

2013 Greenwich Leaders: Global Foreign Exchange Services

March 2013

Foreign exchange trading is playing an important role in the post-crisis strategies of global banks. With Basel III rules changing the economics of many business lines, banks view the relatively non-capital-intensive FX as an attractive area of focus. In 2012 however, a slow-down in trading activity reduced dealers' FX revenues and put pressure on banks that have made substantial investments in complex and expensive technology infrastructure. At the same time, and somewhat ironically, pressure to meet the new capital rules is forcing some banks to put off technology investments they see as necessary to compete in an increasingly electronic business.

The results of Greenwich Associates Global Foreign Exchange Study show Deutsche Bank topping all competitors with a 10.7% market share in global FX. Citi, UBS and Barclays are in a statistical tie for second place with market shares of 10.1% and 9.7%, followed by HSBC and J.P. Morgan, which are tied at 7.0%. These banks are the 2013 Greenwich Share Leaders in Global Top-Tier Foreign Exchange. Citi takes the title of the 2013 Greenwich Quality Leader in Global Top-Tier Foreign Exchange.

"The research results show that the top three dealers — Citi, Deutsche Bank and UBS — demonstrated the most momentum in FX trading last year with meaningful gains in market share," says Greenwich Associates consultant Woody Canaday. "UBS gained market share, especially among financials and partially as a result of its strong electronic trading capabilities. Notably, Bank of America Merrill Lynch added share among both corporate and financial FX users."

A Global Market Requires Global Capabilities

The strength of the world's leading FX dealers can be attributed in large part to the breadth of their capabilities around the world. For example, while UBS and Deutsche Bank enjoy a commanding lead in the European FX market with market shares of 11.2% to 11.1%, U.S.-based Citi ties with Barclays for the next position with a market share of 9.4%. In the United States, UBS sits in a statistical tie with Citi for the market lead with market shares of 11.5% to 11.1%,

with Deutsche Bank holding the next slot at 10.3%. In Asia, Barclays and Citi are tied for second place behind only HSBC, which maintains a dominant market share of 13.5%. Deutsche Bank's 13.6% market share in Japan makes the bank the clear leader in that market, followed by Barclays, UBS and Citi. These banks are all 2013 Greenwich Share Leaders in Foreign Exchange in these respective markets.

Greenwich Share and Quality Leaders

The accompanying tables present the complete list of the 2013 Greenwich Share and Quality Leaders at a global level, by type of market participant and by region.

Greenwich Associates consultants Andrew Awad, James Borger, Woody Canaday, Peter D'Amario, Frank Feenstra, Brian Jones, Peter Kane, Tim Sangston, Abhi Shroff, Taeko Sumiyoshi, and Tomio Sumiyoshi specialize in foreign exchange and derivatives globally.

Methodology

Greenwich Associates conducted interviews with 2,661 users of foreign exchange globally, of which 1,736 are top-tier accounts, at large corporations and financial institutions on market trends and their relationships with their dealers. To be considered top tier, a firm must be either a central bank, a government agency, a hedge fund, a fund manager, a FT100 global firm, a firm with reported trading volume of more than \$1 billion, or a firm with reported sales of more than \$5 billion. Interviews were conducted in North America, Latin America, Europe, Asia, and Japan between September and November 2012.

The findings reported in this document reflect solely the views reported to Greenwich Associates by the research participants. They do not represent opinions or endorsements by Greenwich Associates or its staff. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Greenwich Associates compiles the data received, conducts statistical analysis and reviews for presentation purposes in order to produce the final results.

Greenwich Share Leaders — 2013



Global Top-Tier Foreign Exchange Market Share

Dealer	Market Share	Statistical Rank
Deutsche Bank	10.7%	1
Citi	10.1%	2T
UBS	10.0%	2T
Barclays	9.7%	2T
HSBC	7.0%	5T
J.P. Morgan	7.0%	5T

European Foreign Exchange Market Share

Dealer	Market Share	Statistical Rank
UBS	11.2%	1T
Deutsche Bank	11.1%	1T
Barclays	9.4%	3T
Citi	9.4%	3T

Global Top-Tier Corporates Foreign Exchange Market Share

Dealer	Market Share	Statistical Rank
Citi	10.1%	1
HSBC	8.4%	2
Deutsche Bank	7.8%	3T
J.P. Morgan	7.5%	3T
Barclays	6.0%	5T
RBS	5.9%	5T

Japanese Foreign Exchange Market Share

Dealer	Market Share	Statistical Rank
Deutsche Bank	13.6%	1
Barclays	12.1%	2
UBS	9.6%	3T
Citi	9.0%	3T

Global Top-Tier Financials Foreign Exchange Market Share

Dealer	Market Share	Statistical Rank
Deutsche Bank	11.3%	1T
UBS	11.0%	1T
Citi	10.1%	3T
Barclays	10.1%	3T
HSBC	6.9%	5T
J.P. Morgan	6.8%	5T

Latin American Foreign Exchange Market Share

Dealer	Market Share	Statistical Rank
Citi	15.6%	1
HSBC	8.1%	2T
J.P. Morgan	7.7%	2T
Morgan Stanley	7.5%	2T

Asian (ex-JANZ) Foreign Exchange Market Share

Dealer	Market Share	Statistical Rank
HSBC	13.5%	1
Barclays	9.9%	2T
Citi	9.8%	2T

United States Foreign Exchange Market Share

Dealer	Market Share	Statistical Rank
Citi	11.5%	1T
UBS	11.1%	1T
Deutsche Bank	10.3%	3

Canadian Foreign Exchange Market Share

Dealer	Market Share	Statistical Rank
RBC Capital Markets	20.4%	1
TD Securities	13.4%	2
Scotiabank	11.9%	3

Note: Based on a total of 2,661 global respondents, of which 1,736 are top-tier accounts. Leaders are based on top 5 dealers including ties on a global basis and on top 3 dealers including ties on a regional basis. Source: 2012 Global Foreign Exchange Services Study



Global Top-Tier Foreign Exchange Service Quality

Dealer

Citi

Global Top-Tier Corporates Foreign Exchange Service Quality

Dealer

Citi

Global Top-Tier Financials Foreign Exchange Service Quality

Dealer

Deutsche Bank

Asian (ex-JANZ) Foreign Exchange Service Quality

Dealer

HSBC

Canadian Foreign Exchange Service Quality*

European Foreign Exchange Service Quality

Dealer

Deutsche Bank
UBS

Japanese Foreign Exchange Service Quality

Dealer

Barclays
Deutsche Bank

Latin American Foreign Exchange Service Quality

Dealer

Citi

United States Foreign Exchange Service Quality

Dealer

Citi

Note: *Quality evaluations did not yield statistically differentiated dealers for this region. Based on a total of 2,661 global respondents, of which 1,736 are top-tier accounts. Leading dealers are displayed in alphabetical order. Source: 2012 Global Foreign Exchange Services Study

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The Greenwich Quality LeaderSM and Greenwich Share LeaderSM designations are determined entirely by the results of the interviews described above and do not represent opinions or endorsements by Greenwich Associates or its staff. Such designations are a product of numerical scores in Greenwich Associates' proprietary studies that are generated from the study interviews and are based on a statistical significance confidence level of at least 80%. No advertising, promotional or other commercial use can be made of any name, mark or logo of Greenwich Associates without the express prior written consent of Greenwich Associates.

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