

# EurexOTC Clear: OTC derivatives clearing at the only EU-based solution for clearing all EUR-denominated asset classes in a single CCP

We have worked closely with both the Buy and Sell Side to design the only European offering that truly meets the needs of the market. As a result, we provide the perfect basis for your OTC business, where highest safety and efficiency are key factors – and differentiate us from other CCPs.

## Overview

Safety	<ul style="list-style-type: none"> <li>• <b>State of the art</b> risk and default management capabilities and experience</li> <li>• <b>Choice of strong segregation models</b> that are bankruptcy remote with guaranteed porting</li> </ul>
	<p><b>Capital efficiency</b></p> <ul style="list-style-type: none"> <li>• A legal framework allowing for maximum risk exposure netting</li> <li>• Capital efficient direct clearing models</li> </ul>
Efficiency	<p><b>Margin efficiency</b></p> <ul style="list-style-type: none"> <li>• Eurex Clearing Prisma enables portfolio margining across listed and OTC products</li> <li>• Full interest rate derivatives coverage including futures and options on STIR, Euro government bonds, OTC IRS, FRA, OIS and ZCIS</li> </ul>
	<p><b>Collateral efficiency</b></p> <ul style="list-style-type: none"> <li>• Broad eligible collateral spectrum of &gt;17,000 ISINs covering government and corporate bonds, equities and ETFs</li> <li>• Integrated collateral re-use and transformation possibilities with our repo and securities lending CCP services</li> </ul>

## Our solution

At Eurex Clearing, we provide **innovative** and **integrated** solutions across exchange-traded and OTC derivatives as well as securities financing.

Our services **increase capital** and **collateral efficiencies**, **reducing costs** for market participants, sell side and buy side alike.

Our solutions help you to unlock the full benefits of a CCP – our superior solutions and services **maximize potential for netting** of payments, risk, capital and collateral.

## Partnership Program

We have developed a program designed to **further accelerate** the development of a **liquid, EU-based alternative** for the clearing of interest rate swaps.

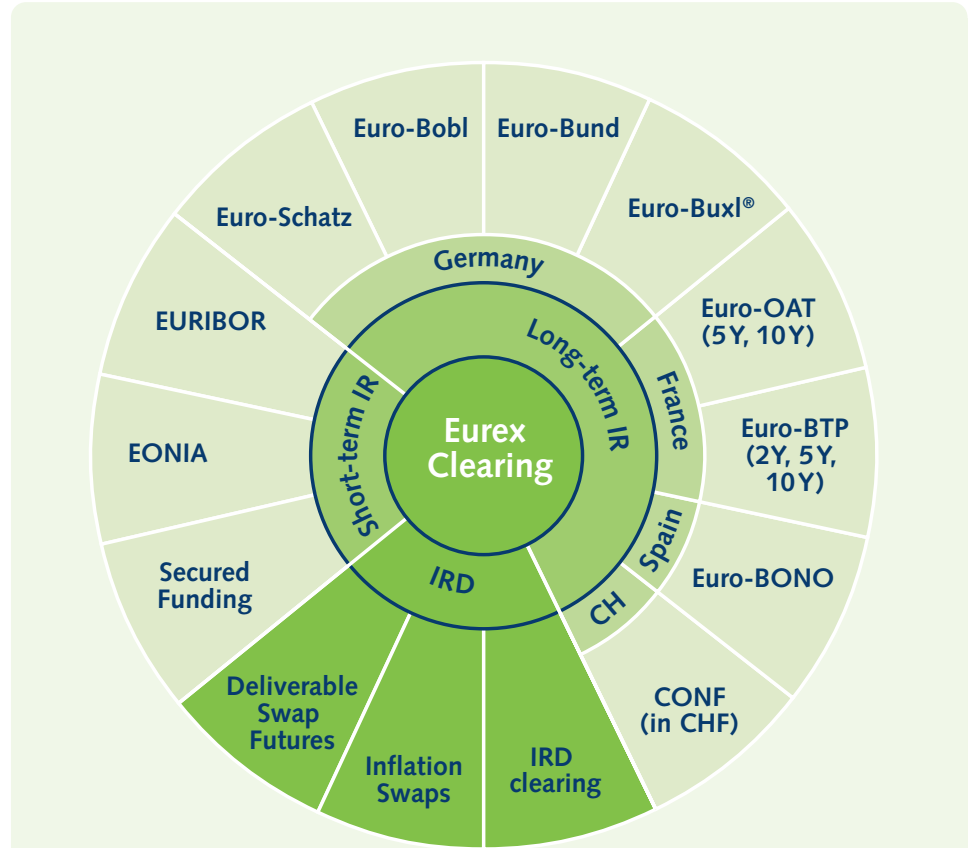
This **market-led initiative** will benefit clients and the broader marketplace through:

- greater **choice**
- improved price **transparency**
- **reduced concentration risk**
- its modularity; can be **extended** to other products

## Product scope

Eurex Clearing is the **market leader** in European interest rate derivatives in terms of **volume** and **scope**.

## Interest rate derivatives product scope at Eurex Group

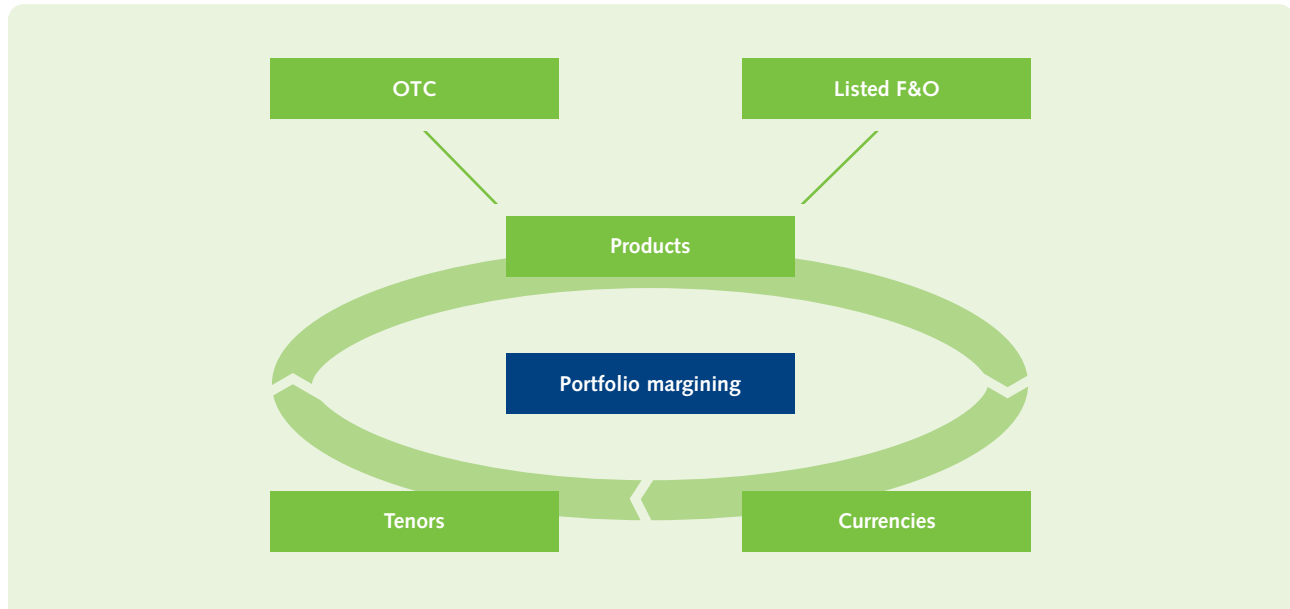


## OTC interest rate product scope

Type	Currencies	Maturity (years)	Supported types
IRS	EUR, GBP, USD	Up to 50 years	Spot and forward starts
	CHF, JPY, DKK, NOK, SEK	Up to 30 years	
	PLN	Up to 10 years	
Basis	EUR, GBP, USD	Up to 50 years	Bullet and variable notional
	CHF, JPY	Up to 30 years	
OIS	EUR, GBP, USD, CHF, JPY, SEK	Up to 30 years	Front and back stubs
ZC Inflation	EUR	Up to 30 years	
FRA	GBP	Up to 50 years	IMM roll dates
	EUR, GBP, USD, CHF, JPY, SEK	Up to 30 years	
	DKK, GBP, USD	Up to 50 years	

## Margin efficiency across exchange-traded and OTC interest rate derivatives

Eurex Clearing Prisma allows **portfolio margining** across **tenors, currencies** and both **exchange-traded** and **OTC** interest rate products.



### Netting and compression

The netting and compression services offered at Eurex Clearing allow our Clearing Members to reduce their outstanding gross exposure by offsetting. In addition to the capital efficiencies, there are operational benefits of netting and compression. It decreases the number of trades, contributes to reducing systemic risk and simplifies portfolio management by increasing operational efficiency and reducing potential administrative exposure in the event of a default.

### Compression

- Risk-constrained reduction of trade exposures that have similar but not identical payment dates or maturities
- Eurex Clearing remains cash flow- and market risk-neutral
- **Reduced leverage ratio** and **cost of capital**
- **Reduced initial margin** and **default fund contribution**
- **Reduced operational** and **CCP concentration risk**
- Reporting available to **preview compression opportunities**

### Netting



- **Risk-free** reduction of trade exposures
- **Reduced leverage ratio** and **cost of capital**
- **Reduced operational** and **CCP concentration risk**
- Extensive reporting and "what-if" reports to **preview netting opportunities**

**By continuously providing smart solutions for your OTC business, we are keeping you clear to trade.**

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