2013 BANKING INDUSTRY ASSESSMENT

BACKGROUND ON THE INDUSTRY

Although mergers and the consolidation of business activities have blurred the lines of distinction in recent years, most banks fall into one of these categories: money center banks, diversified financial services, regional banks, savings and loans, and local community banks. The money center banks tend to be located in major US financial centers and are typically involved in commercial lending, auto loans, international lending, credit cards, and foreign currency activities. Diversified financial services firms offer banking as part of a wide range of financial services. Savings and loans operate primarily in the housing and housing construction market. Community banks operate independently or in small chains under savings and loans, state, or federal charters.

North American Industry Classification Codes:	
52211	**Commercial Banking**
52212	**Savings Institutions**

INDUSTRY OVERVIEW AND GLOBAL COMPETITIVENESS

The US commercial banking sector continues to recover as total client loans have returned to their 2008 peak, and growing by 2.4 increase in 2011 with a projection for 5.5 percent growth in 2012 (Business Monitor Industry Reports). Deposit growth should also match and even outpace loan growth.

There are several factors contributing to a banking recovery. Lending growth is picking up, with nonrevolving consumer-credit growth reaching a six-year high at year end 2011. Consumers appear more willing to borrow with improving economic outlooks and employment prospects and a low interest-rate environment. Businesses are also increasing loan demand although real estate lending remains weak.

According to a recent Federal Reserve quarterly lending survey, senior loan officers at commercial banks continue to loosen lending restrictions, both for business and consumer loans. Although housing prices continue to fall in many regions, inventories have declined and construction appears to be bottoming out. An upturn in bank equity prices might also factor into an increased willingness to lend.

Risks to this scenario include the European credit crisis and its affect on trade, growth, and the financial sectors. Low interest rates and inflation are attracting borrowers but also signify an increasing pressure on net interest margins. Finally, banks and other financial service companies are adapting to the implementation of new regulations such as The Dodd-Frank Act and Basel III capital requirements.

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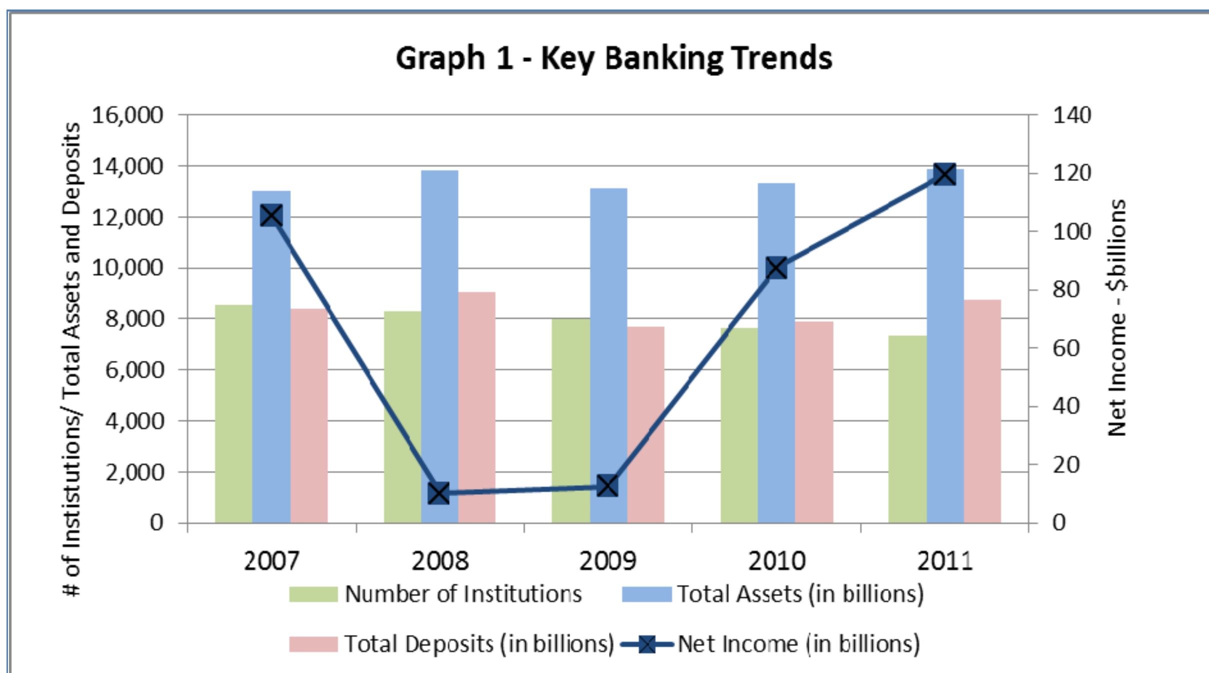
Banking Structure and Employment

Graph 1 shows important trends in the US banking sector. For the first time since 2007, assets, deposits and net income have increased to pre-crisis levels although savings banks' assets and deposits have been slower to recover due to their significant real estate portfolios.

Commercial banks continue to represent the vast majority of the banking system's establishments, assets, deposits, and net income. At the end of 2011 there were over 7,300 commercial and savings banks and the total banking sector assets exceeded $13.8 trillion. Although the amount of assets held by commercial and savings banks increased since 2007, the number of institutions providing these services has dropped by almost 1,200.

These improving conditions are also reflected in sector employment trends. According to the Bureau of Labor Statistics, the US banking sector (commercial, savings, and credit unions) had a seasonally adjusted 1.75 million (preliminary) employees at the end of 2011, a 0.08 percent increase from 2010, and the first time since 2007 that the number of employees has increased.



Source: FDIC Quarterly Banking Profile, various years.

Lower estimates for loan losses in recent quarters explain much of the increase in banking net revenues in recent quarters, resulting in the highest annual net income total since the industry earned $145.2 billion in 2006. More than two out of every three banks reported improved earnings in 2011.

Over the last three decades consolidation has contributed toward creating a more concentrated system in which a relatively small number of banks have the largest portion of banking assets.

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Table 1 shows that this trend continued into 2011. In 1975 there were 14,628 commercial banks in the United States and in 2011 only 7,357. The number of banks with more than $10 billion in assets increased from 1.39 percent of the total number of banks in 2006 to 1.45 percent in 2011. However, the percentage of assets controlled by these large banks increased even more, from 77.7 percent of total assets to 79.7 percent.

Table 1: Banking System Concentration

	2007	2008	2009	2010	2011
Number of Institutions:	**8,533**	**8,305**	**8,012**	**7,657**	**7,357**
Less than $100 million in assets	3,440	3,131	2,845	2,622	2,416
$100 Million to $1 billion in assets	4,425	4,499	4,495	4,368	4,284
$1 Billion to $10 billion in assets	549	561	565	560	550
Greater than $10 billion in assets	119	114	107	107	107
Total Assets (billions):	**$13,039**	**$13,848**	**$13,110**	**$13,321**	**$13,883**
Less than $100 million in assets	$182	$171	$159	$149	$139
$100 Million to $1 billion in assets	$1,310	$1,356	$1,356	$1,292	$1,281
$1 Billion to $10 billion in assets	$1,420	$1,492	$1,463	$1,432	$1,408
Greater than $10 billion in assets	$10,127	$10,829	$10,132	$10,450	$11,055

Source: FDIC Quarterly Banking Profile, various years

Table 2 illustrates earning trends for the banking sector. Significantly, the return on assets for the sector has increased notably from a negative 0.07 percent in 2009 to 0.88 percent in 2011, a level of return above precrisis levels. Measured by the average return on equity (ROE), the sector also increased to precrisis levels, with an ROE of 7.86 percent in 2011 compared to 7.75 percent in 2007. As the table shows, the decrease in noncurrent assets from 2009 to 2011 is a significant factor explaining the sector's performance as banks needed to allocate fewer resources toward projected loan losses. The somewhat higher net interest margin – the difference between what banks receive for their loans and pay for deposits – played a more minor factor in the improvement of the sector's profitability. The number of failed institutions declined notably in 2011 although the number of problem and failed institutions is still much higher than precrisis levels.

Table 2: Selected Indicators – US Banking Sector

	2007	2008	2009	2010	2011
Return on assets (%)	0.81%	0.08%	-0.07%	0.65%	0.88%
Return on equity (%)	7.75%	0.79%	-0.72%	5.85%	7.86%
Noncurrent assets (%)	.94%	1.88%	3.36%	3.11%	2.55%
Net charge-offs to loans (%)	.59%	1.28%	2.52%	2.55%	1.55%
Net interest margins	3.29%	3.18%	3.49%	3.76%	3.60%
Number of problem institutions	76	252	702	884	813
Number of failed institutions	0	25	140	157	92

Source: FDIC Quarterly Banking Profile, various years

Table 3 shows the trend in bank underwriting. Corporate debt issuance has increased significantly, from $706 billion in 2008 to $1.0 trillion at the end of 2011. New IPOs and secondary offerings have also increased from their crisis lows although their levels have declined

in the last couple of years. Before 2007, the largest segment of corporate underwriting was the securitized asset segment, but this segment has largely evaporated and explains much of the overall decline in underwriting in the last five years.

Table 3: U.S. Corporate Issuance ($ Billions)

Year	Corporate Debt	%Total	True IPOs	% of Total	Secondary Offerings	% of Total	TOTAL Issues
1990	$76.5	39.7%	$4.5	2.3%	$9.0	4.7%	$192.7
1995	$279.8	52.0%	$30.0	5.6%	$51.8	9.6%	$538.5
2000	$587.5	48.0%	$75.8	6.2%	$112.9	9.2%	$1,224.8
2005	$752.8	28.6%	$39.6	1.5%	$97.8	3.7%	$2,628.0
2006	$1,058.9	35.5%	$46.1	1.5%	$99.3	3.3%	$2,983.5
2007	$1,128.3	41.2%	$50.7	1.9%	$96.4	3.5%	$2,735.7
2008	$706.3	60.4%	$7.2	0.6%	$153.9	13.1%	$1,176.4
2009	$901.9	65.2%	$24.5	1.8%	$227.7	16.5%	$1,382.4
2010	$1,062.7	71.8%	$43.1	2.9%	$187.5	12.7%	$1,480.0
2011	$1,012.1	73.4%	$40.7	3.0%	$137.3	10.0%	$1.378.9

Source: Securities Industry and Financial Markets Association (US Key Stats)

Table 4 shows that underwriting revenue has begun to improve for the securities industries, and it is increasingly more important as a percentage of total revenue for the investment banking segment, accounting for 9.6 percent of total revenue in 2010. Overall, however, revenue for the securities industry is significantly less in 2010 than precrisis.

Table 4: NASD and NYSE Underwriting Revenue ($ millions)

	2006	2007	2008	2009	2010
Underwriting Revenue	$23,629	$26,526	$18,788	$22,570	$24,431
Total Revenue	$436,796	$474,191	$290,541	$278,936	$254,752
Underwriting Revenue as % of Total Revenue	5.4%	5.6%	6.5%	8.1%	9.6%

Source: Securities Industry and Financial Markets Association – US Securities Industries Financial Results

Largest U.S. Banks

Table 5 shows the 10 largest US banks at the end of 2011. JPMorgan Chase is still the largest US bank by total assets, although Bank of America is the largest bank by domestic assets. Notably, in prior years Citicorp had topped the rankings for consolidated assets but has reduced its assets in response to the 2008 financial crisis. Wells Fargo, with its purchase of Wachovia, has moved up significantly in the asset rankings, and now has the largest domestic branch system. Notably, Bank of New York Mellon and State Street have minimal branch presences as they are concentrated in the trust sector.

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Table 5: Ten Largest US Banks as of December 31, 2011

Rank	Name	Bank Location	Consolidated Assets (millions)	Domestic Assets (millions)	Domestic Branches
1	JPMorgan Chase	Columbus, OH	$1,811,678	$1,215,677	5,488
2	Bank of America	Charlotte, NC	$1,451,969	$1,345,475	5,755
3	Citibank	Las Vegas, NV	$1,288,658	$691,868	1,037
4	Wells Fargo	Sioux Falls, SD	$1,161,490	$1,132,285	6,344
5	US Bank	Cincinnati, OH	$330,471	$328,724	3,131
6	PNC Bank	Wilmington, DE	$263,310	$261,289	2,640
7	Bank of NY Mellon	New York, NY	$256,205	$175,269	4
8	State Street B&TC	Boston, MA	$212,293	$160,098	2
9	HSBC Bank USA	McLean, VA	$206,010	$186,630	464
10	TD Bank	Wilmington, DE	$188,913	$188,913	1,284

Source: Federal Reserve Board Statistical Release: Large Commercial Banks

Foreign banks have increased their presence in the US market. According to the Federal Reserve's Structure and Share Data reports, total US banking assets held by foreign banks rose steadily from $61 billion in 1976 to over $4.04 trillion in September 2011.

DOMESTIC ENVIRONMENT

The Dodd-Frank Wall Street Reform and Consumer Protection Act: Signed into law in July 2010, Dodd-Frank Act represents the most sweeping overhaul of US financial regulation since the Great Depression of the 1930s. Intended to remedy weaknesses in oversight of the banking industry and markets exposed by the 2007-08 financial crisis, the Dodd-Frank Act touches nearly every aspect of the financial system, implementing changes that, among other things, affect the oversight and supervision of financial institutions, provide for a new resolution procedure for large financial companies, create a new agency responsible for implementing and enforcing compliance with consumer financial laws, introduce more stringent regulatory capital requirements, incorporate the Volcker Rule, effect significant changes in the regulation of over the counter derivatives, reform the regulation of credit rating agencies, implement changes to corporate governance and executive compensation practices, require registration of advisers to certain private funds, and effect significant changes in the securitization market.

Under the Dodd-Frank Act, the Fed, through a new Financial Stability Oversight Council (FSOC) gains oversight of large non-bank financial firms deemed to be systemically important. The FSOC may force financial firms and bank holding companies with more than $50 billion in assets that are deemed to be systemically significant (having the potential to threaten the nation's financial stability) to submit to stricter standards for capital, leverage, liquidity, and sector concentration. Firms' ability to merge with or acquire other firms can be restricted as can their ability to offer certain financial products, and the Fed can force firms that fail to comply with earlier measures to divest certain assets. The new legislation also requires systemically important firms and banks to create a plan that explains how the firm could be quickly unwound.

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A provision of the Dodd-Frank Act known as the Volcker Rule (named after its author Paul Volcker, the former Fed chairman), limits banks' trading for their own accounts and curbs banks' involvement with hedge funds and private equity. Dodd-Frank also increases the requirement for Tier 1 capital by banks under a gradual phase-in period from January 1st 2013 until January 1st 2016.

The Dodd-Frank legislation eliminates the US Office of Thrift Supervision and reassigned its duties to the Office of the Comptroller of the Currency, a Treasury Department unit. Banks are prohibited from converting their charters solely to escape strict regulation. The FDIC's deposit insurance coverage limit was permanently increased to $250,000 per individual from $100,000.

Finally, a Consumer Financial Protection Bureau (CFPB) is established as an independent unit inside the Fed to regulate a wide range of financial goods and services, including mortgages and credit cards.

Basel III: In September, 2010, the Basel Committee on Banking Supervision (BCBS), which formulates broad supervisory standards and guidelines, issued a set of principles designed to address fundamental deficiencies in bank corporate governance, capital, capital buffers, risk coverage, leverage, and liquidity standards.

Basel III requires banks to hold more capital, including Tier 1 capital, or a bank's most basic reserves. The new accord fixes a bank's Tier 1, or high quality, capital ratio at 6 percent (versus 4 percent under Basel II), with core Tier 1 fixed at 4.5 percent (versus 2 percent under Basel II). On top of Tier 1, Basel III calls for a new capital conservation buffer of 2.5 percent, with banks failing to maintain it subject to restrictions on dividends, share buybacks and bonuses. The Basel III framework is not legally binding and will be established by member countries through national and regional rulemaking, ensuring that different interpretations and applications arise between jurisdictions. Although the US Implementation of the Basel III standards was planned to start in January 2013 it will likely be delayed, as will implementation in other large markets, including the European Union.

Government Response to Financial Crisis: The Fed expanded its lending program to provide liquidity to borrowers and investors in key credit markets in 2008-10. New programs that were launched but have since expired or closed as of November 2011 include the following: the Money Market Investor Funding Facility, the Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility, the Commercial Paper Funding Facility, the Primary Dealer Credit Facility, the Term Securities Lending Facility, and the temporary liquidity swaps arrangements between the Fed and other central banks. The Term Asset-Backed Securities Loan Facility, another special program, closed in June 2010 (Economist Intelligence Unit - EIU).

TRADING ENVIRONMENT

According to EIU, total global banking assets at the end of 2011 were $111.1 trillion, an increase of 3.9 percent from $106.0 trillion in 2010. More broadly, the long-established dominance of the banking sector by the developed economies is in decline and emerging economy banking sectors are slowly taking their place.

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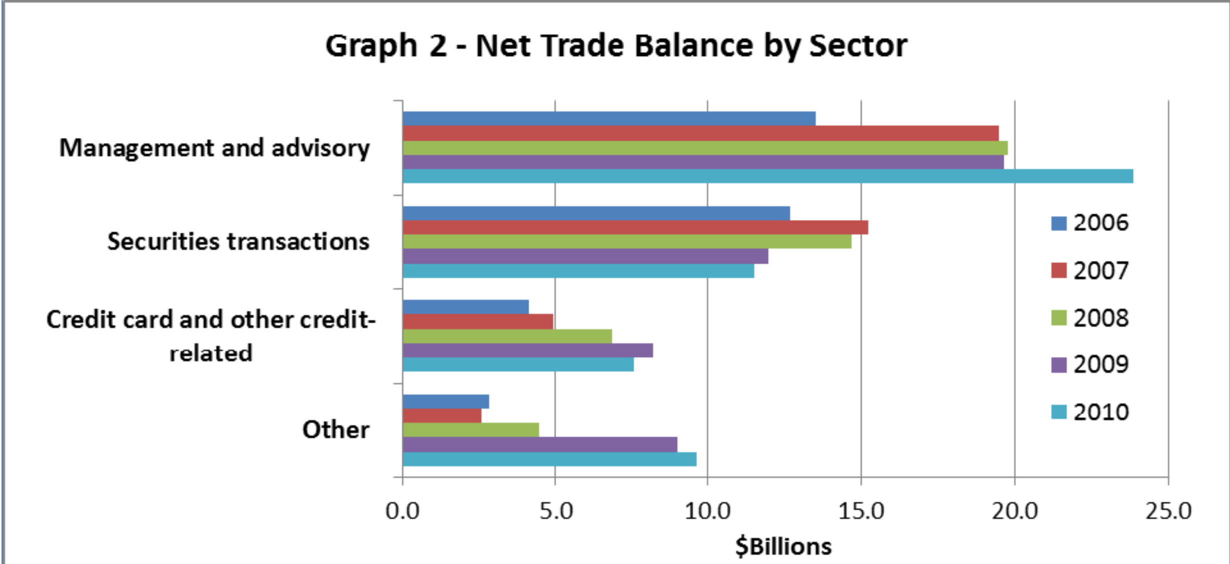
Although US financial institutions' percentage of the global financial sector is declining, international markets still represent a significant share of their business volume. Table 6 shows the continued importance of financial services exports. In 2010, total financial services exports grew 6.3 percent to $66.4 billion against a 1.5 percent increase in imports to $13.8 billion. The surplus in the financial services sector increased from $48.8 to $52.6 billion in 2010.

Table 6: Financial Services Transactions, 2006 – 2010 (in $millions)

	2006	2007	2008	2009	2010
Total Exports	**$47,882**	**$61,376**	**$63,027**	**$62,444**	**$66,387**
Securities transactions [1]	$15,554	$19,037	$19,269	$16,657	$15,522
Management and advisory [2]	$19,431	$26,574	$25,030	$23,919	$27,910
Credit card and other credit-related	$4,928	$5,749	$7,660	$9,553	$9,616
Other [3]	$7,968	$10,016	$11,068	$12,315	$13,339
Total Imports	**$14,733**	**$19,197**	**$17,218**	**$13,597**	**$13,803**
Securities transactions [1]	$2,882	$3,825	$4,567	$4,703	$4,002
Management and advisory [2]	$5,922	$7,094	$5,236	$4,251	$4,050
Credit card and other credit-related	$785	$827	$817	$1,323	$2,026
Other [3]	$5,144	$7,452	$6,599	$3,320	$3,724

Source: BEA: 1. Includes brokerage, underwriting and private placement services. 2. Includes financial management, financial advisory and custody services. 3. Includes securities lending, electronic funds transfer and other financial services.

Graph 2 below shows how for most financial service sectors, the net surplus has increased in the last five years. As the trade data shows, the US banking industry is active in international markets. Trade and other international lending are performed primarily by the larger US banks and by offices of foreign banks in the United States.



Source: BEA

US banks have a variety of available routes into international activities, either operating from the United States or through a physical presence abroad. Apart from head offices international

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departments and correspondent relationships, other routes include foreign branches, foreign subsidiaries and affiliates, and Edge Act corporations. The top foreign banking markets include the European Union (particularly the United Kingdom, Germany and France), the China/Asia-Pacific rim region, Brazil, Mexico and India.

Table 7 provides a comparison of some of the most active international segments. The US share of the investment banking sector is more pronounced than in either the commercial banking or cross-border banking subsectors, especially compared to the European Union's much larger commercial banking market. (The cross-border lending comparison warrants caution as it includes lending between European states.) The investment banking sector revenues increased in 2010, and generally, banks in countries outside of Europe and North America gained share in the last year. US companies are more likely to look to broader capital markets for finance than European companies, where business remains more dependent on bank finance.

Table 7: International Market Comparison

Market Indicator	Year	Europe	US	Percent Share of Global Market: Europe	U.S.	Other
Commercial banking assets ($ trillions)	2010	52.0	14.1	52	14	34
	2011	51.7	14.2	49	13	38
Investment banking revenue ($ billions)	2010	19.5	25.8	33	44	23
	2011	N/A	31.8	N/A	45	55
Cross-border bank lending ($ trillions)	2010	10.9	2.6	55	13	32
	2011	9.6	2.8	50	15	35

Source: (Assets; EIU data; investment banking revenue, www.thecityuk.com, Banking 2012; cross border bank lending, Bank for International Settlements, BIS Quarterly Review, Table 9A).

The disparity between the European and US banking sectors is attributable to a larger amount of international business undertaken by European banks, and a lower savings rate in the United States, with savings in the United States more likely to be invested in equities and mutual funds than in bank deposits. The securitization of assets and the non-bank financial sector are also a much larger source of capital for US companies. In 2011, cross-border lending decreased from the European Community as regional banks slowed lending in response to the European sovereign-debt crisis.

The global financial crisis has important implications for all international banks. One of the most striking consequences of the financial crisis, according to the McKinsey Global Institute, was a steep drop-off in cross-border capital flows, which include foreign direct investment, purchases and sales of foreign equities and debt securities, and cross-border lending and deposits. This caused severe liquidity crises and hurt borrowers dependent on foreign loans. The drying up of cross-border capital flows has had important implications for the cost of capital for companies around the world, as credit spreads have widened considerably and exchange rate volatility has increased. Perhaps most significantly for US banks with an international focus, the plummet in cross-border lending caused many governments to reconsider the advisability of allowing foreign banks to dominate the local economy.

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Table 8 shows the international activity of the largest US banks. JPMorgan Chase and Citibank remain the most active US banks by a significant measure. Several of the largest banks have little or no international activity, but significantly, BNY Mellon and State Street are actively involved in international markets.

Table 8: International Assets of 10 Largest U.S. Banks as of December 31, 2011

Rank	Name	Bank Location	International Assets ($ millions)	% of Consolidated Assets	Foreign Branches
1	JPMorgan Chase	Columbus, OH	$596,001	33	45
2	Bank of America	Charlotte, NC	$106,494	7	34
3	Citibank	Las Vegas, NV	$596,790	46	347
4	Wells Fargo	Sioux Falls, SD	$29,205	3	8
5	US Bank	Cincinnati, OH	$1,747	1	1
6	PNC Bank	Wilmington, DE	$2,021	1	1
7	Bank of NY Mellon	New York, NY	$80,936	32	3
8	State Street B&TC	Boston, MA	$52,195	25	11
9	HSBC Bank USA	McLean, VA	$19,380	9	4
10	TD Bank	Wilmington, DE	$0	0	1

Source: U.S. Federal Reserve Board: Large Commercial Banks

Table 9 shows the largest global banks in 2010. Bank America, JPMorgan Chase, Citigroup, and Wells Fargo are all among the world's largest banks France has two banks in the list and the U.K. has two. The Netherlands and Spain have one bank each.

Table 9: Top 10 Global Commercial Banks by Revenues (2010)

Rank	Company	Revenues ($millions)	Country
1	ING Group	$147,052	Netherlands
2	Bank of America	$134,194	U.S.
3	BNP Paribas	$128,726	France
4	JPMorgan Chase	$115,475	U.S.
5	Citigroup	$111,055	U.S.
6	Crédit Agricole	$105,003	France
7	HSBC Holdings	$102,680	U.K.
8	Banco Santander	$100,350	Spain
9	Lloyds Banking Group	$95,682	U.K.
10	Wells Fargo	$93,249	U.S.

Source: Financial Services Fact Book, 2012.

Opportunities in Emerging Markets

The current crisis may cause no more than a pause in the development of emerging market financial systems. Beyond the short-term recovery, the long-term fundamental drivers of financial market growth remain strong in developing economies. Many have high national saving rates, creating large source of capital to invest. They typically have very large infrastructure

investment needs that require financing, and their financial markets today are much smaller relative to GDP than those in mature markets, suggesting ample room for growth. Equities are the second largest market after bank deposits in virtually all emerging markets, yet they still have ample room to grow as existing companies expand and economies transitions into knowledge-intensive sectors. Likewise, markets for corporate bonds and other private debt securities have substantial room for growth but are unlikely to flourish in emerging markets without significant legal and financial reforms.

Bank deposits have an enormous growth potential in the developing world, where large swaths of the population have not bank accounts. McKinsey estimates that in emerging markets, there are 2.8 billion adults with discretionary income who are not part of the formal financial system. Bank deposits should increase rapidly as household incomes rise and individuals open saving accounts.

The Chinese Banking Sector

The Chinese market is the most important emerging market for US banks, yet there remain significant barriers that restrict opportunities for US banks.

US banks are concerned about the approval of new banking branches and limits on foreign ownership of Chinese banks. Currently, foreign banks account for less than three percent of Chinese banking sector assets. Banks increase their market share by opening new branches or acquiring existing banks. To date, however, China has limited the sale of equity stakes in existing state-owned banks (the greatest proportion of the sector) for a single foreign investor to 20 percent, while the total equity share of all foreign investors is limited to 25 percent. Industry also confronts potential barriers to expansion in the slow approval process of new bank branches. Industry is working with Treasury, ITA, and USTR to reduce or eliminate these investment restrictions.

At the conclusion of the April 2012 US and China Strategic and Economic Dialogue, China announced it intends to permit foreign investors to take up to 49 percent equity stakes in domestic securities joint ventures, moving beyond its WTO commitment of 33 percent. China will also shorten the waiting period for securities joint ventures to expand into brokerage, fund management, and trading activities that are essential to building competitive securities businesses, and has agreed to allow US and other foreign investors to establish joint venture brokerages to trade commodity and financial futures and hold up to 49 percent of the equity in those joint ventures.

China will increase the amount that foreign investors can invest in China's stock and bond markets under its Qualified Foreign Institutional Investor Program (QFII) from $30 to $80 billion, creating opportunities for US pension funds and money managers. Industry reports, however, that further reduction in the restrictions on QFII and qualified domestic institutional investor quotas (QDII) are needed to fully develop the sector.

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Foreign banks are still not allowed to enter the Chinese market and establish the corporate form of choice and they are prohibited from underwriting and trading certain securities that are permitted for domestic firms. Reducing or eliminating these and other opaque regulatory and discretionary licensing procedures will promote a deeper and more efficient securities market.

More generally, banking institutions sometimes face the burden of foreign laws and regulations that limit market access and transparency overseas. Banks seek to have the right to set up branches, have subsidiaries or own banks in foreign countries, and in general, want to enjoy the same rights that overseas domestic banks have in their markets. To enhance US banking opportunities, the US banking industry and its associations therefore generally support US government efforts to reach various free trade agreements (FTAs) that help to open overseas markets for US banks and facilitate substantial trade increases. Perhaps even more important than FTAs for international banks, are Bilateral Investment Treaties (BITs). Increasingly, the trade in international services by banks is through the establishment of local affiliates, and not cross-border, and BITs reflect these trade trends.

Table 10 (below) ranks the top 47 emerging markets by their potential for asset growth. Asset growth from 2010-2015 is calculated from EIU and BMI forecasts. Foreign ownership is from Bank for International Settlements (BIS) data from 2009 and BMI and EIU total assets and measures the foreign ownership in the banking sector. Market gain is the resulting asset growth to foreign banks in a given market assuming these forecasts and a convergence on global foreign ownership rates, which may not occur in all markets.

This resulting market estimate could be optimistic if foreign ownership trends do not approach the global average, but most markets relative ranking would not change with more conservative estimates. Percent of Total International Payments is the percent of foreign bank activity directly involved in the local banking sector. Generally, the higher the number the more open the market, but for smaller markets this might not always be the case.

Table 10 - Market Priorities – Top 48 Emerging Markets

Rank	Country	5YR Growth	Foreign Own.	Market Gain ($B)	Rank	Country	5YR Growth	Foreign Own.	Market Gain ($B)	Rank	Country	5YR Growth	Foreign Own.	Market Gain ($B)
1	China	19,583	1%	1,757	17	Indonesia	308	11%	6.2	33	Hungary	83	31%	1.7
2	India	2,964	6%	116.8	18	Poland	216	45%	4.3	34	Oman	23	5%	1.3
3	Russia	1,937	4%	107.5	19	Argentina	207	16%	4.1	35	Pakistan	60	13%	1.2
4	Iran	298	0%	29.8	20	Colombia	187	14%	3.7	36	Ecuador	14	2%	1.1
5	Saudi A.	247	0%	23.7	21	Thailand	186	13%	3.7	37	Bahrain	54	13%	1.1
6	S. Korea	1,024	10%	23.1	22	Bangladesh	67	5%	3.7	38	Algeria	27	7%	0.9
7	Brazil	907	13%	18.1	23	Kazak.	72	5%	3.5	39	Bulgaria	40	22%	0.8
8	Nigeria	185	1%	15.8	24	Egypt	157	12%	3.1	40	Peru	36	17%	0.7
9	Taiwan	497	7%	15.8	25	Chile	154	33%	3.1	41	Slovakia	34	77%	0.7
10	Israel	155	1%	13.6	26	Turkey	371	9%	2.4	42	Kenya	32	16%	0.6
11	Vietnam	181	3%	12.1	27	Romania	121	30%	2.4	43	Azerbaijan	6	0%	0.6
12	Malaysia	578	14%	11.6	28	Ukraine	115	13%	2.3	44	Sri Lanka	26	8%	0.5
13	UAE	314	7%	10.8	29	S. Africa	107	25%	2.1	45	Slovenia	20	26%	0.4
14	Philippines	180	4%	9.9	30	Mexico	98	62%	2.0	46	Croatia	16	47%	0.3
15	Qatar	143	4%	9.0	31	Venez.	95	12%	1.9	47	Bosnia	7	42%	0.1
16	Kuwait	94	1%	8.8	32	Czech R.	88	62%	1.8	48	Jordan	-	4%	-

Sources: Economist Intelligence Unit, Business Monitor International, Bureau of International Settlements, OFSI calculations

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