

CME Clearing Europe Announces Launch of European Clearing Services

Initial products are energy, rapeseed oil and freight

LONDON, March 15, 2011 /PRNewswire/ -- [CME Clearing Europe](#), a wholly-owned London-based subsidiary of [CME Group](#), today announced that it will begin clearing more than 150 over the counter (OTC) energy and commodity derivative products beginning Friday, 6 May.

"The start of clearing at CME Clearing Europe is timely in light of the need for enhanced risk management in commodity markets and the imminent legislative change mandating the clearing of OTC derivatives," said Andrew Lamb, Chief Executive Officer of CME Clearing Europe. "While the initial focus of our product expansion will be on commodity products — energy, metals and agricultural — we aim to introduce clearing for OTC financial derivatives, beginning with interest rate swaps, in parallel with the deepening of the commodity clearing. Our goal is to offer a full multi-asset OTC clearing service, building on CME Group's clearing experience as well as its established and growing European presence."

Fifteen international financial firms are on track to become initial clearing members, including Bache Commodities Limited, BHF-BANK AG, BNP Paribas Commodity Futures Limited, Citigroup Global Markets Limited, Deutsche Bank AG, INTL Global Currencies Limited, HSBC Bank PLC, MFGlobal UK Limited, Newedge Group (UK Branch), Royal Bank of Scotland PLC, State Street Bank GmbH, and UBS Limited. In addition, Citibank will join Barclays Bank PLC and J.P. Morgan as settlement banks for CME Clearing Europe and its clearing members.

As part of its launch, CME Clearing Europe will clear eight OTC contracts based on the [Dubai Mercantile Exchange's](#) (DME) Oman crude oil futures contract that will continue to be available for clearing through CME Clearing. CME Clearing Europe will also begin clearing an OTC derivative contract based on rapeseed oil prices. Rapeseed oil is used for food and non-food usage (e.g., cosmetics) as well as in the manufacturing of biodiesel fuels. The rapeseed oil contract is an expansion of CME Group's European product offering, which goes beyond the existing product range listed for clearing in the United States and will be followed by additional regionally specific products.

CME Clearing Europe was approved as a [Recognised Clearing House](#) (RCH) by the Financial Services Authority (FSA) of the United Kingdom in December 2010. Separately, CME Clearing Europe has applied to the Commodity Futures Trading Commission (CFTC) to become a registered Derivatives Clearing Organization (DCO).

About CME Clearing Europe

CME Clearing Europe (www.cmeclearingeurope.com), a wholly owned subsidiary of CME Group, has been established in London with the aim of offering services as a multi-product clearing house focused on non-US customers. CME Clearing Europe will provide world class clearing for a broad base of customers, building on its European presence to extend the geographical reach of CME Group's clearing services. CME Clearing Europe will ensure stability and increase transparency in the markets cleared, helping to reduce and contain systemic risk.

About CME Group

As the world's leading and most diverse derivatives marketplace, CME Group (www.cmegroup.com) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural commodities](#), [metals](#), [weather](#) and [real estate](#). CME Group brings buyers and sellers together through its [CME Globex](#)® electronic trading platform and its trading facilities in New York and Chicago. CME Group also operates [CME Clearing](#), one of the world's leading central counterparty clearing providers, which offers clearing and settlement services for exchange-traded contracts, as well as for over-the-counter derivatives transactions through [CME ClearPort](#)®. These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk in both listed and over-the-counter derivatives markets.

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