



Tullett Prebon

Electronic Broking update

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TP Information Sales

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Introduction

Electronically competitive

- Tullett Prebon continues to enhance its broad and successful electronic offering
- Now makes up 1/5th of Tullett Prebon revenues
- History of continued innovation and growth based on best practice
- Development of further platforms

Context

- What is electronic broking?
 - Pure 'e' limited
 - Hybrid
 - Evolution not revolution
- Regulation
 - Europe: EMIR and MiFID II
 - America: Dodd Frank
- Competitor
 - No first mover advantage
 - Key dependency is product liquidity

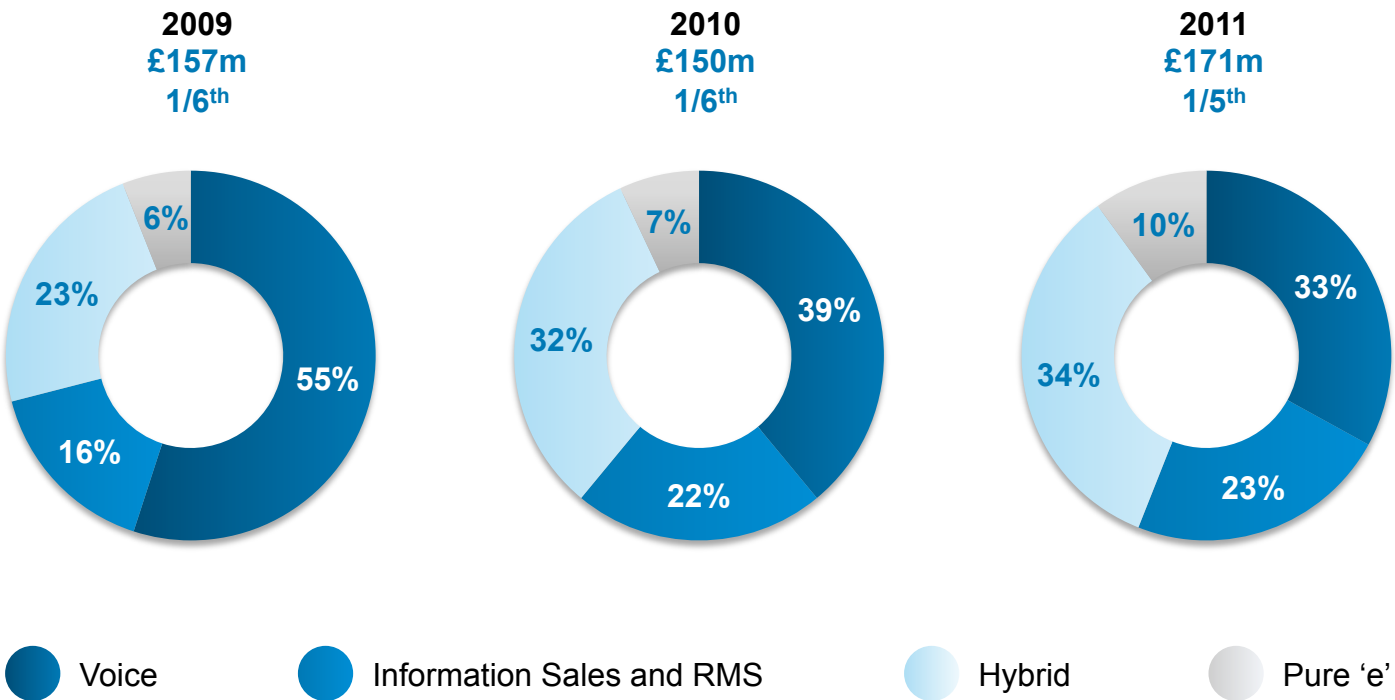
Opportunity

- Increasingly well positioned for market structure and regulatory developments
 - View the upcoming regulation as an opportunity
- Strong pipeline of electronic initiatives driven by:
 - Regulatory reform
 - Successful IDB requires:
 - Scale
 - Expertise
 - Investment
 - Innovation
 - Client demand

Proportion of Revenues by Type

Revenues from products supported by electronic platforms plus Information Sales

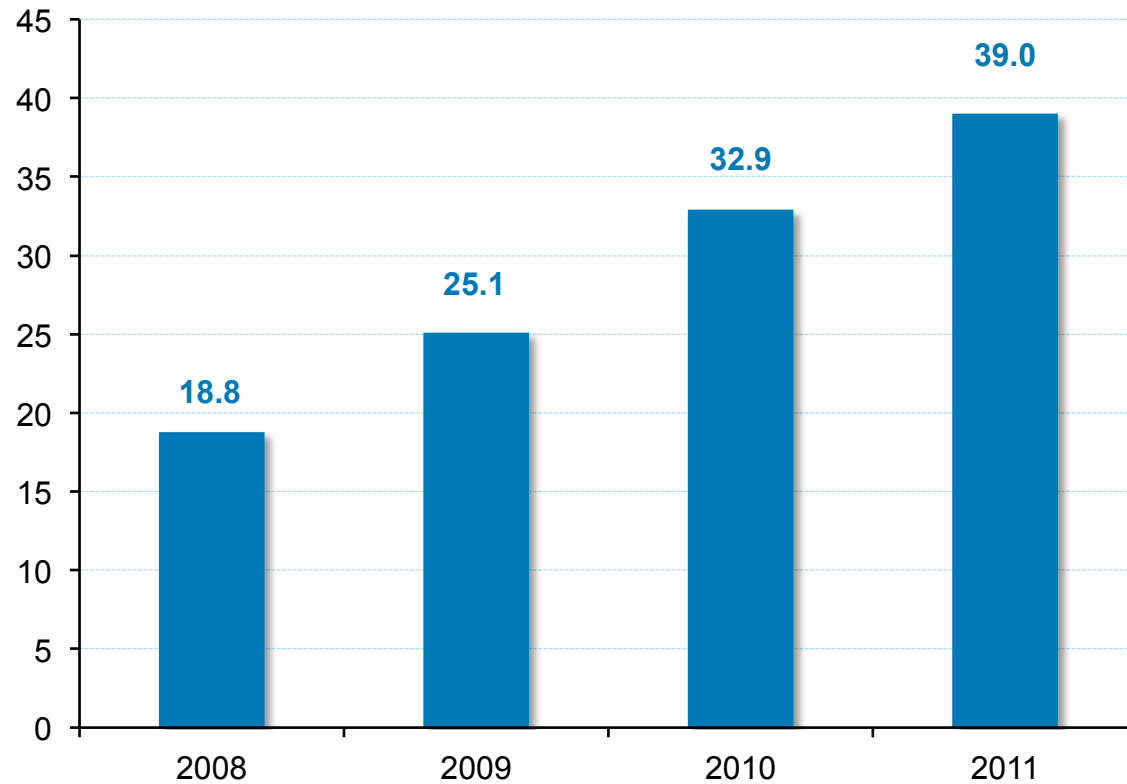
Proportion of Revenues by Type



Information Sales and RMS – Revenues

2008 – 2011 Annual Revenues (£m)

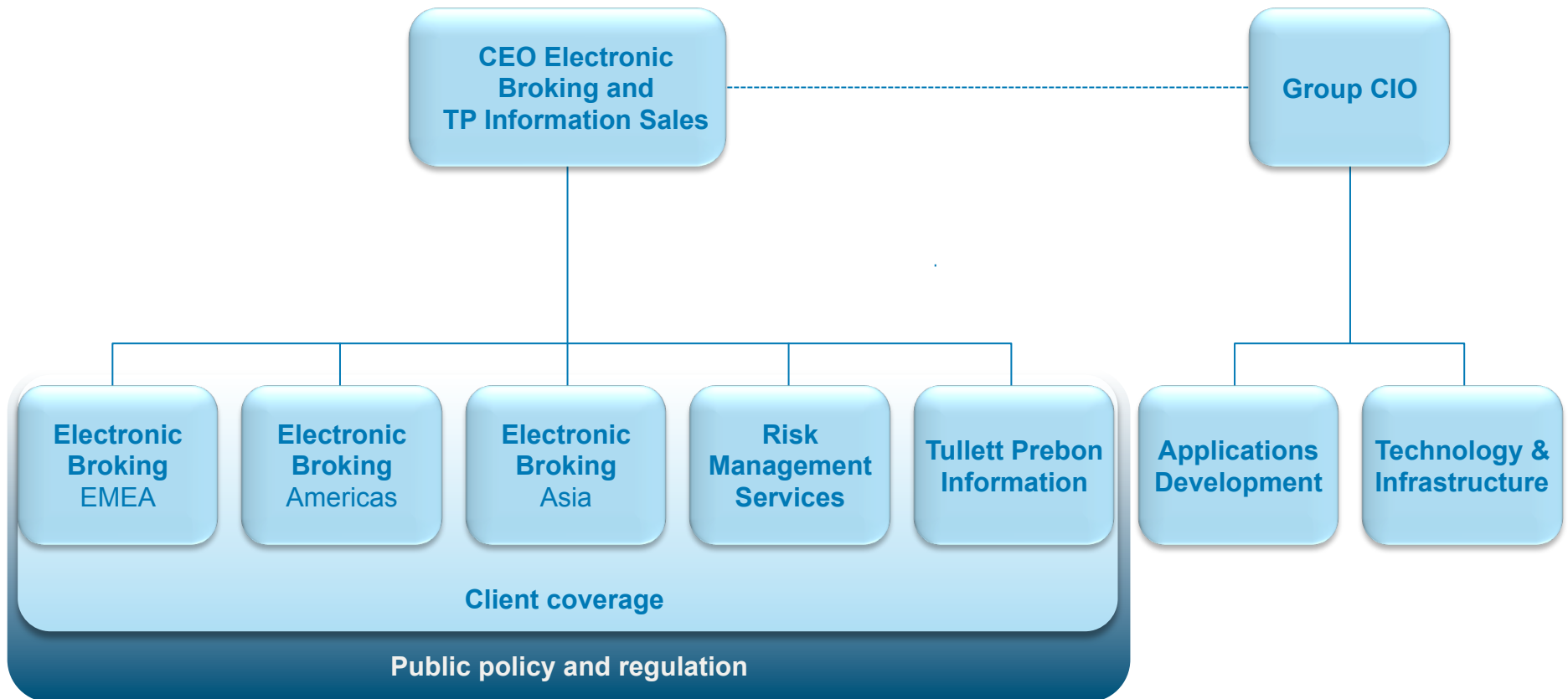
CAGR = 27.5%



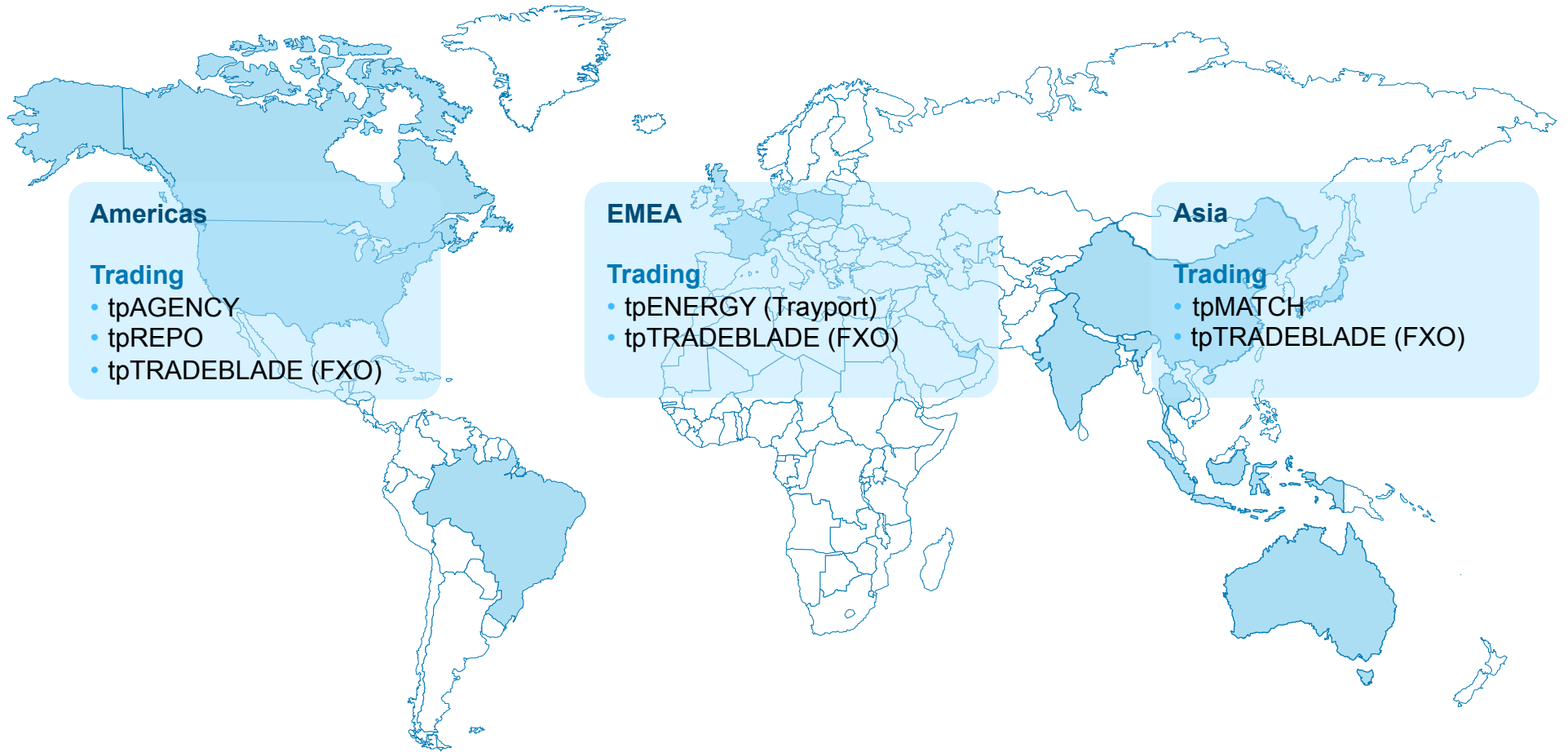
Innovation

- New products
- New markets
- New clients

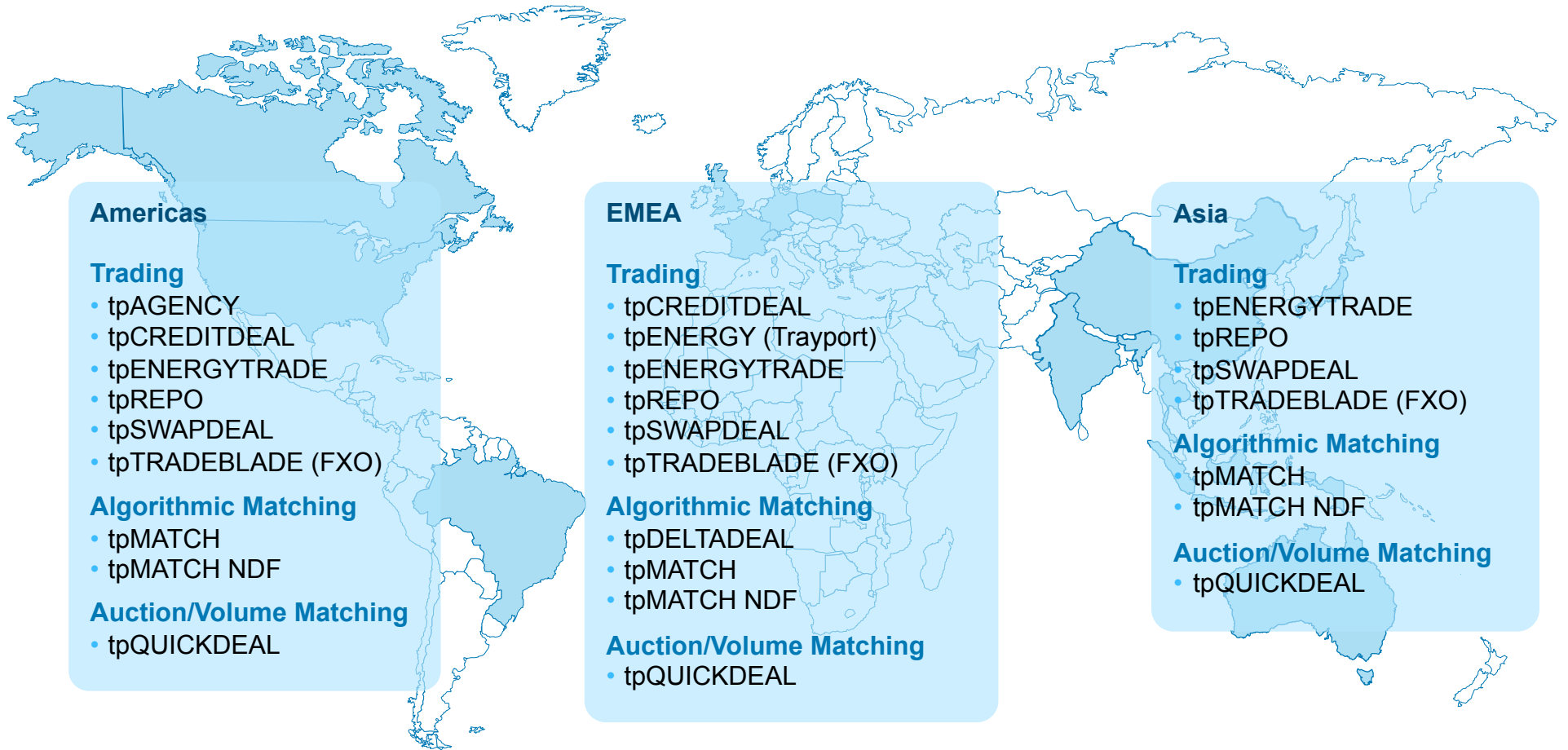
Organisation



Our Electronic Offering 2008



Our Electronic Offering today

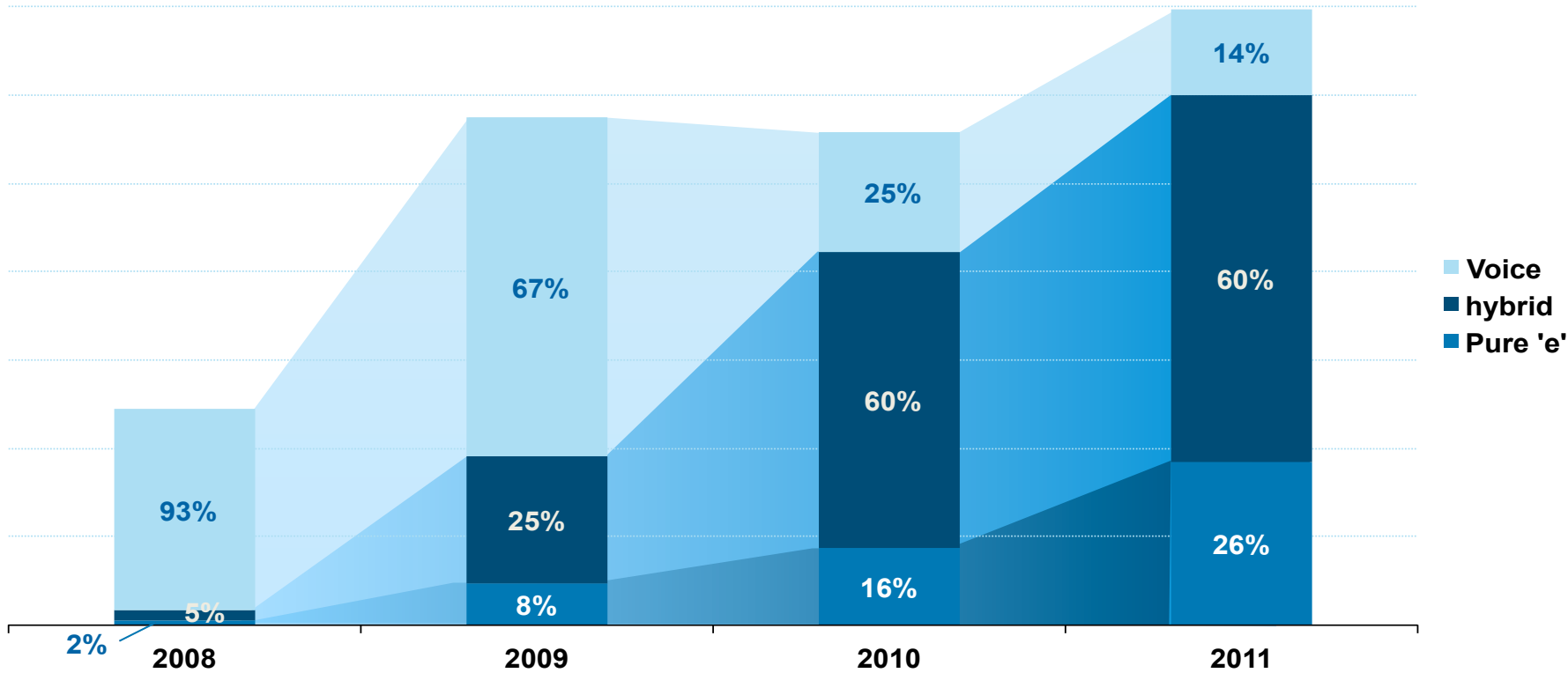


Tullett Prebon – providing the full service

	Eg. Tullett Prebon Credit Business
Full Service IDB	
Voice Broking	Credit Voice Broking team
Hybrid Broking	Hybrid use of <i>tpCREDITDEAL</i>
Pure Electronic Broking	Pure electronic use of <i>tpCREDITDEAL</i>
Auctions/Volume matching	Daily auction service - <i>tpCREDITDEAL</i>
RMS – Algo matching	Delta neutral matching - <i>tpDELTADEAL</i>
STP/Affirmation	Direct STP connectivity and ICE.Link
Client distribution platform (network infrastructure)	Tullett Prebon CIPN

Revenues supported by *tpCREDITDEAL*

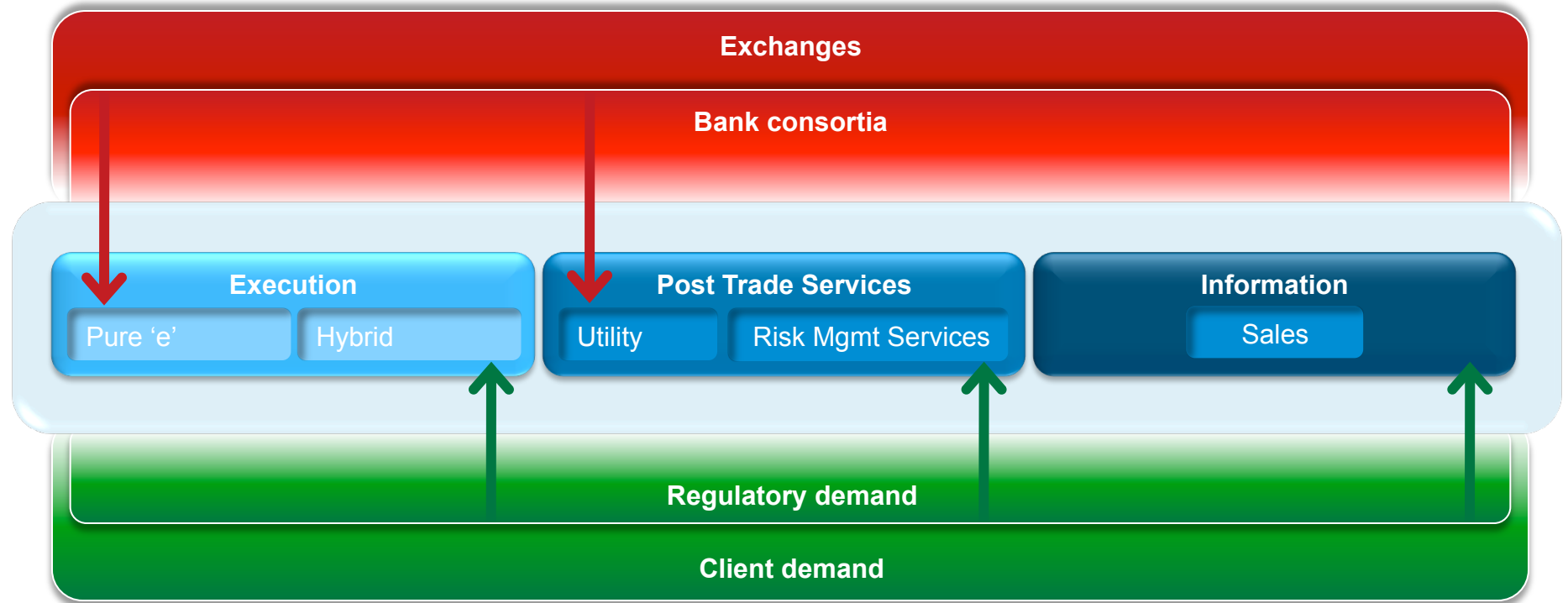
tpCREDITDEAL Revenues by Type (%)



Source: Tullett Prebon 2012



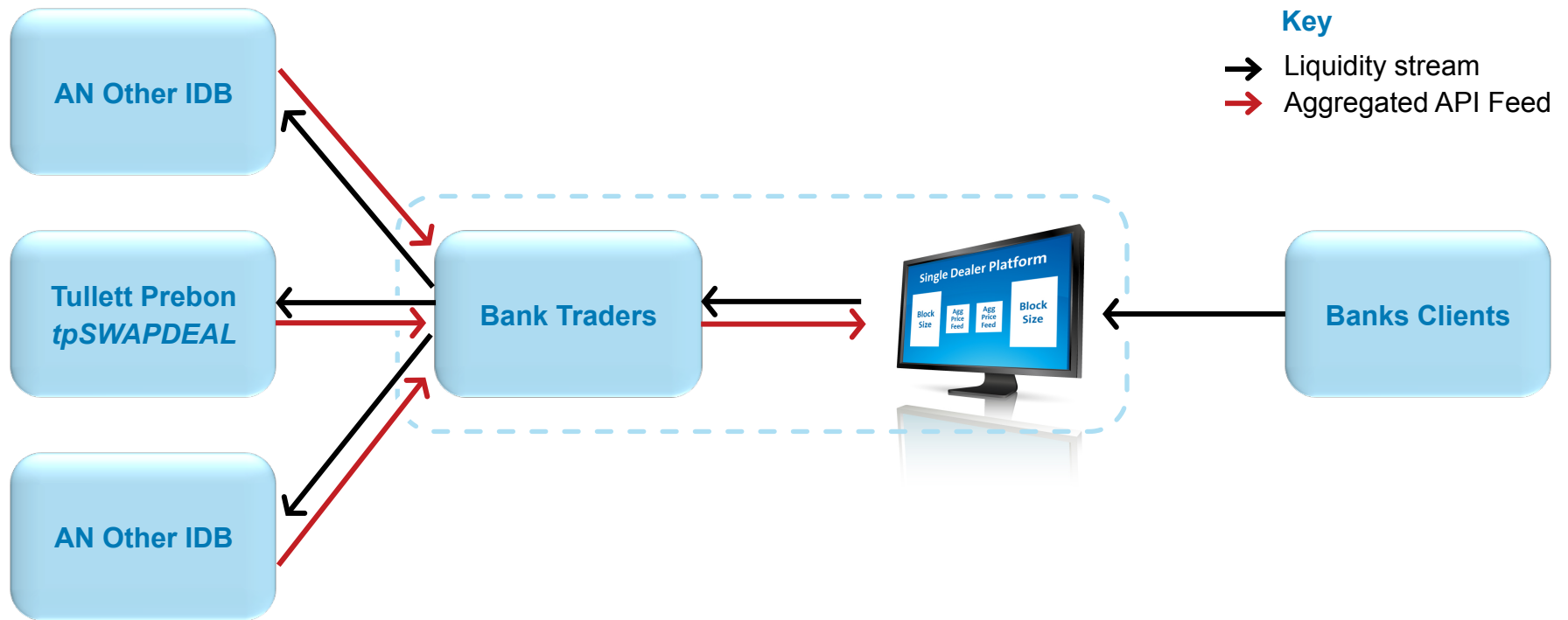
Why Hybrid?



*tp*SWAPDEAL – update on IRS platform

- Launched end 2011 in Euro IRS
- Initially supported by 8 streaming liquidity providers
- Specifically designed for Hybrid and pure electronic trade execution
- Exchange based technology from Millennium which provides:
 - Low latency
 - High capacity
 - Rich functionality

Anticipated market landscape?



What is the game changer?

- Block size

Regulatory Change Steering Committee

Regulatory Change Steering Committee

Finance

Legal

Information
Sales

Electronic
Broking

Information
Technology

CEO Office
EMEA

CEO Office
Americas

CEO Office
Asia

Global Functions

Regional Responsibility

Product Specific Steering Committees

Core
Infrastructure

Core Utilities

Interest Rate
Products

Energy/
Commodities
Products

FX Products

Government
Products

Credit
Products

Equity
Products

Conclusion

Tullett Prebon is well positioned for market and regulatory developments

Our strategy demonstrates a clear understanding of the financial market reform and the changing role of the intermediary

- Regulatory reform is an opportunity
- Polarisation of business towards the large intermediaries
- Migration towards greater electronic and hybrid execution
- Benefits of our investments clearly evident – 1/5th of revenue



Thank you.

Any questions?

