Eurex OTC 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**
  - State of the art risk and default management capabilities and experience
  - Choice of strong segregation models that are bankruptcy remote with guaranteed porting

- **Capital efficiency**
  - A legal framework allowing for maximum risk exposure netting
  - Capital efficient direct clearing models

- **Margin efficiency**
  - Eurex Clearing Prisma enables portfolio margined across listed and OTC products
  - Full interest rate derivatives coverage including futures and options on STIR, Euro government bonds, OTC IRS, FRA, OIS and ZCIS

- **Collateral efficiency**
  - Broad eligible collateral spectrum of approx. 14,000 ISINs covering government and corporate bonds, equities and ETFs
  - Integrated collateral re-use and transformation possibilities with our repo and securities lending CCP services

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

Since its launch in January 2018, the program has gained broad market support from 35 market participants from around the globe. It was designed to further accelerate the development of a liquid, EU-based alternative for the clearing of interest rate swaps. The program is now successfully sharing revenues with the top participants monthly.

In 2019, Eurex initiated the second phase of the Partnership Program and expanded it to the Repo segment as well as OTC FX for both trading and clearing. 34 market participants have signed up, bringing the total across the two offerings to 39.
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

<table>
<thead>
<tr>
<th>Type</th>
<th>Currencies</th>
<th>Maturity (years)</th>
<th>Supported types</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRS</td>
<td>EUR, GBP, USD</td>
<td>Up to 50 years</td>
<td>Spot and forward starts</td>
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<td></td>
<td>CHF, JPY, DKK, NOK, SEK</td>
<td>Up to 30 years</td>
<td>Bullet and variable notional</td>
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<td>Basis</td>
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<td></td>
<td>CHF, JPY</td>
<td>Up to 30 years</td>
<td>IMM roll dates</td>
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<td>OIS</td>
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<td>Up to 30 years</td>
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<td>ZC Inflation</td>
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<td>GBP</td>
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<td>FRA</td>
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<td></td>
<td>DKK, GBP, USD</td>
<td>Up to 2 years</td>
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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.

Netting

- **Basic netting** (terms must match)
- **Fee netting** (different fee schedule)
- **Rate blending** (different fixed legs)

- 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

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

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