

The Role of a Foreign Exchange Prime Broker (FXPB) on EBS Prime



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EBS Prime and the Role of the Prime Broker

FXPB is a Credit Intermediation Product

- **Access to Credit and liquidity** - Credit related issues often pose a significant barrier to entry for market participants wishing to gain (or enhance) their access to liquidity in the multi-trillion dollar FX market
- **Risk Appetite** - Prevalent for participants with limited risk appetite
 - Balance sheet constraints
 - Regional banks with a limited global presence

Such market participants need a solution to address their credit issues and facilitate global market access in a fair and orderly manner

- **EBS Prime** – Provides anonymous access to the EBS trading platform, leveraging the Credit of an EBS Prime bank

Advantage to using an FXPB

FXPB provides:

- **Single Credit and Clearing Counterparty** – whilst providing access to multi dealer FX liquidity via EBS
- **Segregation** - FXPB is segregated from Sales and Trading businesses behind informational, systematic and organisational barriers
- **Operational Efficiencies**, STP and reduction in capital usage
 - Collateral requirements aggregated at the FXPB
 - Trade allocation, confirmation and settlement consolidated with FXPB
 - Reduced documentation – client negotiates a single ISDA & FXPB agreement with the FXPB
 - Consolidation and customisation of Reporting

Potential Advantage of using EBS PRIME via a Top Tier FX Prime Broker

- Enhanced liquidity with benefits of increasing revenue opportunities
- Access tighter prices and greater depth of liquidity from the world's leading market making banks
- Enhance competitiveness through global reach of prices and increased probability of execution
- Access to the same bilateral credit lines and liquidity of the EBS Prime bank

The impact on bilateral Credit lines

Credit % Access to Prices and Floors (CSFL)

- **Premium access to pricing** - participants have access to the same pricing and liquidity on EBS Prime as the Prime Bank itself.
- **Credit Suisse Access** - amongst the strongest bilateral Credit Lines on several electronic platforms (sample on EBS platform below)

USD/CHF

Monthly Performance	Bilateral Credit (%)
August 2011	100

USD/JPY

Monthly Performance	Bilateral Credit (%)
August 2011	100

GBP/USD

Monthly Performance	Bilateral Credit (%)
August 2011	99

EUR/USD

Monthly Performance	Bilateral Credit (%)
August 2011	99

Advantages of FXPB and EBS Prime

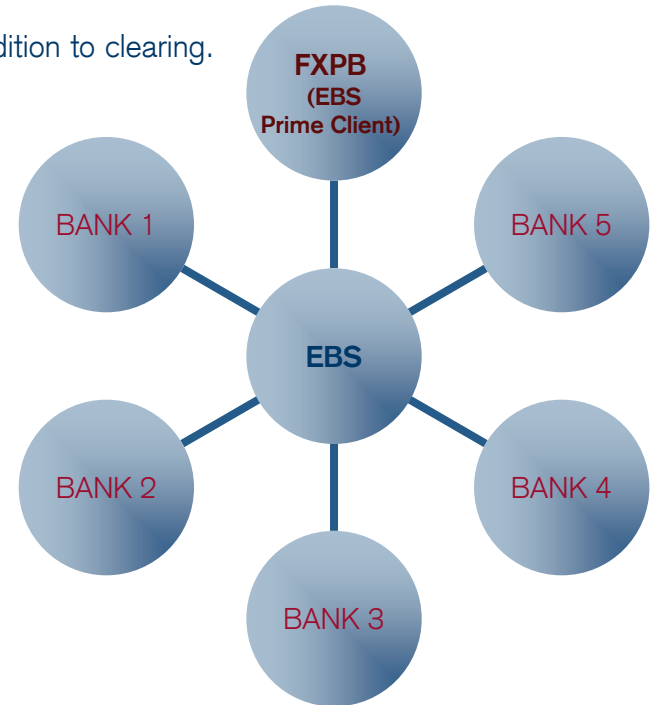
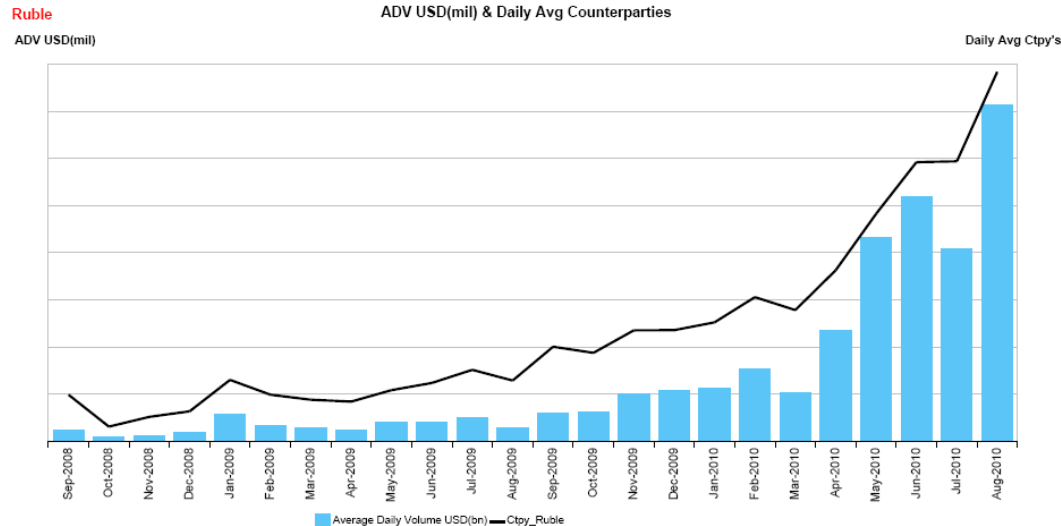
- Allows FXPB clients with less bilateral credit an opportunity to utilise the credit of an FX Prime Bank.
- Enables clients to see and trade better prices - those which are available to the world's leading FX banks on the EBS platform
- Increased diversity of market participants
- Continuous price stream and dealable prices

Monthly Performance	USD/RUB
	Bilateral Credit (%)
September 2011	81

FXPB and the growth of RUB volume on EBS

Access to EBS anonymous Liquidity

- FX Prime Brokerage helps to provide access to liquidity and execution venues in addition to clearing. Credit Suisse started RUB as a Prime Bank in Aug 2010.



EBS Prime Newsletter

- Over the past year there has been significant and continued growth in RUB on EBS, with a substantial increase in both average daily volume and average daily counterparties trading RUB on the platform.
- EBS Prime banks have helped facilitate this growth by providing access where it may have previously been prohibited

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