

CME Group to Begin Offering Portfolio Margining for OTC Interest Rate Swaps and Futures

New Program to Provide Industry-Leading Risk Management and Unparalleled Capital Efficiencies

CHICAGO, March 13, 2012 /PRNewswire/ -- [CME Group](#), the world's leading and most diverse derivatives marketplace, today announced that beginning May 7 it will offer portfolio margining of over-the-counter interest rate swap positions and Eurodollar and Treasury Futures for house accounts. The risk reduction achieved by this program may result in capital efficiencies of up to 85 percent for certain portfolios, figures that remain unparalleled in the industry. Later in the year, the same benefits will be available for customer accounts pending regulatory approval.

"As an industry leader in both listed derivatives and the OTC market, CME Clearing offers prudent risk management for all of our products and services," said Kim Taylor, President, CME Clearing. "Building on more than 20 years of cross-margining experience, this new portfolio margining program will allow us to maintain our rigorous risk management standards at the same time we provide greater capital efficiencies and flexibility to those transitioning to OTC clearing."

"As the deadline for mandatory clearing approaches, clients are turning to the service providers who can offer the greatest capital and operational efficiencies," said Michael Yarian, head of Agency Derivatives Services at Barclays Capital. "Where our business model focuses on delivering operational efficiencies across futures execution and clearing, OTC clearing and FX PB, portfolio margining across OTC products and futures provides capital efficiencies to our clients. Both can enhance liquidity by reducing costs. We continue to work closely with CME Group and other industry participants to create innovative solutions that will set the benchmark for clients' expectations."

"Citi recognizes the importance of achieving appropriately risk-managed capital efficient clearing solutions that reduce the costs of OTC clearing," said Christopher Perkins, Global Head of Derivatives Clearing at Citi. "We welcome this innovation by the CME Group and strongly believe that many market participants will benefit from this in the near future."

CME Group operates the leading IRS and CDS clearing solutions by U.S. customer volume, with over \$415 billion in total volume cleared. The company reported record [February volume](#) numbers attributable to more buy side firms regularly clearing their OTC trades. This also includes customers who had not previously been actively clearing and are voluntarily choosing to clear at CME Group ahead of the mandate, with more than 1,300 buy side accounts holding open interest.

To learn more about CME Group's OTC clearing offering, watch our [latest video](#) or visit our resources on [IRS](#) and [CDS](#).

The portfolio margining program has been filed with the appropriate regulatory authorities and is pending completion of the regulatory review period.

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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