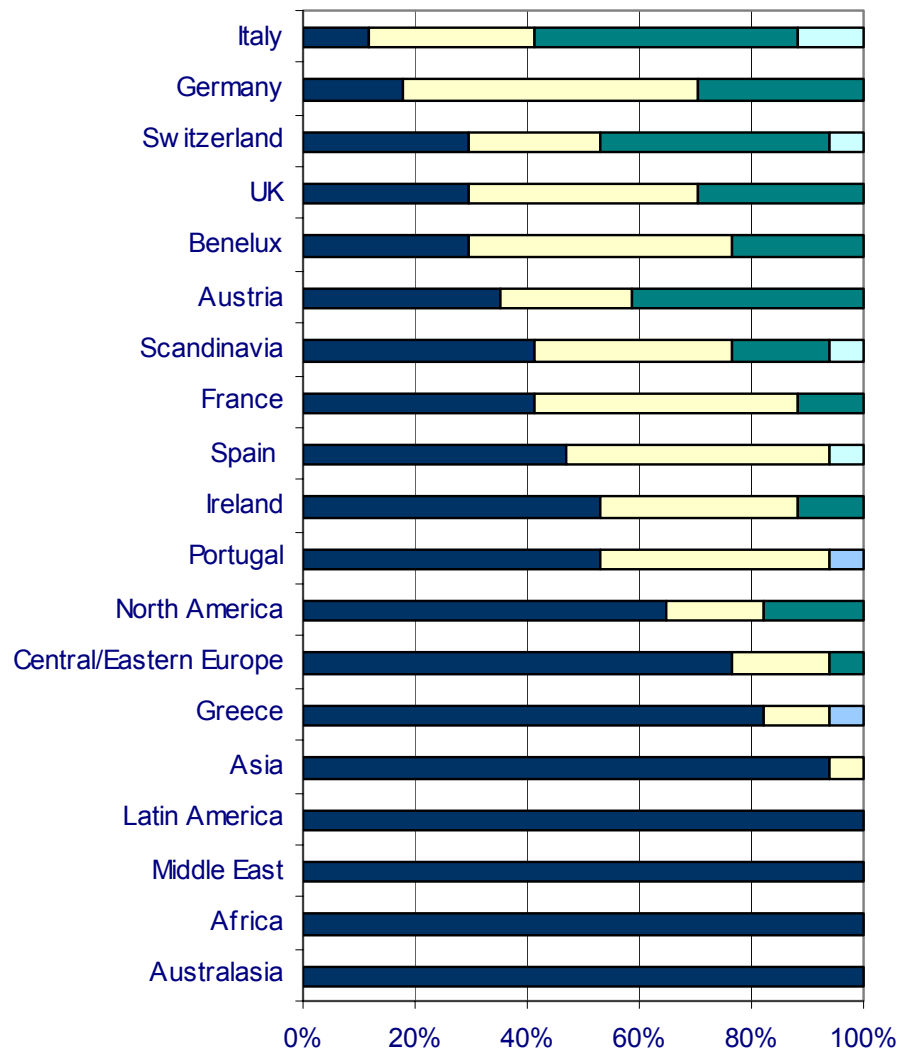
3.0 = category expected to increase the largest by 100% of respondents

Sell Side: Average Percentage of E-Trading Volume by Class of Customer

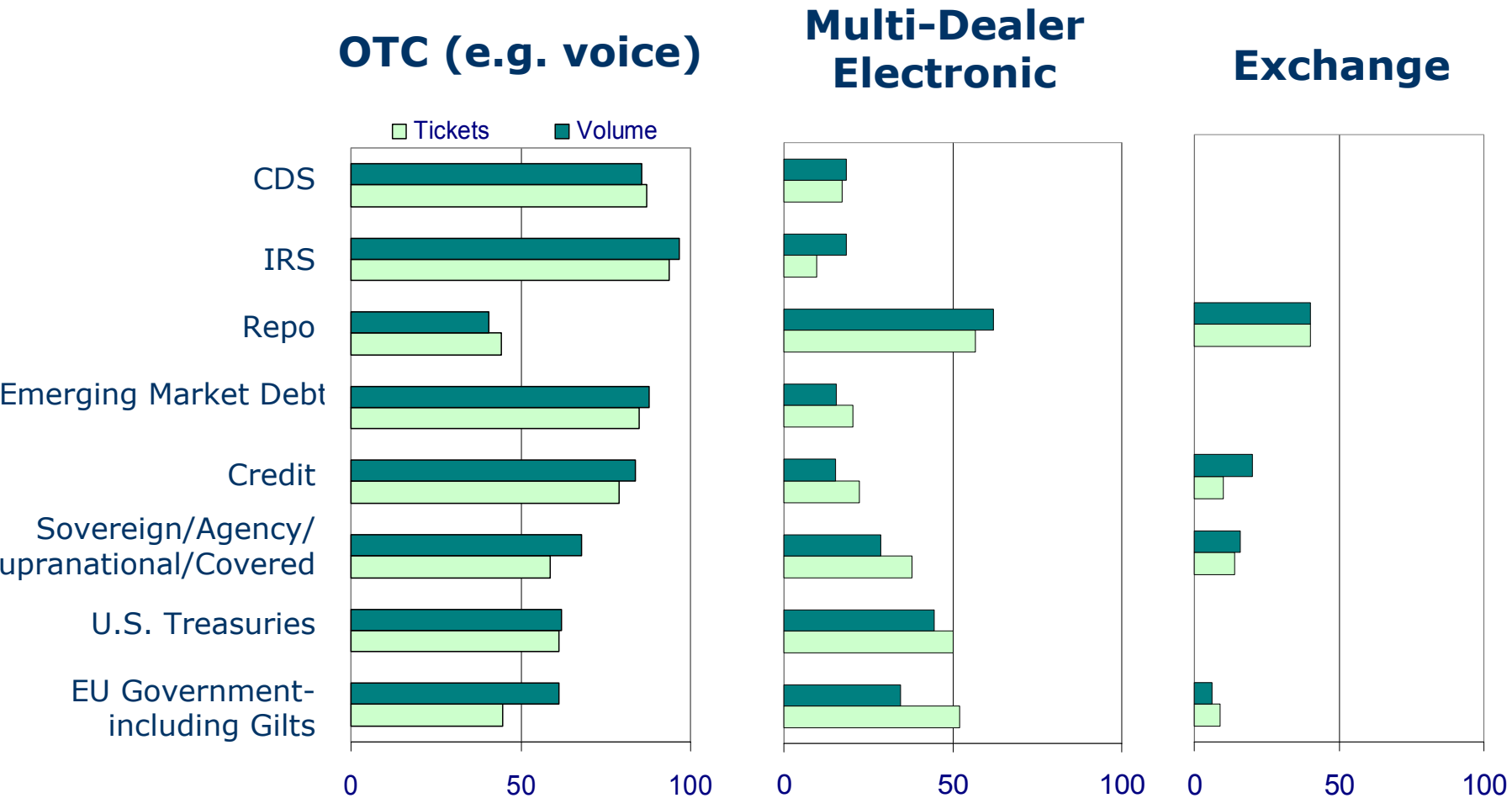


Sell-Side: E-Trading Volume of Customers by Geographic Region

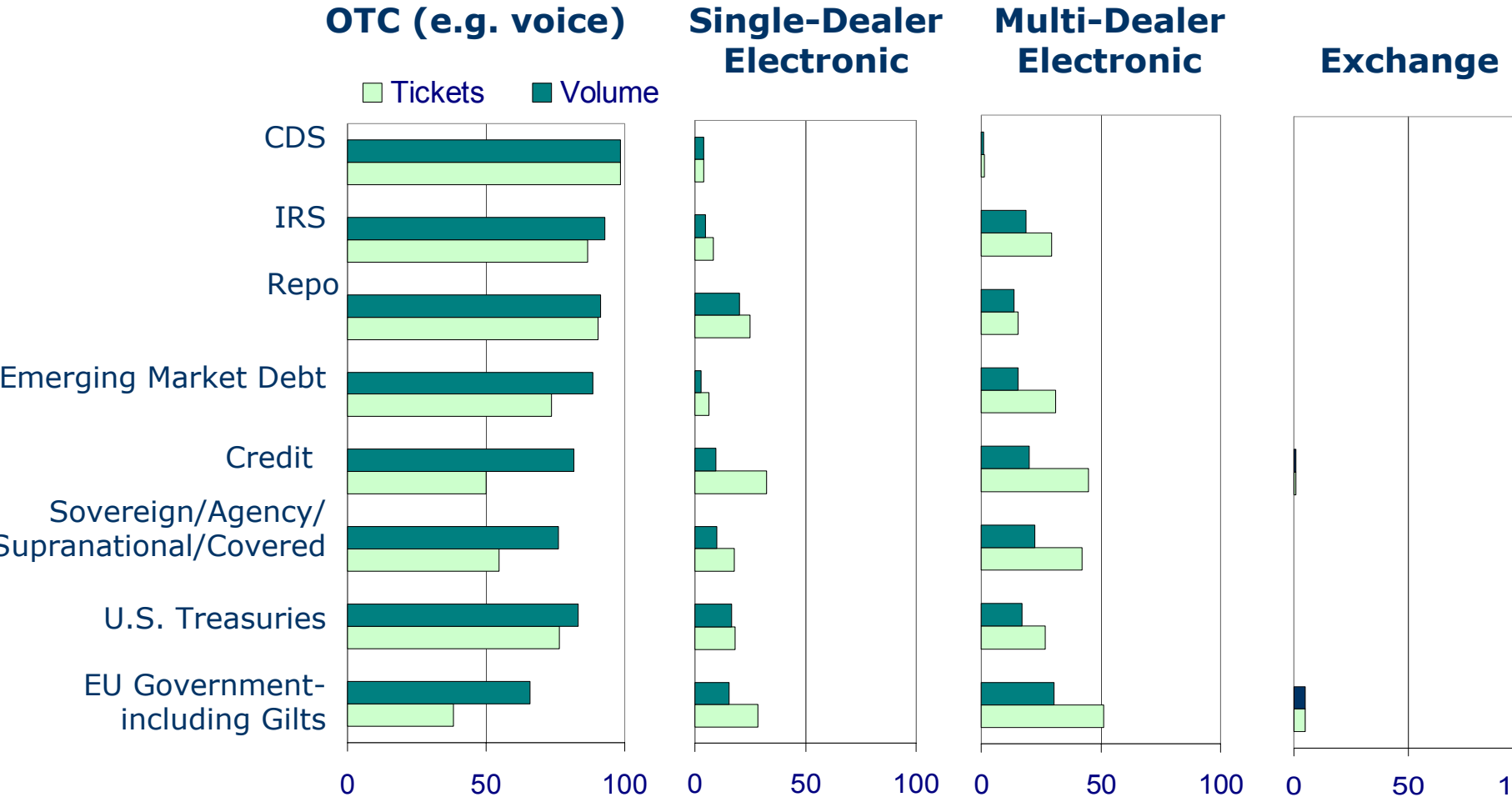
■ Less than 10% ■ 11 to 34% ■ 35 to 60% ■ 61 to 89% ■ More than 90%



Sell-Side B2B Trading: Average Estimated Percentage of Current Volume in Europe



Sell-Side B2C Trading: Average Estimated Percentage of Current Volume in Europe



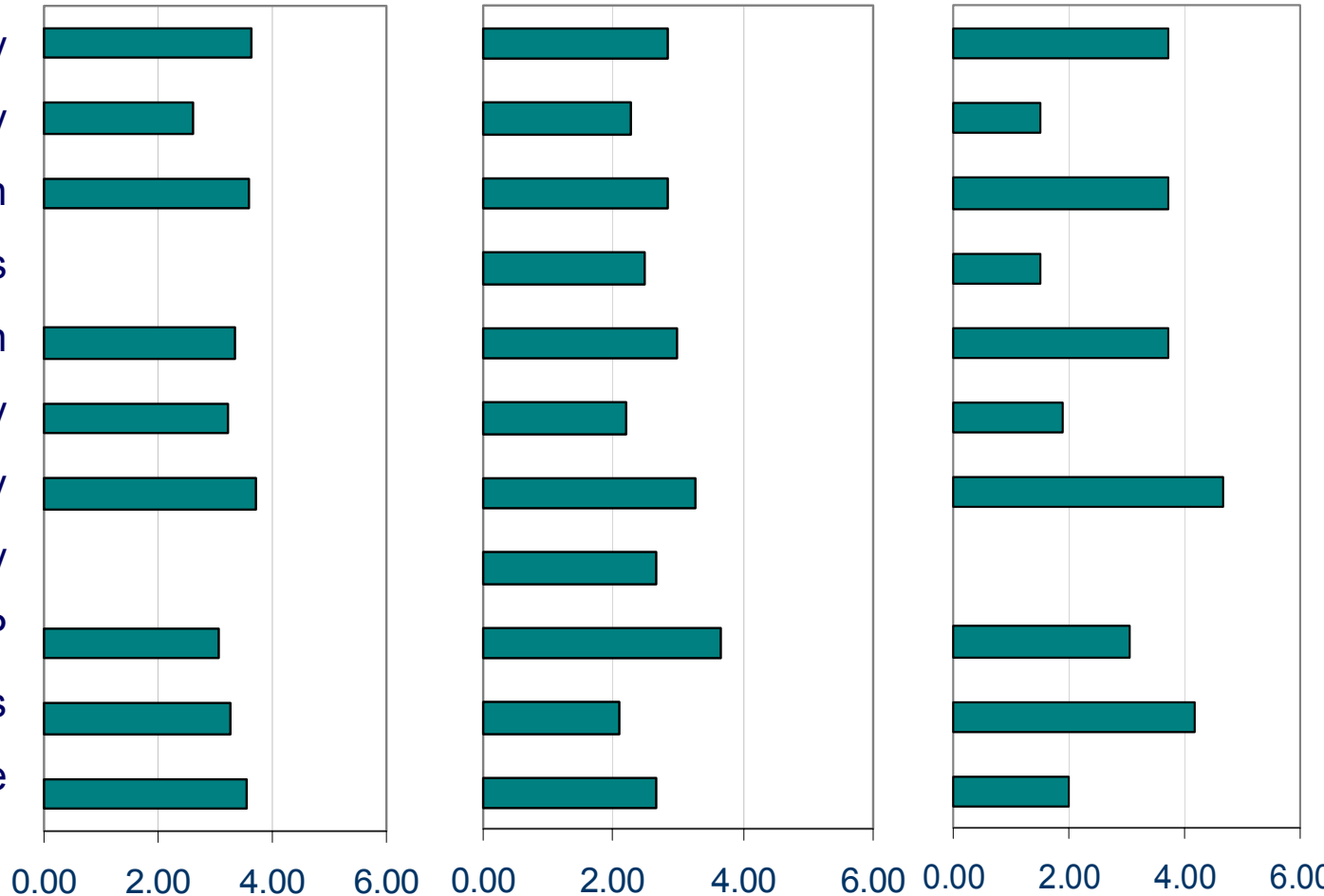
Decision-Making Factors in Trading Electronically in Europe

Buy-Side

Sell-Side

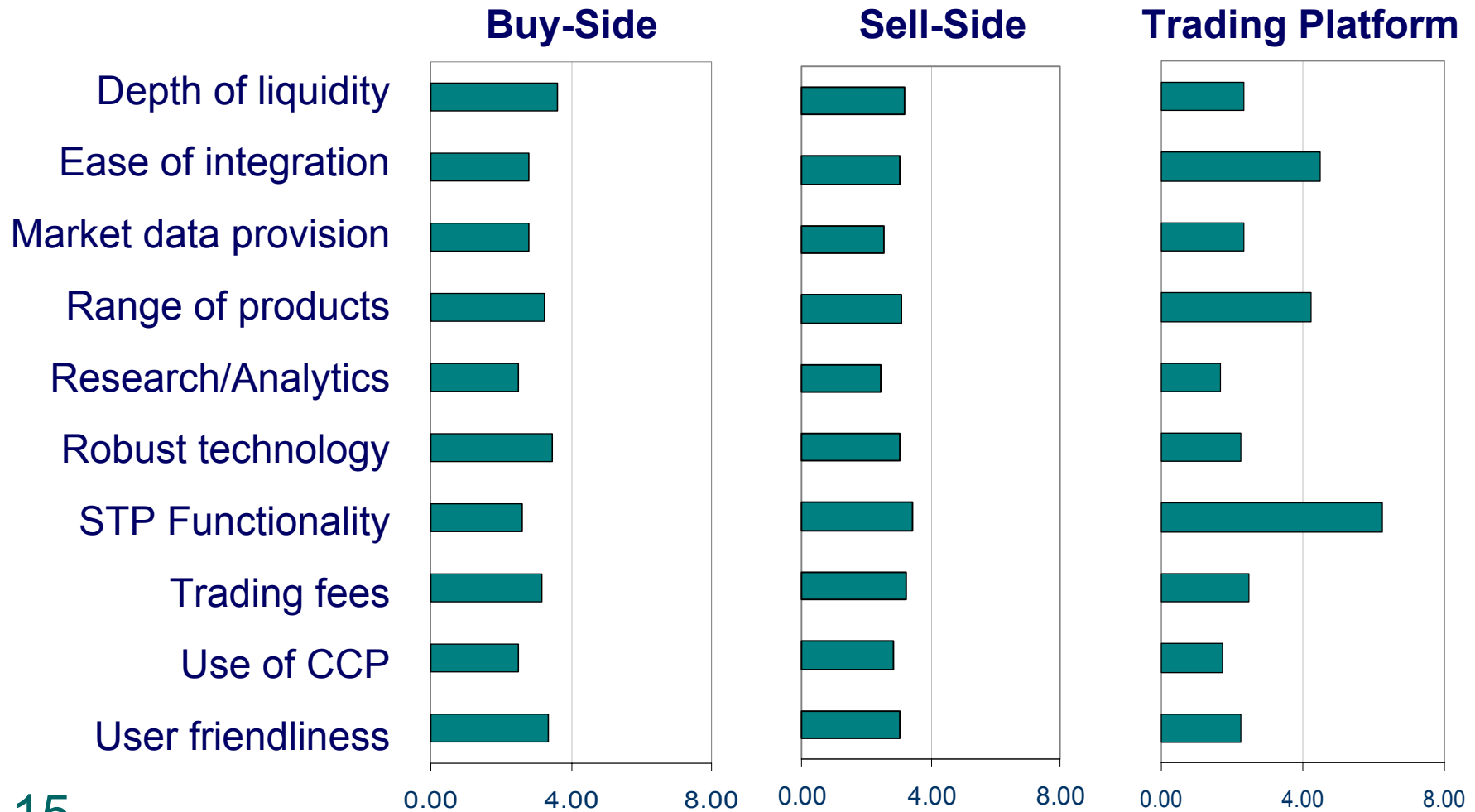
Trading Platform

Access to Liquidity
Anonymity
Best Execution
Bypass Brokers
Cost Reduction
Market Volatility
Price Transparency
Product Homogeneity
STP
Streaming Prices
Ticket Size

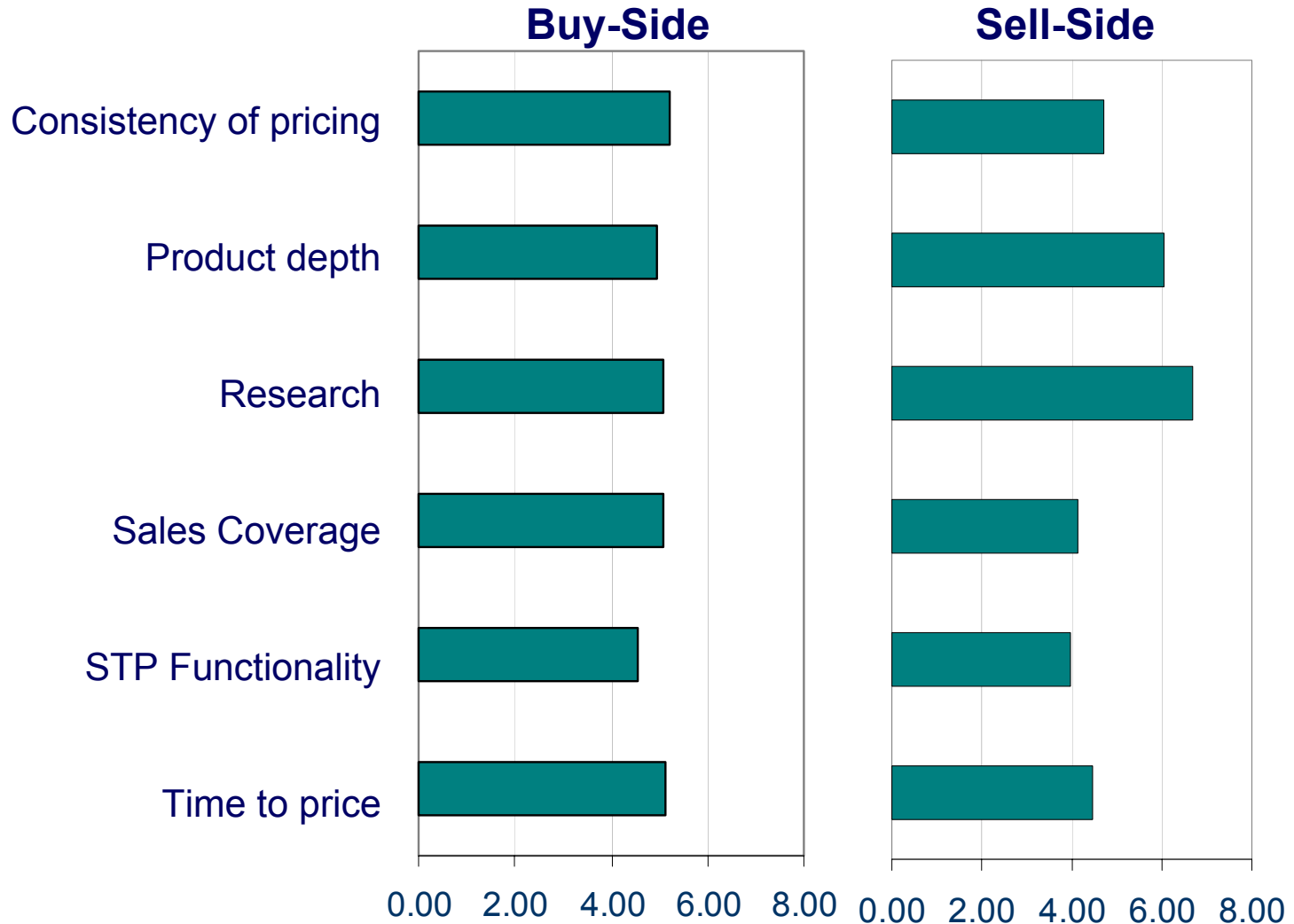


0.00 2.00 4.00 6.00 0.00 2.00 4.00 6.00 0.00 2.00 4.00 6.00

Customers' Criteria for Choosing an Electronic Trading Platform

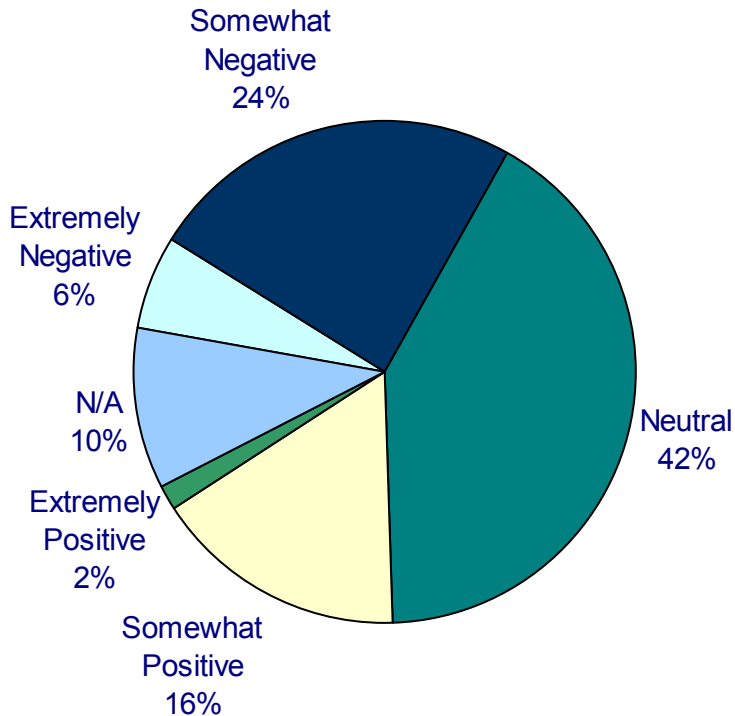


Customers' Criteria for Choosing a Dealer

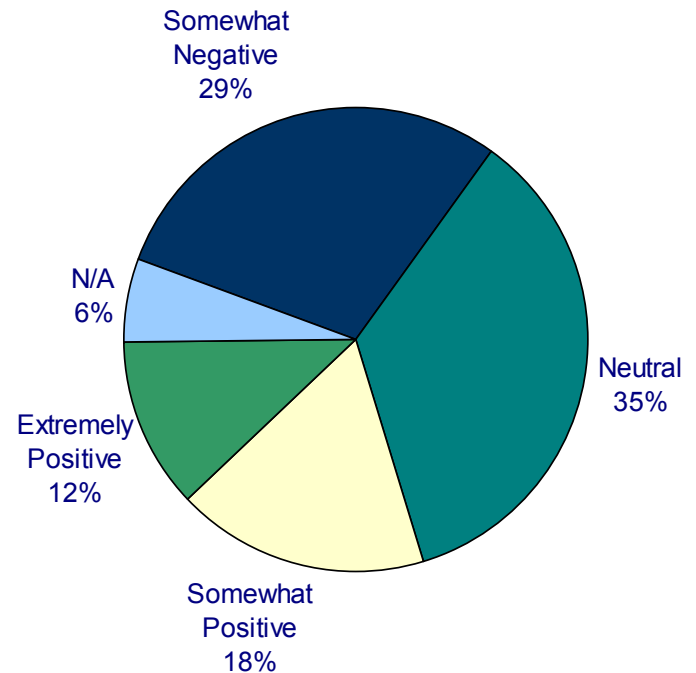


Impact of E-Trading on Buy-Side/Sell-Side Relationships

Buy-Side

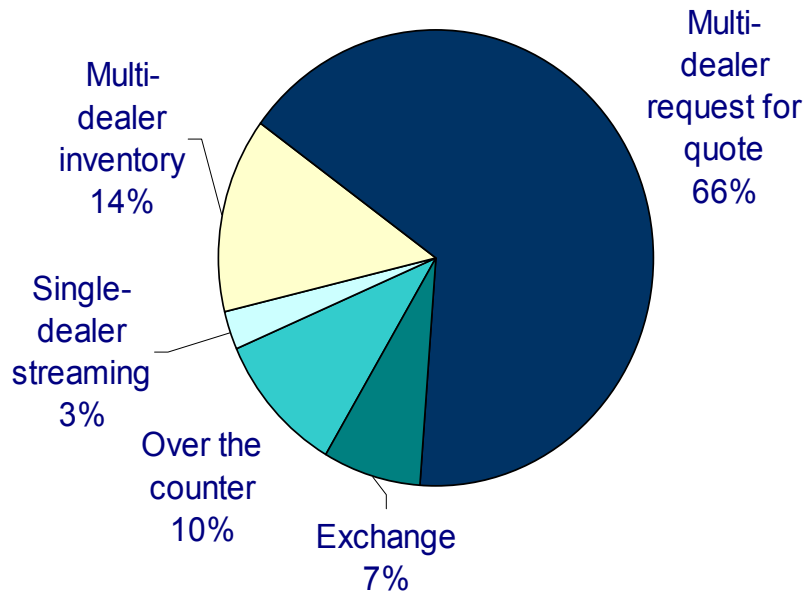


Sell-Side

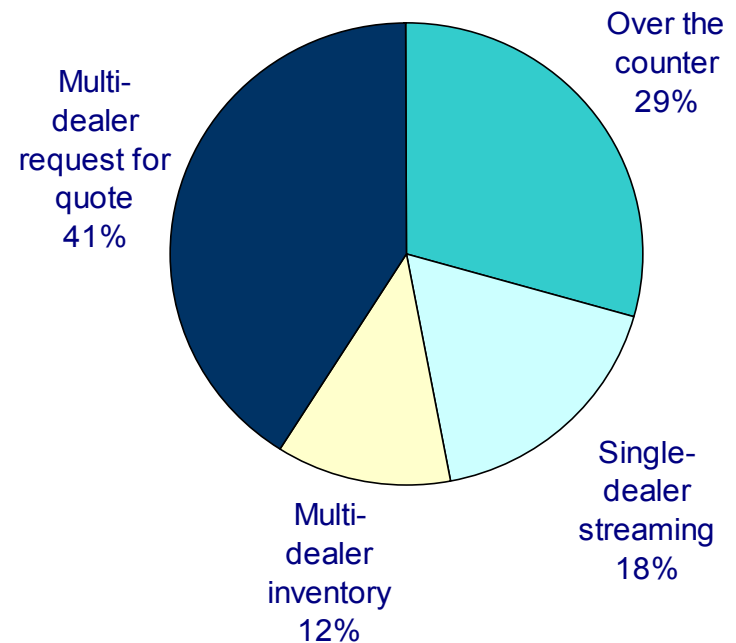


Preferred Method of Trade Execution: Cash Instruments

Buy-Side

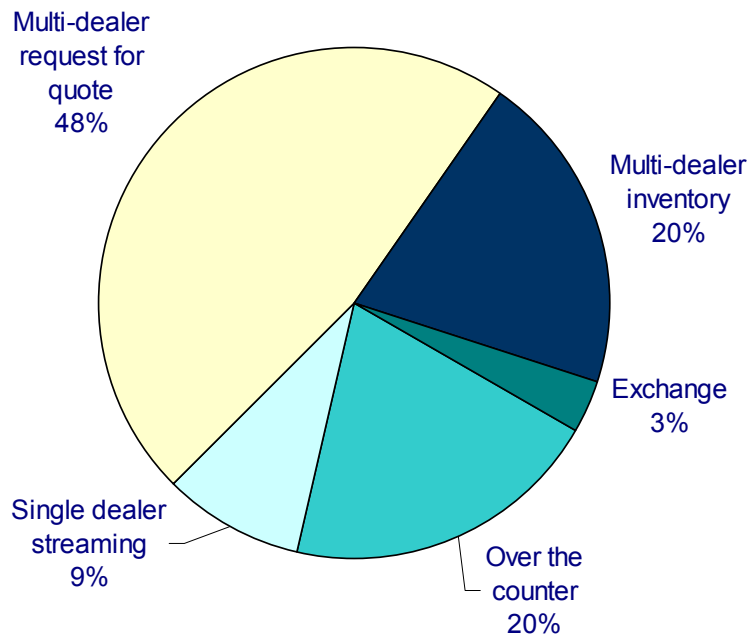


Sell-Side

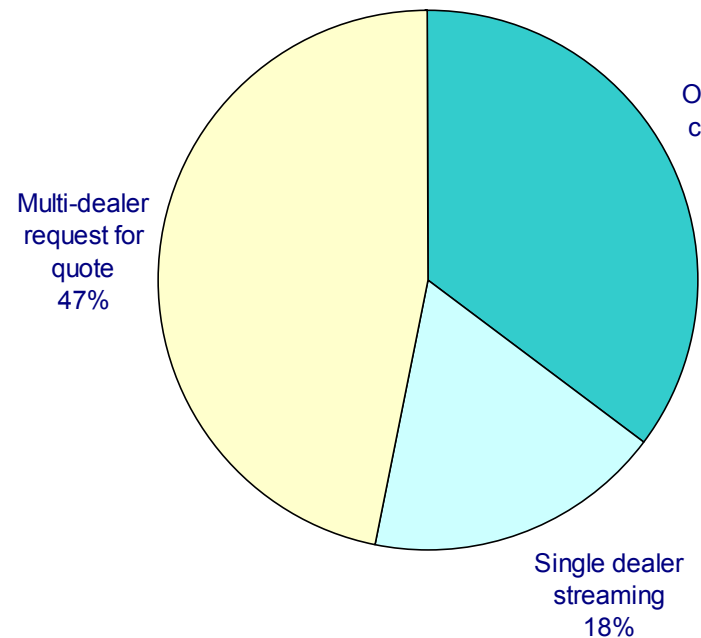


Preferred Method of Trade Execution: IRS/CDS Instruments

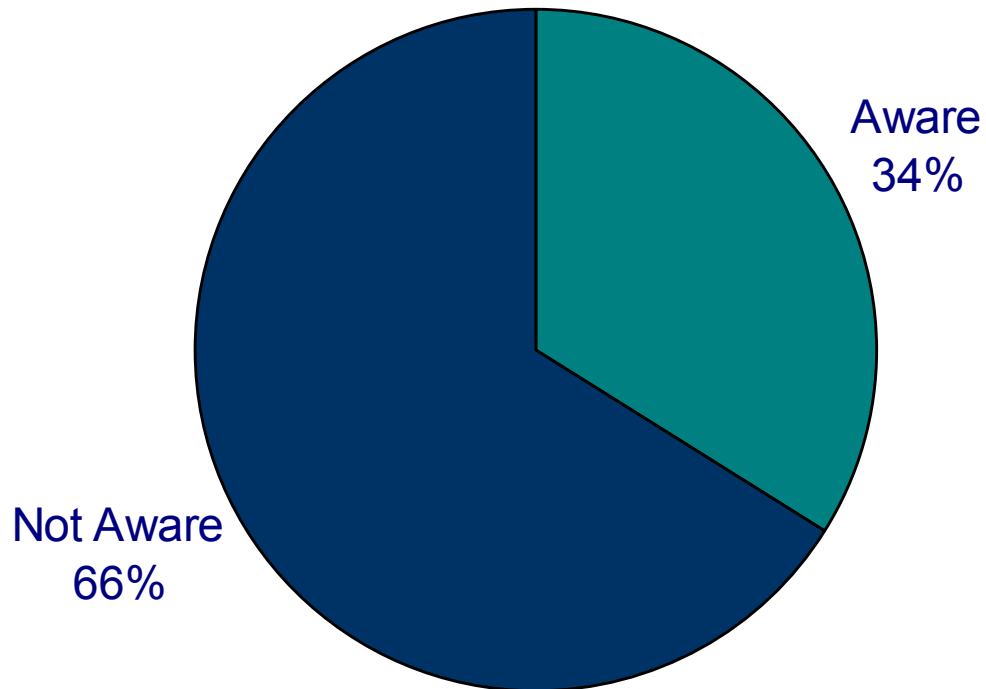
Buy-Side



Sell-Side



Buy-Side Awareness of MiFID



Impact of MiFID

