



# Compagnie Financière Tradition

**Press release**

**09.11.2005 ICAP Press release**

Compagnie Financière Tradition has been informed by ICAP that they have received a correspondence from National Australia Bank (see 9 November ICAP press release attached).

The ICAP Singapore subsidiary involved is a member of TFS-ICAP joint venture for their foreign exchange options business. TFS is a subsidiary of Compagnie Financière Tradition.

Compagnie Financière Tradition support ICAP's commentaries as mentioned in their announcement. For all inquiries, please contact Mike Sheard from ICAP (Tel.: +44 20 7050 7103).

***With a presence in 18 countries, Compagnie Financière Tradition is one of the world's top three brokers in financial (money markets, bonds, interest rate, currency and credit derivatives, equities, equity derivatives, interest rate futures and index futures) and commodity-related products (precious metals, environmental & energy products).***

*The Company is listed on the Swiss Exchange (CFT). For further information, please visit [www.traditiongroup.com](http://www.traditiongroup.com).*

Lausanne, 9 November 2005

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**Press contacts:**

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## ***Press Release***

### **ICAP receives complaint from NAB regarding FX Options business in Singapore**

London, November 9 2005. ICAP plc (IAP.L) has received correspondence from National Australia Bank (NAB) alleging that revaluation data, supplied by an individual within one of ICAP's Singapore subsidiaries (a member of the TFS-ICAP joint venture), helped mask trading losses in NAB's foreign exchange (FX) options business.

On 27 January 2004 NAB announced that it incurred FX trading losses of A\$360 million (£158 million). Detailed reports following full investigations into these losses were published by PriceWaterhouseCoopers & the Australian Prudential Regulation Authority (APRA) in March 2004\* and indicated that NAB incurred these FX trading losses between April 2003 and January 2004. The PWC report includes descriptions of how certain NAB dealers concealed losses by processing false spot FX and false FX option transactions, booking one-sided internal FX option transactions and using incorrect dealing rates for genuine transactions. The reports analyse the cause of these trading losses, including the methods of concealment employed by the NAB dealers, repeated failures of NAB risk management, absence of NAB financial controls, gaps in NAB back office procedures, inadequate NAB corporate governance and NAB corporate cultural weaknesses. NAB accepted the findings of the PWC report on 28 April 2004.

Neither the ICAP Group nor TFS-ICAP accept any responsibility for these NAB FX trading losses and intend to vigorously contest any claim which may be made against them in this matter.

ICAP has been informed that a similar allegation has been asserted by NAB against another inter-dealer broker, which is not a party to the joint venture, in respect of these NAB FX trading losses.

#### **Enquiries**

Mike Sheard (44) 20 7050 7103

#### **Information for editors:**

TFS-ICAP was originally formed in July 2000 as a joint venture by merging the OTC FX Options divisions of the TFS Group and the ICAP Group. TFS-ICAP has offices in New York, London, Frankfurt, Copenhagen, Sydney, Tokyo and Singapore.

#### **About ICAP:**

ICAP is the world's largest interdealer broker and following the acquisition of the BrokerTec fixed income securities businesses is the world's leading electronic broker of fixed income securities with a daily average transaction volume in excess of \$1 trillion, 50% of which is electronic. The Group is active in the wholesale markets for OTC derivatives, fixed income securities, money market products, foreign exchange, energy, credit and equity derivatives. Please go to [www.icap.com](http://www.icap.com) for more information.

\* Copies of the PriceWaterhouseCoopers and Australian Prudential Regulation Authority reports can be found at <http://www.nabgroup.com/0,,44213,00.html> and <http://www.nabgroup.com/0,,45453,00.html> respectively.