

OPERATIONS MANAGERS CONTACT GROUP (OMCG)

HIGH LEVEL FINDINGS OF THE OMCG SURVEY ON:

“FOREIGN EXCHANGE AND INTEREST RATE CONFIRMATION PRACTICES”

JULY 2016

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Introduction

The OMCG members represent **major commercial banks from all over Europe** as well as some of the euro area national central banks.

Two surveys on confirmation practices have been conducted by the OMCG during the period 2015-16, covering **FX and interest rate confirmation practices**. To the knowledge of the OMCG, this is the first time that such surveys in the Post Trade area, and representing the practices of a large and representative group of market participants, has been conducted. The OMCG decided to publish the high level findings of these surveys on its website, as this data is potentially useful for other market participants wishing to compare and benchmark with such information. The OMCG intends to repeat this exercise at regular intervals, the next being envisaged for publication in 2018.

Both surveys have been structured in a similar way, consisting of a **qualitative** and a **quantitative part**, as follows:

- Qualitative questions on processing practices (data collection for 3 product classes: FX, Derivatives (DER) and Deposits (DEP))
- Quantitative questions on methods for confirmation (data collection at the level of underlying products).

Collected data for the different products are expressed in % and not in nominal values, in order to avoid that differences in volumes between the OMCG member banks distort the analysis.

The participation of the member banks showed a very high contribution rate of 75%. Overall, the responses of the members showed a relatively high degree of consistency.

Annex 1 shows the results of the FX survey; Annex 2 illustrates the results of the IR (DER and DEP) survey.

Summary of high level findings

FX survey

The OMCG notes that the majority of Non-Financial Counterparties prefer to receive long form confirmations via fax and email. All respondents provide an ESMA Unique Trade Identifier (UTI) on trade confirmations. Furthermore, the majority of settlement netting is processed bilaterally and is manually intensive.

Financial Counterparties show 66% of SWIFT usage, whereas Non-Financial Counterparties only show a 22% SWIFT share. Continuous Linked Settlement (CLS) usage is around 50%, meaning that several OMCG members are settling trades bilaterally every day. Non-Financial Counterparties use CLS in below 10% of eligible trades.

IR survey

The majority of the respondents are sending fixing advices and a minority actively monitors expiry confirmations (by sending, matching, or chasing). More than half of the respondents are sending payment advices for DER but indicate also that they do not require payment advices. Furthermore, around 50% of the respondents indicated that they telephonically agree on payment advices.

A small percentage of respondents is using SWIFT to confirm derivative related products. Encrypted mail is not used to confirm deals. The share of confirmations via platforms on trade execution is growing and is the main confirmation procedure for most plain vanilla derivatives. Negative affirmation is not used frequently for IR transactions.

FX Confirmation Survey: High level findings

Qualitative part

Confirmation related questions

- Notwithstanding vendor platform developments and the introduction of regulation mandating confirmation timelines, the majority of Non-Financial Counterparties prefers to receive long form confirmations via fax and email. This delays the confirmation matching process and negatively impacts Confirmation Timelines regulation breaches.
- The volume of confirmation regulation breaches and the additional resources required to monitor and resolve these breaches has led to an increase in OMCG members introducing Negative Affirmation clauses to confirmations with certain counterparties.
- All respondents include ESMA Unique Trade Identifier (UTI) on trade confirmations.

Settlement related questions

- The majority of settlement netting is processed bilaterally and is manually intensive.
- Use of CLS Bank is dominant only within Financial Counterparties: OMCG members tend to believe that cost and limited availability of CLS Members offering third party settlement services are the main impediments for Non-Financial Counterparties.

Quantitative part

Confirmation related questions

- Use of SWIFT by Financial Counterparties is around 66%.
- Non-Financial Counterparties use of SWIFT is around 22%.
- The majority of respondents require a matched confirmation prior to settling a trade.
- 84% of members will not pursue an unmatched confirmation past trade expiry.

Settlement related questions

- CLS usage across respondents is 50%, meaning several members are bilaterally settling trades every day.
- Non-Financial Counterparties' use of CLS is below 10% of eligible trades.
- Settlement Netting is a popular risk mitigation procedure employed by market participants – 79% of respondents have formal Netting Agreements in place with their counterparties. 47% mandate these agreements with certain counterparties.

IR Confirmation Survey: High level findings

Qualitative part

Event related questions

- The majority of the respondents is sending fixing advices but indicates also that they do not require or chase fixing advices from their counterparties. However, the majority of the respondents signs bilateral agreements for excluding fixing advices. One argument could be presumably to avoid legal issues in case of legal dispute.
- Only a minority of the respondents actively monitors (sending, matching, chasing) expiry confirmations.

Settlement related questions

- Operational netting is applied by some of the respondents. The operational netting process is monitored independently from the confirmation process: non confirmed deals are not excluded from the netting process and confirmations continue to be chased also for trades being netted successfully.
- The majority of the respondents requires at least a form of 'deal certainty' at Operations level before sending settlement instructions (for instance affirmation in case confirmation is not received on time).
- Successful settlement is in some cases (mainly DEP, exceptionally DER) considered as a trigger to stop chasing unconfirmed trades but only in case all cash flows have been settled successfully.
- The majority of the respondents are sending payment advices for DER but do also indicate that they do not require payment advices. 50% of the respondents indicate to also telephonically agree on payment advices.

Confirmation related questions

- The majority of the respondents is checking broker confirmations for DER trades and only a minority is checking broker confirmations for DEP trades (exception based, mainly in case matching at confirmation level cannot be obtained prior to releasing settlement instruction).
- Notably, trade date is -mainly for DEP- in practice not followed up as a mandatory matching field.
- SSI are in practice followed up by most of the respondents as a mandatory matching field for DEP but to a much lesser extent for DER (most probably due to longer duration of DER trades, market practice to not systematically include SSI's in DER confirmation).
- About 50% (25%) of the respondents indicates to do signature verification for DER (DEP) trades with focus on corporate counterparties. A cost / benefit comparison is made between on the one side the effort that it takes to execute this control in a systematic way and on the other side the added value (stronger legal position) in case of dispute.

EMIR

- Most of the participants include the UTI (Unique Trade Identifier) in the confirmation while only few of them are UTI provider. Around half of the participants is reconciling UTIs.
- The majority of the counterparties offers to its clients the service to report the trades concluded with them 'on their behalf' to a trade repository.

Quantitative part

Confirmation methods

- A small percentage of respondents are using SWIFT to confirm derivative related products.
- Encrypted email is not used by the respondents to confirm deals.
- The share of confirmations via platforms on trade execution is growing and is the main confirmation procedure for most of the plain vanilla derivatives.
- For about 80% of the deals concluded with Banks, Swap Dealers, Financial Counterparties or Non-Financial Counterparties above the clearing threshold, the respondents succeeded to match the deals within the EMIR timely confirmation rule. For deals concluded with Corporates and Non-Financial Counterparties below the clearing threshold the respondents did not succeed to match the deals within the EMIR timely confirmation for more than 50% of the deals.
- A relatively high number of deals are still confirmed via fax (25% with Corporates/10% with banks) or physical letter (4% with Corporates).

Matching methods

- Negative affirmation is almost not used for IR transactions.
- 10% of IR cash deals are only matched by successful settlement.

EMIR

- Although a majority of respondents indicate that they report 'on behalf', a majority of the number of deals (60% of the deals concluded with Corporates) is not reported 'on behalf' (which could lead to non-compliance with trade reporting rules).

Annex 1: FX Confirmation Survey Results

Qualitative questions

PROCESSING QUESTIONS		Y	N	N/A		
1.a	Exercises	Do you confirm exercise (cash)?	70%	25%	5%	100%
1.b		Do you confirm exercise (physical)?	70%	20%	10%	100%
1.c		If YES to Q1.a or b - Do you require a matched confirmation?	35%	65%	0%	100%
1.d		Do you match incoming exercise confirmations?	60%	40%	0%	100%
2.a	Expiry	Do you confirm expiry?	20%	80%	0%	100%
2.b		If YES to Q2.a - Do you require a matched confirmation?	10%	40%	50%	100%
2.c		Do you match incoming expiry confirmations?	20%	80%	0%	100%
2.d		Do you confirm Early Terminations?	90%	10%	0%	100%
2.e		If YES to Q2.d - Do you require a matched confirmation?	90%	10%	0%	100%
3.a	Settlement	Do you settle trades with unmatched confirmation?	75%	25%	0%	100%
3.b		Do you require trade affirmation prior to settlement?	60%	40%	0%	100%
3.c		Do you consider successful settlement a confirmation match?	65%	35%	0%	100%

3.d		Do you chase confirmation past expiry date?	14%	86%	0%	100%
4.a	Netting	Do you positively validate net settlement values prior to release?	76%	24%	0%	100%
4.b		If YES to Q4.a: do you continue to chase confirmations for net component trades?	30%	55%	15%	100%
4.c		Do you have formal Netting Agreements?	80%	20%	0%	100%
4.d		Do you mandate Netting with any of your counterparties?	65%	35%	0%	100%
4.e		Do you only include matched trades in your Netting calculation?	10%	90%	0%	100%
5	Matching Content	Confirmation content - do you match on the following fields?				
		Trade Date	80%	20%	0%	100%
		Maturity Date	100%	0%	0%	100%
		Strike	100%	0%	0%	100%
		Currency pair	100%	0%	0%	100%
		Fixing Date	95%	5%	0%	100%
		Settlement Currency	95%	5%	0%	100%
		Premium Amount	100%	0%	0%	100%
		Premium Currency	100%	0%	0%	100%
		Master Agreement	20%	80%	0%	100%
		Master Confirmation Agreement	15%	85%	0%	100%
		Notional(s)	100%	0%	0%	100%
		Direction	100%	0%	0%	100%

		Signatures	20%	80%	0%	100%
		Counterparty SSI's	70%	30%	0%	100%
6	Other	Do you produce multi-trade (bulk) confirmations?	40%	60%	0%	100%
7		Do you include UTI on your confirmation?	100%	0%	0%	100%
8		Do you have your FX Confirmations team in an offshore/nearshore location?	62%	38%	0%	100%
9		Do you centralise your FX Confirmations process geographically (e.g. global hub)	50%	45%	5%	100%
10		Do you use Negative Affirmation/Confirmation?	37%	63%	0%	100%
11		Do you mandate Negative Affirmation/Confirmation with some of your counterparties?	20%	80%	0%	100%
12		Do you check Broker confirmations?	62%	38%	0%	100%
13		Do you mandate Master Confirmation Agreements with some of your counterparties?	50%	50%	0%	100%

Quantitative questions

Product	Confirmation Method - BANKS, SWAP DEALERS, FC, NFC+								
	SWIFT (pls inc. message)	Paper			Not Required (e.g. affirmed on execution)	In-house Matching Platform	Central Matching Platform	CLS	Other
		fax	Physical						
			(letter)	e-mail					
%	%	%	%	%	%	%	%	%	
FX Cash	31.68	2.47	1.21	3.62	0.15	0.01	1.19	59.58	0.00
Forwards	47.76	2.80	0.26	6.73	0.41	0.23	0.35	41.22	0.14
Swaps	43.26	3.85	0.37	2.43	0.02	0.10	1.52	48.44	0.03
NDF	73.99	7.78	0.14	13.34	0.02	0.01	0.49	4.20	0.02
Precious Metals Cash	95.16	4.17	0.02	0.60	0.04	-	-	-	0.00
PM Forwards	94.15	5.75	-	0.10	-	-	-	-	-
PM Swaps	97.22	0.63	-	0.11	-	2.04	-	-	-
Deliverable Vanilla Option	79.63	10.97	1.13	7.22	0.21	0.78	0.07	-	-
Non-Deliverable Vanilla Option	51.43	23.52	0.18	22.93	1.44	0.44	0.05	-	-
Simple Exotic (Barrier, Binary, Digital)	42.41	16.12	9.20	29.79	0.35	1.90	0.18	-	-
Complex Exotic	12.84	34.06	7.55	42.95	0.11	2.29	0.21	-	-
Netting	13.09	2.39	0.01	65.80	-	0.00	0.74	0.08	17.88

Product	Confirmation Method - CORPORATES, FE, NFC								
	SWIFT (pls inc. message)	Paper			Not Required (e.g.)	In-house Matching Platform	Central Matching Platform	CLS	Other
		fax	Physical						
			(letter)	e-mail					
%	%	%	%	%	%	%	%	%	
FX Cash	24.87	13.15	11.25	23.54	5.52	6.82	7.05	7.80	-
Forwards	27.10	15.38	6.95	28.98	1.88	4.60	7.54	6.21	1.35
Swaps	32.02	12.87	5.43	27.69	0.55	3.24	8.10	8.27	1.83
NDF	36.65	17.99	7.34	30.28	0.01	0.55	5.91	-	1.16
Precious Metals Cash	14.29	17.49	14.77	48.57	4.88	-	-	-	-
PM Forwards	14.29	18.29	16.80	48.57	2.06	-	-	-	-
PM Swaps	40.03	12.78	16.23	28.00	2.96	-	-	-	-
Deliverable Vanilla Option	17.19	23.77	8.32	44.84	0.28	4.56	1.04	-	-
Non-Deliverable Vanilla Option	11.04	25.37	10.25	44.63	4.38	3.51	0.67	-	0.14
Simple Exotic (Barrier, Binary, Digital)	6.09	21.66	8.06	55.77	0.55	7.16	0.73	-	0.00
Complex Exotic	0.48	33.68	3.98	52.10	2.44	6.78	0.54	-	-
Netting	3.76	4.41	0.22	69.99	-	0.37	6.07	0.00	15.18

Product	Confirmation Matching Methods				
	Negative Affirmation	Positive Match	Settlement Match	Expiry	Other
	%	%	%	%	%
FX Cash	9.05	72.57	1.86	0.93	0.10
Forwards	14.89	83.55	1.09	0.36	0.12
Swaps	10.97	88.19	0.67	0.08	0.10
NDF	6.85	90.99	1.62	0.31	0.23
Precious Metals Cash	13.81	85.25	0.21	0.47	0.27
PM Forwards	10.90	87.99	0.34	0.43	0.34
PM Swaps	8.26	90.23	0.21	0.13	1.18
Deliverable Vanilla Option	1.12	97.46	0.06	0.41	0.96
Non-Deliverable Vanilla Option	3.50	94.00	0.11	2.26	0.13
Simple Exotic (Barrier, Binary, Digital)	1.06	97.78	0.13	0.77	0.27
Complex Exotic	1.95	95.42	0.15	1.81	0.68
Netting	1.33	97.88	0.45	0.33	-

Annex 2: IR Confirmation Survey Results

Qualitative questions

DER Confirmation Survey Results				
DER - Fixing		Y	N	N/A
1a	Do you send Fixing Advices?	82%	18%	0%
1b	Do you require a Fixing Advice?	6%	94%	0%
1c	if Y to 1b : Do you chase Fixing Advices?		100%	
1d	Do you telephonically agree on Fixing Advices?	31%	69%	0%
1e	Do you sign bilateral agreements for excluding Fixing advices?	63%	37%	0%
DER - Exercises		Y	N	N/A
2a	Do you confirm exercise (cash)?	75%	25%	0%
2b	Do you confirm exercise (physical)?	87%	13%	0%
DER - Expiry		Y	N	N/A
3a	Do you confirm expiry?	31%	69%	0%
3b	If Y to 3a : Do you require a matched confirmation?	20%	80%	0%
3c	Do you match incoming expiry confirmations?	38%	62%	0%
3d	Do you chase a confirmation past maturity ?	38%	62%	0%
DER - Operational netting deal cash flows		Y	N	N/A
4a	Do you positively validate net settlement values prior to release?	75%	25%	0%
4b	If YES to 4a: do you continue to chase confirmations for net component trades?	75%	25%	0%
4c	Do you have formal Netting Agreements?	44%	56%	0%
4d	Do you mandate Netting with any of your counterparts?	6%	94%	0%
4e	Do you only include matched trades in your Netting calculation?	13%	87%	0%
DER - Early Termination (Novations)		Y	N	N/A
5a	Do you send an ET confirmation?	94%	6%	0%
5b	Do you require an ET confirmation?	87%	13%	0%
5c	if Y to 5b: do you chase ET confirmation?	100%	0%	0%
DER - Settlement		Y	N	N/A
6a	Do you settle trades with unmatched confirmations?	94%	6%	0%
6b	Do you require trade affirmation prior to settlement?	56%	44%	0%
6c	Do you consider successful settlement of the first cashflow a confirmation match?	6%	94%	0%
6d	Do you consider successful settlement of all the cashflows a confirmation match?	6%	94%	0%
6e	Do you send payment advices?	81%	19%	0%
6f	Do you require payment advices?	19%	81%	0%
6g	if Y to 6f: do you chase payment advices?	75%	25%	0%
6h	Do you telephonically agree on Payment Advices?	50%	50%	0%

DER Confirmation Survey Results (continued)				
DER - Other		Y	N	N/A
7a	Do you check Broker confirmation?	73%	27%	0%
DER - Confirmation matching content (do you match the following fields ?)		Y	N	N/A
8	Transaction Type	94%	6%	0%
	Trade Date	100%	0%	0%
	Effective Date	100%	0%	0%
	Termination Date	100%	0%	0%
	Premium Amount	100%	0%	0%
	Premium Currency	100%	0%	0%
	Business Day Convention for fixing	94%	6%	0%
	Business Day Convention for settlement	100%	0%	0%
	Floating / Fixed Rate Payer	100%	0%	0%
	Floating / Fixed Rate Payer Notional Amount	100%	0%	0%
	Floating / Fixed Currency	100%	0%	0%
	Floating / Fixed Rate Day Count Fraction	100%	0%	0%
	Floating / Fixed Designated Maturity	100%	0%	0%
	Floating / Fixed Rate Payer Payment Days	100%	0%	0%
	Floating Rate Option	100%	0%	0%
	Fixed Rate	100%	0%	0%
	Spread	100%	0%	0%
	Reset Date	100%	0%	0%
	Counterparty SSIs	47%	53%	0%
	Master Agreement	100%	0%	0%
	Calculation Agent	87%	13%	0%
Signatures	58%	42%	0%	
Calculation Period	100%	0%	0%	
Fixed Rate day count fraction	94%	6%	0%	
Floating / Fixed rate Payer end dates	100%	0%	0%	
Floating / Fixed rate Payer payment dates	100%	0%	0%	
Break Clauses	100%	0%	0%	
DER - EMIR		Y	N	N/A
9a	Do you include UTI in your confirmations?	87%	13%	0%
9b	if Y to 9b : are you always UTI provider?	14%	86%	0%
9c	Do you reconcile UTI?	44%	50%	6%
9d	If Y to 9c : % of the trades where UTI's do match	??%	??%	0%
Complying with the Emir Risk Mitigation Requirements:				
9e	<i>Concerning Portfolio Reconciliation Arrangement:</i>			
	Do you send a Reconciliation Report unilateral ?	87%	0%	13%
	Do you 'really' reconcile Portfolio Reconciliation Reports ?	87%	0%	13%
	Do you chase Portfolio Reconciliation Reports ?	87%	0%	13%
	Do you use external platform or internal matching tool for reconciliation ?	87%	0%	13%
	Is UTI part of your reconciliation arrangements?	13%	74%	13%
<i>Concerning dispute resolution procedures:</i>				
9f	Do you maintain predefined timings for resolution in case of dispute ?	74%	13%	13%
9g	Do you report to a Trade Repository for your Third parties?	84%	16%	0%
9h	If Y to 9g : for which third parties / trades do you report?	Mainly Corporates and Funds, few participants also for FI		
9i	Do you negotiate formal UTI agreements (who generates the UTI) with your counterparties?	57%	43%	0%

DEP Confirmation Survey Results				
DEP - Operational netting deal cashflows		Y	N	N/A
1a	Do you positively validate net settlement values prior to release?	40%	60%	0%
1b	If YES to 1a: do you continue to chase confirmations for net component trades?	83%	17%	0%
1c	Do you have formal Netting Agreements?	27%	73%	0%
1d	Do you mandate Netting with any of your counterparts?	7%	93%	0%
1e	Do you only include matched trades in your Netting calculation?	7%	93%	0%
DEP - Roll Over events		Y	N	N/A
2a	Do you send a Roll Confirmation ?	93%	0%	7%
2b	Do you require a Roll confirmation?	71%	29%	0%
2c	if Y to 2b: do you chase Roll confirmation?	100%	0%	0%
DEP - Settlement		Y	N	N/A
3a	Do you settle trades with unmatched confirmations?	73%	27%	0%
3b	Do you require trade affirmation prior to settlement?	67%	33%	0%
3c	Do you consider successful settlement of the first cashflow a confirmation match?	27%	73%	0%
3d	Do you consider successful settlement of all the cashflows a confirmation match?	67%	33%	0%
3e	Do you send payment advices?	53%	47%	0%
3f	Do you require payment advices?	0%	100%	0%
3g	if Y to 3f: do you chase payment advices?	0%	100%	0%
3h	Do you telephonically agree on Payment Advices?	21%	79%	0%
DEP - Other		Y	N	N/A
4a	Do you check Broker confirmation?	36%	57%	7%
DEP - Confirmation matching content (do you match the following fields ?)		Y	N	N/A
5	Transaction Type	93%	7%	0%
	Currency	100%	0%	0%
	Notional	100%	0%	0%
	Interest Amount	100%	0%	0%
	Borrower	100%	0%	0%
	Lender	100%	0%	0%
	Trade Date	73%	27%	0%
	Value Date	100%	0%	0%
	Maturity Date	100%	0%	0%
	Call dates	60%	27%	13%
	Rate	93%	7%	0%
	Spread (if any)	60%	33%	7%
	Counterparty SSI's	100%	0%	0%
Signatures	25%	75%	0%	

Quantitative questions

1. Confirmation Method – Banks, Swap Dealers, FC, NFC+

Confirmation Method - BANKS, SWAP DEALERS, FC, NFC+															
Product	SWIFT Template (percentage of parties who indicated either some transactions confirmed by SWIFT or that they have SWIFT template ready)	Sending of SWIFT message to counterparty	Sending of 'Paper' to counterparty				Not Required - Affirmation on execution (e.g. MarkitWire)	Not Required - No sending because of countersigning confo counterparty	In-house Matching Platform (e.g. your own website)	Central Matching Platform (e.g. Misys, Fx All,...)	Other	Total (s/be 100)	How many transactions do you match within T+1?	cleared	collateralised (only derivative products)
			fax	Physical (letter)	e-mail										
					encrypted	non- encrypted									
			%	%	%	%									
Trx	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Notional amount	Notional amount	
Interest Rate Swaps	25,0%	6,6%	10,4%	0,0%	0,0%	14,2%	67,3%	1,5%	0,0%	0,0%	0,0%	100,0%	81,8%	61,5%	83,6%
Cross Currency Swaps	12,5%	7,0%	13,7%	0,0%	0,0%	29,8%	44,0%	5,5%	0,0%	0,0%	0,0%	100,0%	74,3%	10,4%	90,1%
Overnight Index Swaps (OIS)	12,5%	0,1%	10,0%	0,0%	0,0%	8,7%	79,5%	1,1%	0,0%	0,0%	0,0%	99,5%	84,7%	59,9%	80,7%
Cap/Floor	0,0%	0,0%	15,7%	0,0%	0,0%	48,1%	27,9%	8,3%	0,0%	0,0%	0,0%	100,0%	68,5%	2,3%	80,0%
Swaptions	0,0%	0,0%	11,4%	0,0%	0,0%	23,2%	63,8%	1,6%	0,0%	0,0%	0,0%	100,0%	82,7%	10,7%	83,1%
FRA	31,3%	9,4%	7,6%	0,0%	0,0%	10,9%	72,1%	0,0%	0,0%	0,0%	0,0%	100,0%	86,3%	87,7%	90,6%
Structured Rates	0,0%	0,0%	21,0%	0,1%	0,0%	65,2%	0,7%	12,6%	0,4%	0,0%	0,0%	100,0%	43,1%	0,0%	86,6%
Inflation Swaps	0,0%	0,0%	11,4%	0,0%	0,0%	31,4%	52,4%	4,8%	0,0%	0,0%	0,0%	100,0%	67,0%	8,3%	89,8%
Bond Options	0,0%	0,0%	3,6%	0,0%	0,0%	83,3%	12,5%	0,6%	0,0%	0,0%	0,0%	100,0%	50,7%	0,0%	59,8%
Deposits (loan/Borrow)	92,9%	77,5%	9,2%	2,2%	0,0%	5,9%	1,1%	2,7%	1,1%	0,4%	0,0%	100,0%	89,5%	0,0%	22,5%
Call Deposits (loan/Borrow)	46,2%	60,0%	0,0%	0,0%	0,0%	20,0%	0,0%	0,0%	0,0%	0,0%	20,0%	100,0%	74,5%	0,0%	45,0%
Weighting between the two counterparty classifications	73,21%														

2. Confirmation Method – Corporates, FE, NFC

Confirmation Method - CORPORATES, FE, NFC													
Product	Sending of SWIFT message to counterparty	Sending of 'Paper' to counterparty				Not Required - Affirmation on execution (e.g. MarkitWire)	Not Required - No sending because of countersigning confo counterparty	In-house Matching Platform (e.g. your own website)	Central Matching Platform (e.g. Misys, Fx All,...)	Other	Total (s/be 100)	How many transactions do you match within T+2?	Collateralised (only derivative products)
		fax	Physical (letter)	e-mail									
				encrypted	non-encrypted								
	%	%	%	%	%	%	%	%	%	%	%	%	%
	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Trx	Notional amount
Interest Rate Swaps	0,0%	23,4%	3,8%	0,0%	59,1%	10,2%	0,6%	2,9%	0,0%	0,0%	100,0%	50,4%	38,7%
Cross Currency Swaps	0,0%	20,2%	0,2%	0,0%	65,2%	7,5%	1,7%	5,2%	0,0%	0,0%	100,0%	28,8%	24,3%
Overnight Index Swaps (OIS)	0,0%	28,6%	0,3%	0,0%	47,5%	23,4%	0,1%	0,0%	0,0%	0,0%	100,0%	43,0%	26,9%
Cap/Floor	0,0%	29,9%	1,5%	0,0%	58,3%	2,1%	0,1%	8,1%	0,0%	0,0%	100,0%	46,0%	13,6%
Swaptions	0,0%	18,4%	0,1%	0,0%	50,2%	31,2%	0,1%	0,0%	0,0%	0,0%	100,0%	47,6%	19,5%
FRA	0,0%	23,2%	0,1%	0,0%	70,7%	5,9%	0,1%	0,0%	0,0%	0,0%	100,0%	54,4%	48,0%
Structured Rates	0,0%	16,4%	8,5%	0,0%	71,1%	1,0%	0,1%	3,0%	0,0%	0,0%	100,0%	33,6%	11,3%
Inflation Swaps	0,0%	7,5%	0,0%	0,0%	42,7%	49,8%	0,0%	0,0%	0,0%	0,0%	100,0%	55,3%	23,9%
Bond Options	0,0%	0,0%	0,0%	0,0%	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	100,0%	32,6%	50,0%
Deposits (loan/Borrow)	0,0%	23,0%	4,0%	0,0%	50,2%	0,0%	0,0%	3,7%	4,4%	0,0%	100,0%	55,3%	18,0%
Call Deposits (loan/Borrow)	14,8%	52,6%	7,3%	0,0%	39,4%	0,0%	0,0%	0,0%	0,0%	0,0%	100,0%	95,0%	45,0%
Weighting between the two counterparty classifications		26,79%											

3. Confirmation Matching Methods

Product	Confirmation Matching Methods (only bilateral trades in scope)						Total (s/be 100)
	Positive Match	Settlement Match	Expiry	Negative Affirmation on confirmation level (without further chasing)	Negative Affirmation Agreement (1)	Other	
	%	%	%	%	%	%	
	Trx	Trx	Trx	Trx	Trx	Trx	
Interest Rate Swaps	99,8%	0,2%	0,0%	0,0%	0,0%	0,0%	100,0%
Cross Currency Swaps	99,8%	0,0%	0,2%	0,0%	0,0%	0,0%	100,0%
Overnight Index Swaps (OIS)	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	100,0%
Cap/Floor	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	100,0%
Swaptions	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	100,0%
FRA	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	100,0%
Structured Rates	99,7%	0,0%	0,0%	0,0%	0,3%	0,0%	100,0%
Inflation Swaps	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	100,0%
Bond Options	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	100,0%
Deposits (loan/Borrow)	88,8%	7,6%	1,1%	2,1%	0,3%	0,1%	100,0%
Call Deposits (loan/Borrow)	70,1%	13,3%	0,0%	0,0%	0,0%	16,7%	100,0%

4. EMIR

UTI generated by	BANKS, SWAP DEALERS, FC, NFC+
	%
	Transactions
Yourself	34%
Counterparty	14%
Electronic Platform	52%
Total	100%

UTI generator	BANKS, SWAP DEALERS, FC, NFC+
	%
	Counterparty
Always yourself	36%
Always counterparty	13%
ISDA Best Practice	51%
Total	100%

Reporting on behalf	CORPORATES, FE, NFC
	%
	Transactions
Yes	41%
No	59%
Total	100%