

**There are
42 trillion
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Eurex Clearing
for CDS
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It's estimated that the global credit default swaps market is now worth around \$42 trillion* – close to the annual GDP of the entire planet.

CDSs serve a very valuable function by allowing companies to transfer credit risk efficiently.

However, the sheer scale of the sums involved means that these derivatives trades can be vulnerable at moments like this.

Today's market demands stability and integrity – which is where Eurex Clearing can help.

We're the largest European clearing house as well as one of the world's leading clearing houses for derivatives and securities transactions, with over 100 members. Our tried and tested risk management service delivers both transparency and operational efficiency.

In addition, we're the only clearing counterparty globally to offer position margining in 5 minute intervals throughout the trading day. In other words, you're able to spot opportunities and challenges as they happen – not hours after the trade.

Our proven track record offers further reassurance. Last year alone we handled more than 2 billion transactions.

And we have an infrastructure in place that allows members to trade through us without having to make major changes to the way they do business.

Equally important, we're a European-based CCP, which should make it easier for those participants based in Europe.

So if you're looking for central counterparty clearing, you'll find Eurex Clearing offers you a solution that's proven to work – leaving you clear to trade.

*End of year 2008.

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Product scope

- iTraxx® Europe, iTraxx® HiVol, iTraxx® Crossover indices
- European iTraxx® index constituents
- Further European single names subject to eligibility
- Fully compliant with ISDA standards

Functionality

- A state-of-the-art CDS specific risk management model
- Leverages existing membership infrastructure – no additional technical connectivity needed
- Separate clearing license with dedicated clearing fund for CDS clearing – no commingling of different risks or collateral pollution
- Follows new ISDA supplement for credit event handling
- Direct feed from DTCC Trade Information Warehouse to Eurex Clearing – it continues to service the CDS contract as it does today:
 - Affirmation/confirmation via Deriv/Serv
 - Synchronization and reconciliation of novated trades with Trade Information Warehouse
 - Daily position upload from Deriv/Serv
 - Automatic backloading of existing positions via Deriv/Serv
- Capital efficiency and optimal utilization of balance sheet
- Flexible account structure for client business

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