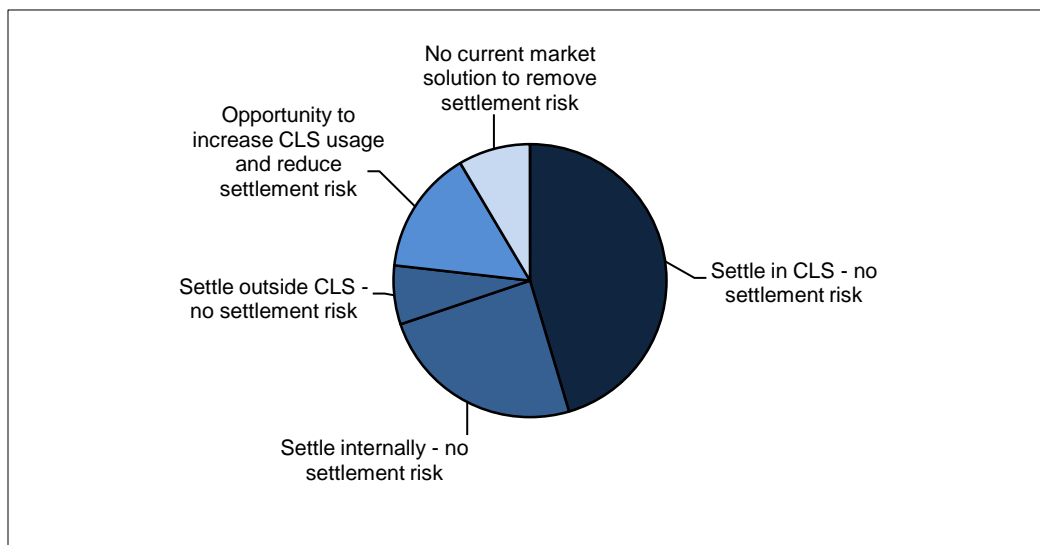


FXC - Analysis of Settlement Risk September 2010 : 23% settlement at risk

September 2010 Trade analysis \$98.5 trillion notional

September 2010

45.4%	Settle in CLS - no settlement risk
24.4%	Settle internally - no settlement risk
7.0%	Settle outside CLS - no settlement risk
14.7%	Opportunity to increase CLS usage and reduce settlement risk
8.5%	No current market solution to remove settlement risk

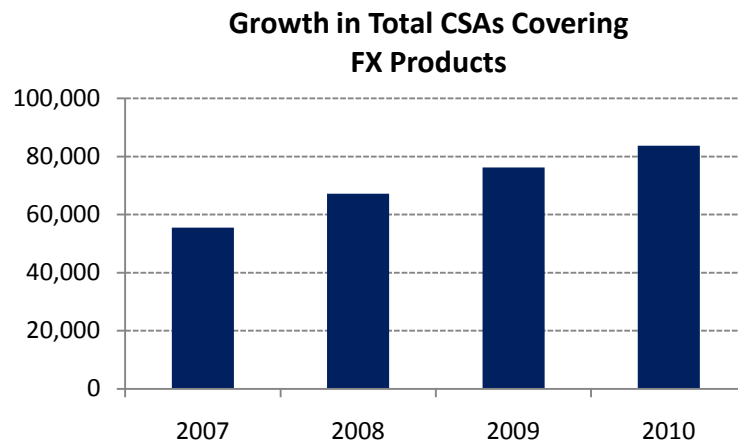


- Of the total amount reported, **76.8% of the settlement total was not subject to settlement risk.**
- Of the total amount reported, **14.7% of the settlement total was subject to settlement risk but has the potential to become settled in CLS.**

¹ A total of twelve firms responded with data on settlement risk while thirteen firms provided data on the use of credit support annexes.

FXC - Evolution of Use of Credit Support Annexes Covering Foreign Exchange Products Since 2007

- The firms were asked to report the number of credit support annexes they had in place covering foreign exchange products from 2007 to 2010. Over that time period, this number **grew by 51%**.



- A sub-set of firms were also able to report a snapshot figure to indicate what percentage of their mark-to-market exposure is covered under these credit support annexes. In total, as of September 2010, **88%** of the total mark-to-market exposure of those firms was covered under CSAs.