

# EurexOTC Clear

**Eurex Clearing offers a liquid EU-based alternative to clear EUR-denominated interest rate swaps with high-quality execution prices.**

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.

## PRODUCT SCOPE

### OTC interest rate product scope

Type	Currencies	Maturity (years)	Supported types
IRS	EUR, GBP, USD	Up to 50 years	<ul style="list-style-type: none"> <li>• Spot and forward starts</li> <li>• Bullet and variable notional</li> <li>• Front and back stubs</li> <li>• IMM roll dates</li> </ul>
	CHF, JPY, DKK, NOK, SEK	Up to 30 years	
	PLN	Up to 10 years	
Basis	EUR, GBP, USD	Up to 50 years	
	CHF, JPY	Up to 30 years	
OIS	EUR, GBP, USD, CHF, JPY, SEK	Up to 30 years	
ZC Inflation	EUR	Up to 30 years	
	GBP	Up to 50 years	
FRA	EUR, GBP, USD, CHF, JPY, SEK	Up to 3 years	
	DKK, GBP, USD	Up to 2 years	

## What are the key benefits?



### Safety

- State of the art risk and default management capabilities
- Choice of strong segregation models



### Capital efficiency

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



### Margin efficiency

- Portfolio margining across listed and OTC products
- Full interest rate derivatives coverage



### Collateral efficiency

- Broad eligible collateral spectrum of approximately 14,000 ISINs
- Integrated collateral re-use and transformation possibilities with our repo and securities lending CCP services



## MARGIN EFFICIENCY

Eurex Clearing Prisma calculates combined risks across the markets and venues cleared by Eurex Clearing for products that share similar risk characteristics. This allows for more accurate risk netting effects between listed and OTC positions.

Cross-product scenarios enable a consistent way to account for portfolio correlation and diversification effects.

Profit from high capital efficiencies and a strong risk management framework provided by Eurex Clearing Prisma.

## 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

<b>Basic netting</b>	<b>Fee netting</b>	<b>Rate blending</b>
(terms must match)	(different fee schedule)	(different fixed legs)

- **Risk-free** reduction of trade exposures
- **Reduced leverage ratio and cost of capital**
- **Reduced operational and CPP 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**

## COLLATERAL OFFERING

As a leading clearing house, Eurex Clearing offers best in class, diversified collateral management services. This creates maximum value for our customers while simultaneously ensuring the integrity of the clearing house.

We offer a wide range of asset classes for collateral. Asset managers can pledge non-HQLA collateral with the CCP and use HQLA securities for lending services and generate additional income.

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