

Public Quantitative Disclosure

CCP12 Newsflash

2020 Q3 Data

January 2021

The CCP12 Newsflash



- The CCP12 Public Quantitative Disclosure Newsflash provides an overview of the risk management provided by CCPs around the globe. It complements existing public statistics, such as the BIS derivatives statistics, by providing a summary of key indicators which provides market participants an overview of the CCP ecosystem.
- The data is aggregated directly from the source – the CCPs themselves – according to a standardized template carrying information stipulated in global regulatory guidance. Further details for individual CCPs can be found in links provided on the CCP12 website (<https://ccp12.org/pqd/>).
- This CCP12 Newsflash helps to inform participants, authorities, and the general public of key features, the scale and nature of financial market infrastructure risk management.
- This publication underlines the scope and scale of risk mitigation provided by central clearing:
 - CCPs exposure to credit risk is collateralized through high-quality and liquid collateral
 - CCPs risk-manage their clearing exposure by collecting *mark-to-market* losses through regular variation margin (or similar) payments

In this collation for 2020 Q3:

43 CCPs (representing 28 CCP12 members) are included:

- Americas 13
- APAC 16
- EMEA 14

6.1.1 Initial Margin (Required):	USD 1020 Billion
4.1.4 Default Fund Resources (Required):	USD 114 Billion
Global CCP Overcollateralization[†] :	USD 417 Billion

For any questions, please get in touch: question.pqd@ccp12global.com

[†]Calculated as (Total IM and DF Held PostHaircut) minus (Total IM and DF Required) (Only PostHaircut values used for Held values). Disclosures (6.2.15 + 4.3.15) – (6.1.1 + 4.1.4) = Total Overcollateralization

For this quarter's compilation, Muqassa is a new CCP12 member PQR to the dataset.

Accuracy of PQR data across disclosures this quarter has been increased as a result of further standardization across PQR disclosures to capture Held PostHaircut and Required values. Very slight differences observed across certain quarters and disclosures when compared to the CCP12 2020 Q2 Newsflash.

Highlights of Public Quantitative Disclosures



2020 Q3

Total Global Margin* (USD B)

Required

Total Global Initial Margin (IM) Required (6.1.1)	1,020
Total Global Default Fund (DF) Required (4.1.4)	114
Total Global CCP Collateral Required (6.1.1 + 4.1.4)	1,133

Held (PostHaircut)

Total Global IM Held PostHaircut (6.2.15)	1,414
Total Global DF Held PostHaircut (4.3.15)	136
Total Global CCP Collateral Held PostHaircut (6.2.15 + 4.3.15)	1,550

Variation Margin (VM)

Total Global Average Daily VM Paid to the CCP by participants each business day (6.6.1)	25
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Total Global CCP Collateral (Held) in form of*:

	Disclosure	Initial Margin	Disclosure	Default Fund
Cash				
<i>At Central Bank</i>	(6.2.1 + 6.2.2)	15.6%	(4.3.1 + 4.3.2)	35.3%
<i>Secured Cash (incl. Reverse Repos) at Commercial Banks</i>	6.2.3	8.5%	4.3.3	12.2%
<i>Unsecured Cash at Commercial Banks</i>	6.2.4	4.4%	4.3.4	9.2%
Non-Cash				
<i>Sovereign Gov Bonds - Domestic</i>	6.2.5	26.9%	4.3.5	34.5%
<i>Sovereign Gov Bonds – Foreign</i>	6.2.6	18.5%	4.3.6	3.9%
<i>Agency Bonds</i>	6.2.7	1.3%	4.3.7	3.5%
<i>State/Municipal Bonds</i>	6.2.8	0.5%	4.3.8	0.2%
<i>Corporate Bonds</i>	6.2.9	6.1%	4.3.9	0.7%
<i>Equities</i>	6.2.10	3.6%	4.3.10	0.2%
<i>Commodities – Gold</i>	6.2.11	0.2%	4.3.11	0.0%
<i>Commodities – Other</i>	6.2.12	0.0%	4.3.12	0.0%
<i>Mutual Funds/UCITs</i>	6.2.13	0.2%	4.3.13	0.0%
<i>Other</i>	6.2.14	3.0%	4.3.14	0.4%

*Sum of IM Held across 6.2.1 – 6.2.14 is slightly lower than the Total IM Held Values for 6.2.15, due to DTCC requesting that 6.2.15 figures be equivalent to 4.3.15 figures. OCC 6.2.1 – 6.2.14 House, Client and Total PreHaircut figures are considered "PostHaircut" values for the purpose of analysis. Data has been normalized to USD equivalent, based on foreign exchange rates at the quarter-end for each PQD quarterly release.

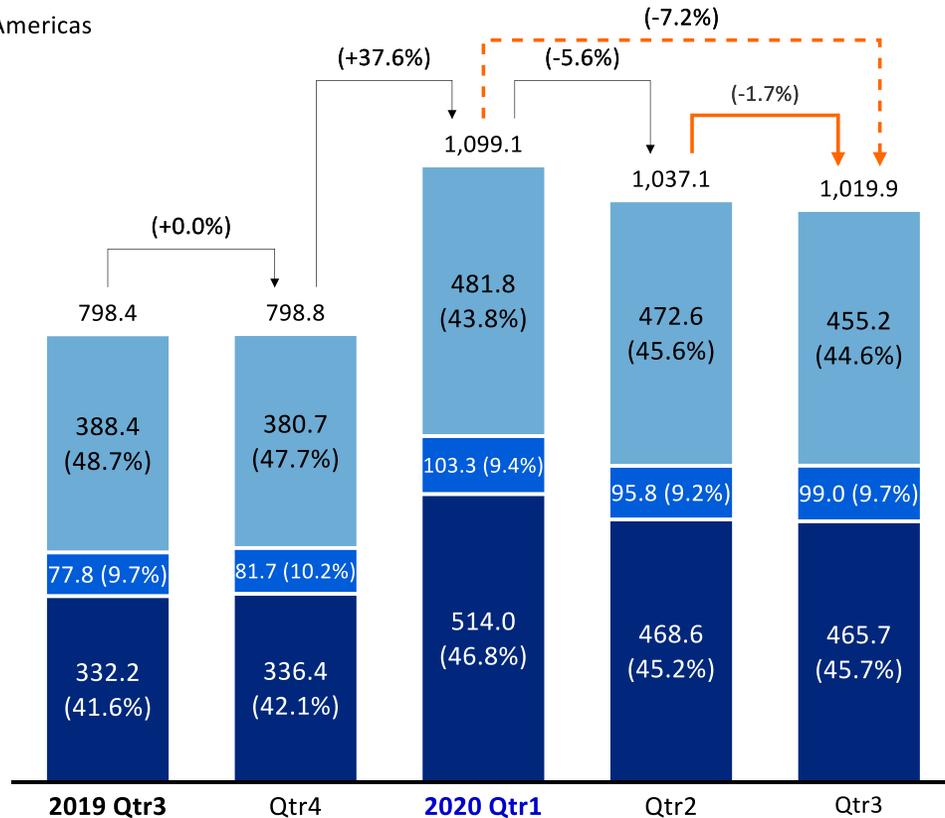
Across global CCPs for 2020 Q3, a lower level of Total IM and DF required collateral was observed with a continuous QoQ decrease since the height of the CC in 2020 Q1

Global CCP Collateral (Required) - **Grand Total**
 2019 Q3 to 2020 Q3 (USD B and %)

- EMEA
- APAC
- Americas

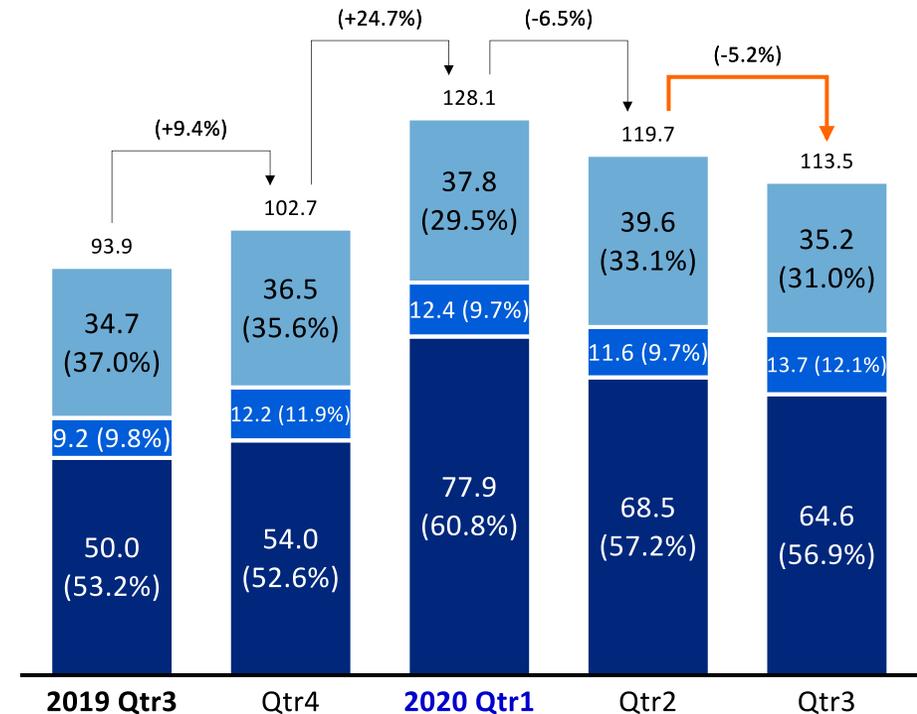
Total IM Required

Disclosure (6.1.1)



Total DF Required

Disclosure (4.1.4)



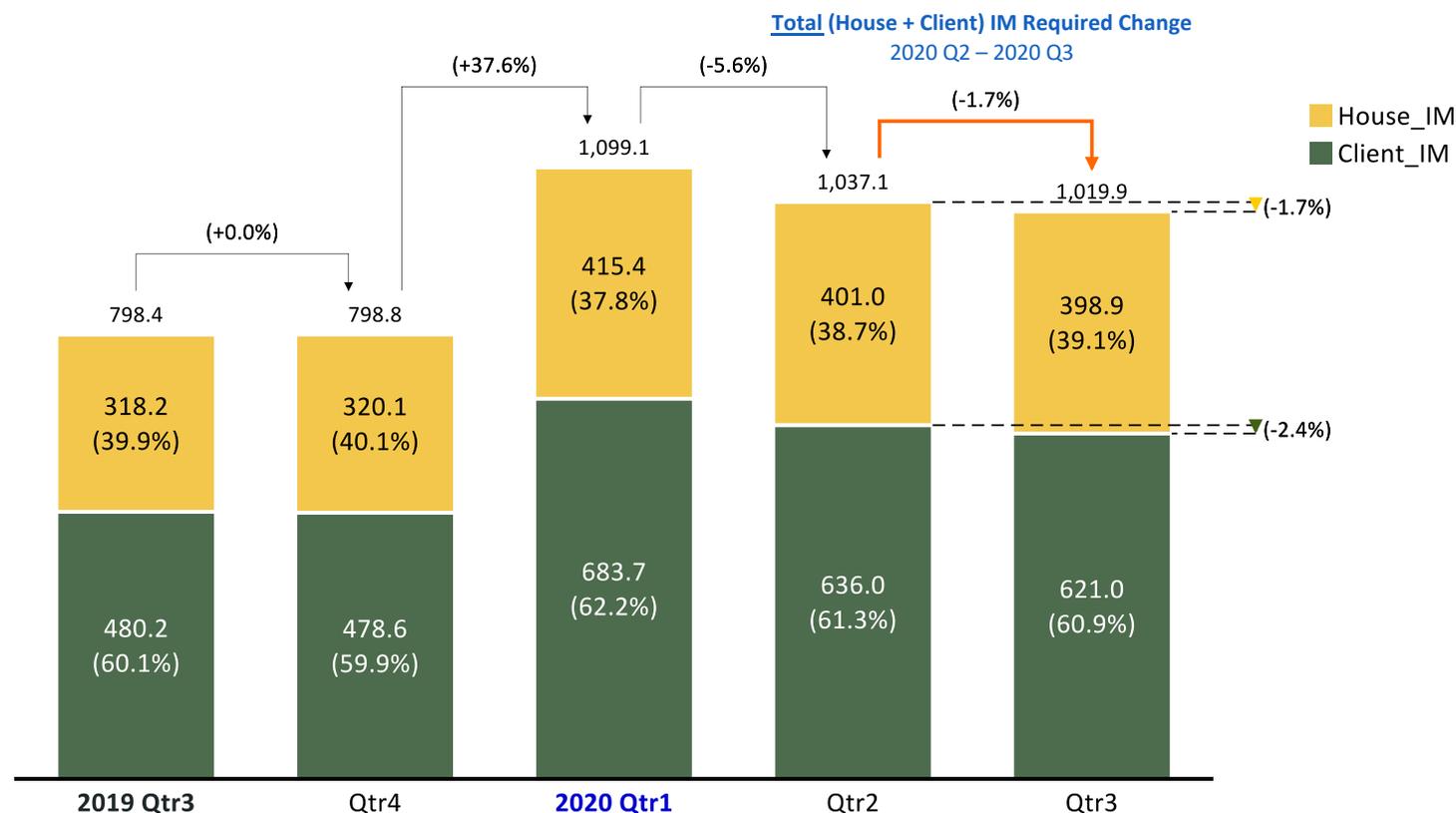
QoQ: Quarter-on-Quarter. CC: COVID-19 Crisis

House and Client IM required decreases slightly further for 2020 Q3. House and Client IM reduces by 1.7% and 2.4%, respectively

Global Asset Class breakdown (Required): House IM vs. Client IM

Disclosure (6.1.1):

2019 Q3 to 2020 Q3 (USD B and %)

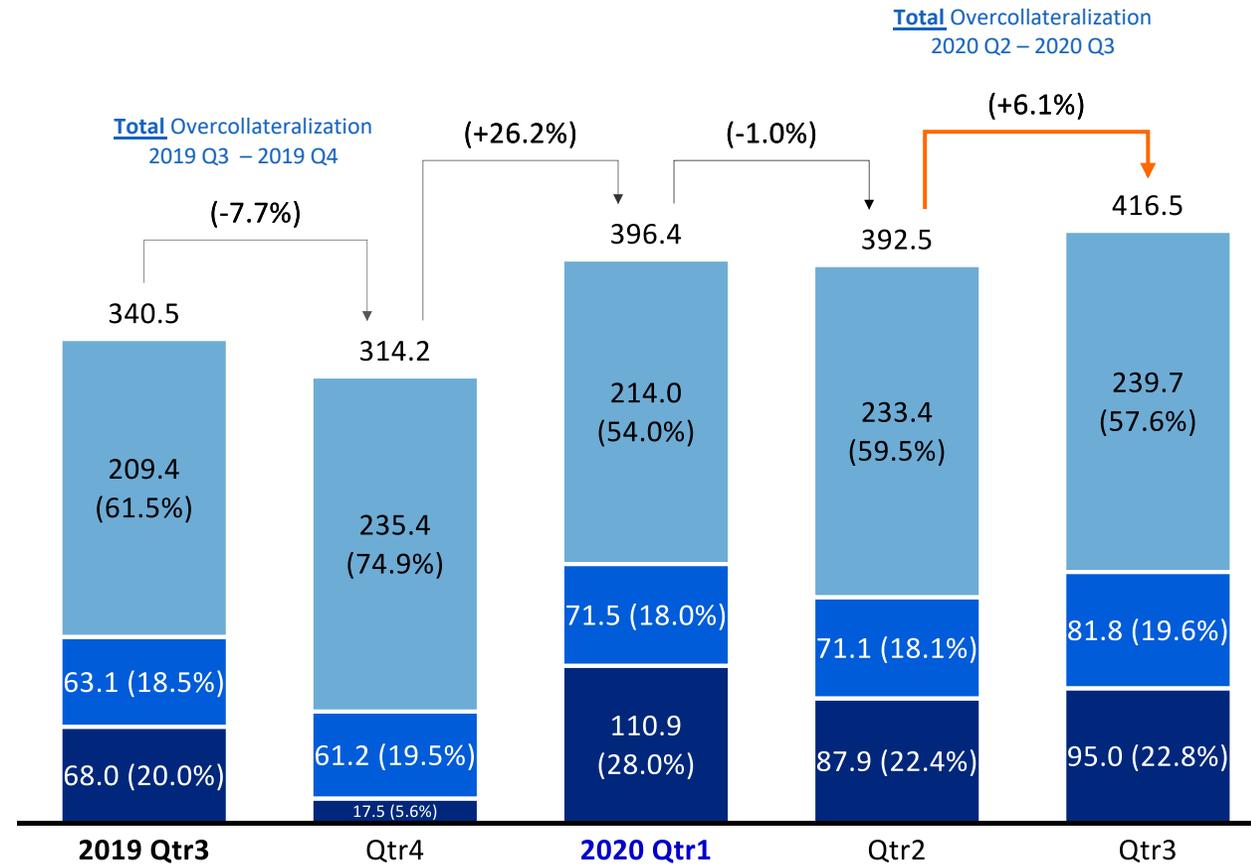


*Sum of IM Required is slightly lower than the Total IM Required on slide 4, due to no breakdown of House/Client IM Required for HKEX HKSCC, HKEX OTCC and NSE. As a result, these are assumed House_IM.
 As of 2020Q3: HKEX_OTCC provides a House/Client breakdown. DTCC provides House_Net values.

Total Global Overcollateralization[†] is USD 416.5 B for 2020 Q3, and increased by 6.1% from 2020 Q2

Global CCP Overcollateralization (IM and DF Held (PostHaircut) – IM and DF Required)
 2019 Q3 to 2020 Q3 (USD B and %)

- EMEA
- APAC
- Americas



[†]Calculated as (Total IM and DF Held Posthaircut) minus (Total IM and DF Required) (Only PostHaircut values used for Held values). Disclosures (6.2.15 + 4.3.15) – (6.1.1 + 4.1.4) = Total Overcollateralization

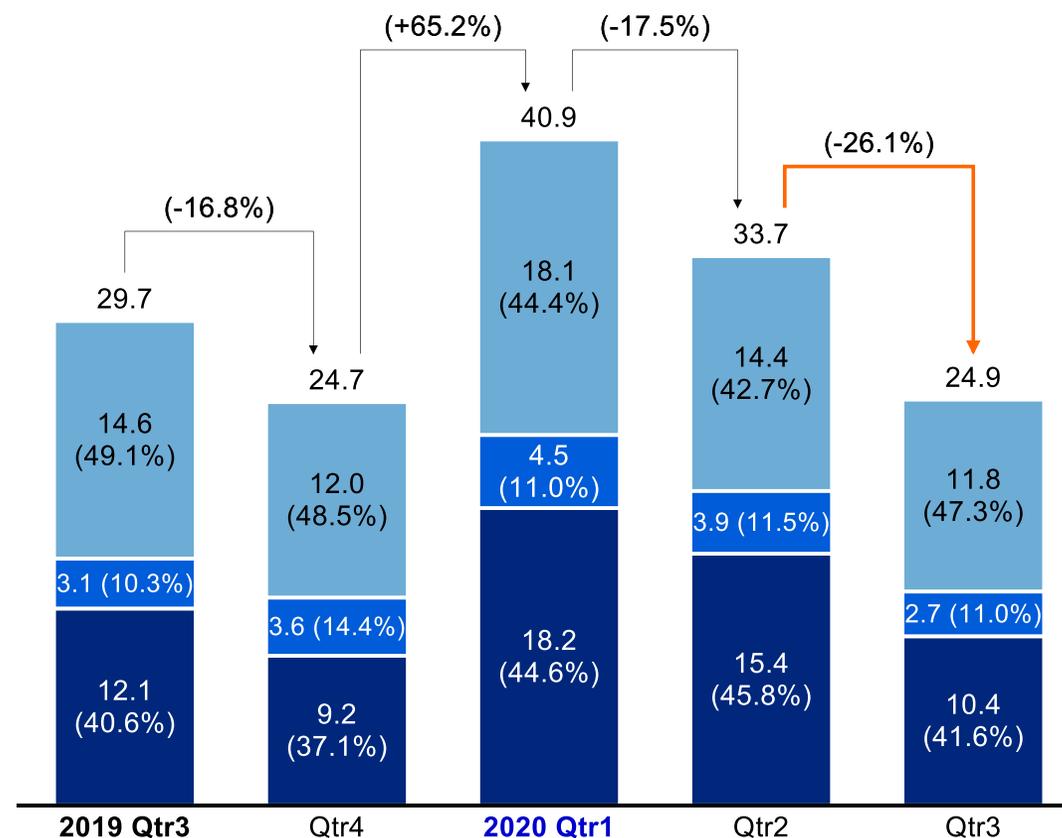
Average Total VM Paid to the CCP by participants each business day decreases 26.1% in 2020 Q3. Proportion of VM paid per region remains constant

Total Global VM Paid to the CCP by participants each business day

Disclosure (6.6.1)

2019 Q3 to 2020 Q3 (USD B)

- EMEA
- APAC
- Americas



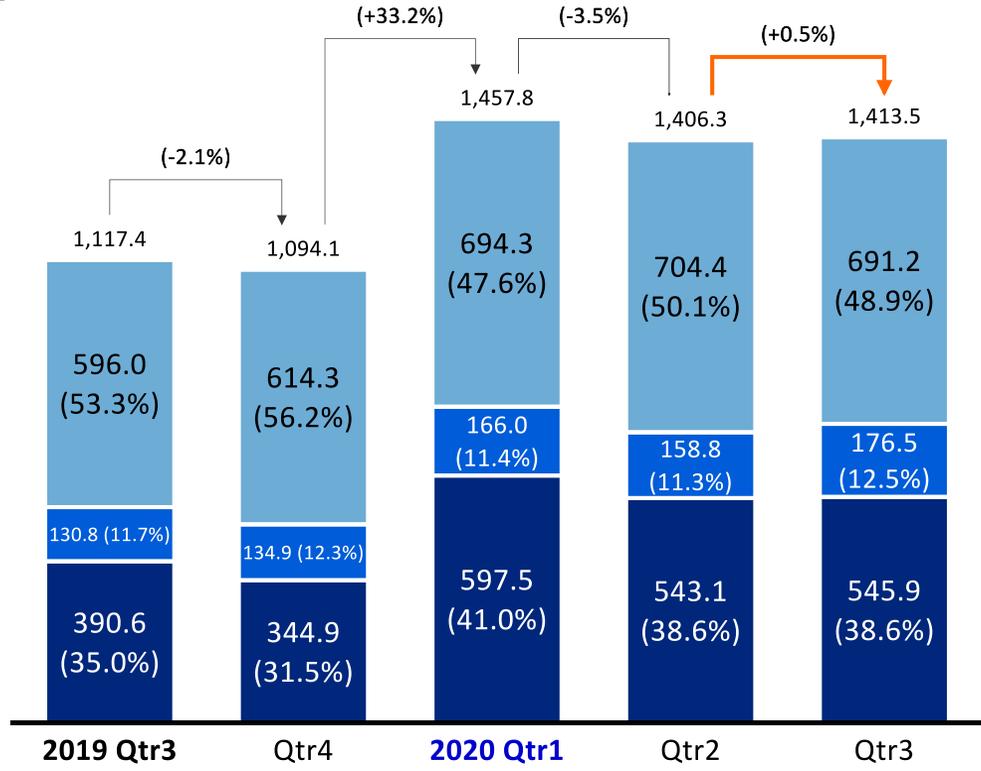
Distribution of IM held is consistently the largest for EMEA, followed by Americas and APAC. IM held for 2020 Q3 remains flat with a 0.5% increase, while the DF held reduces by 4.6%



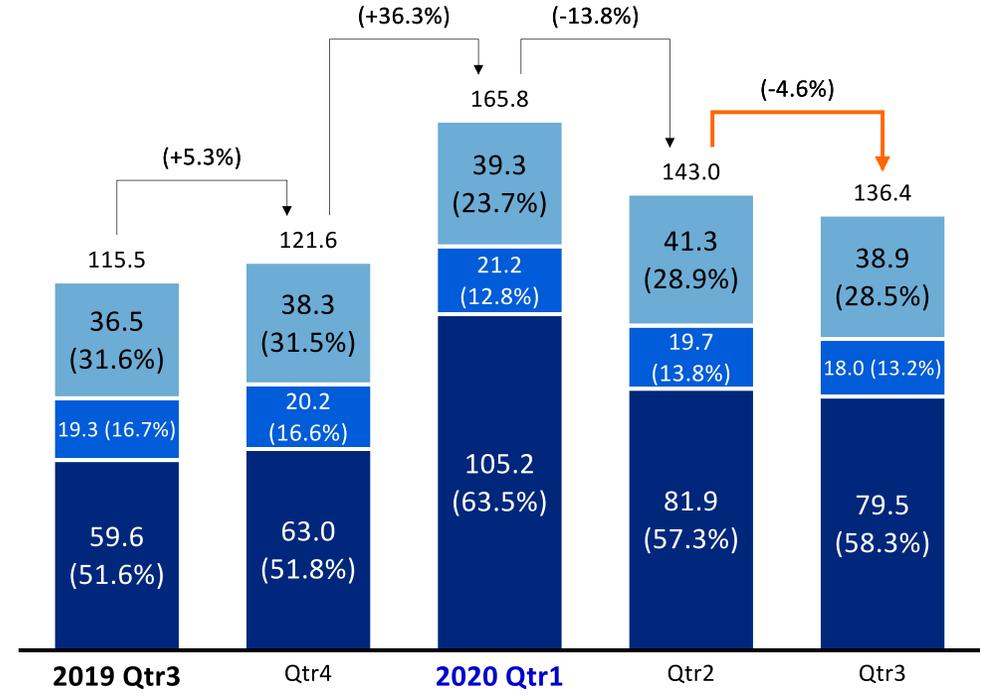
Global CCP Collateral Held (PostHaircut) - Grand Total
2019 Q3 to 2020 Q3 (USD B and %)

- EMEA
- APAC
- Americas

Total IM Held
Disclosure (6.2.15)



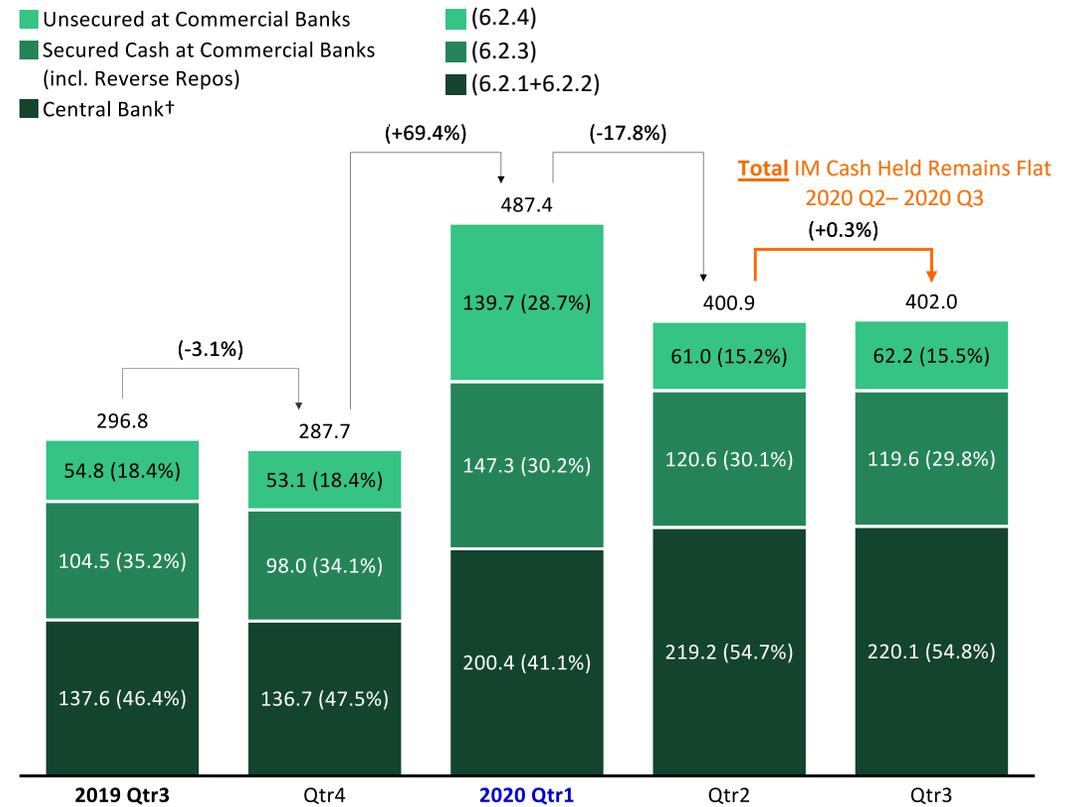
Total DF Held
Disclosure (4.3.15)



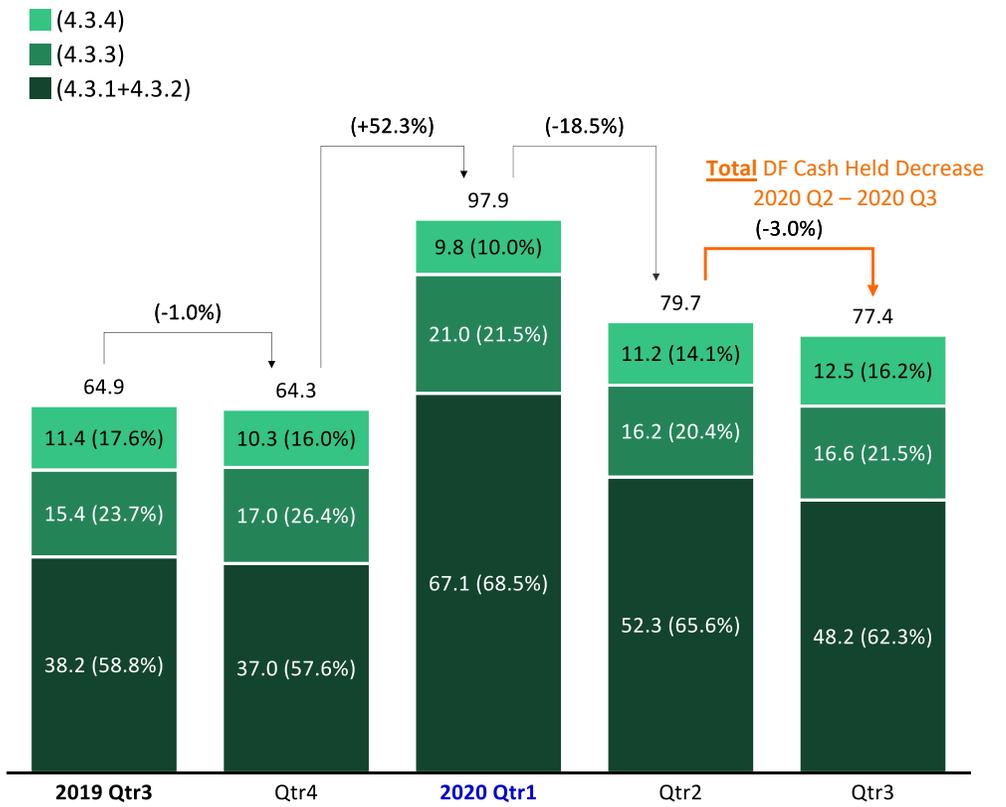
Following the CC market recovery the **Total Cash held** remains flat for IM with a marginal **0.5%** increase and a **3.0%** decrease for DF. Majority of all cash resources continue to be deposited at the Central Bank[†]

Global CCP Collateral (Held) (PostHaircut) – Cash Total
2019 Q3 to 2020 Q3 (USD B and %)

Total IM Held



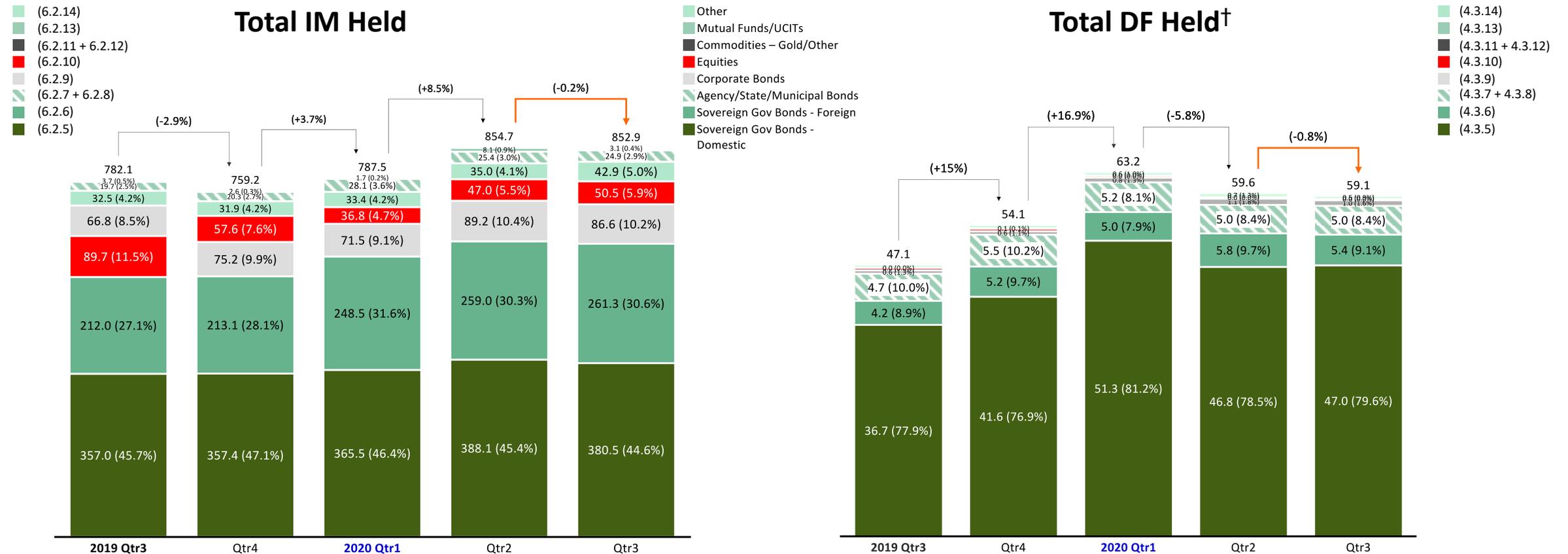
Total DF Held



*Figures as of quarter end. Sum of IM Held across 6.2.1 – 6.2.14 is slightly lower than the Total IM Held Values for 6.2.15, due to 1). DTCC have requested that 6.2.15 figures be equivalent to 4.3.15 figures, and 2). OCC 6.2.15 total > sum of 6.2.1 – 6.2.14. TCH provide the full breakdown of 6.2.15 split across 6.2.1 - 6.2.14 as of 2020 Q2.
[†]Cash deposited at "Other Central Bank of Issue" (IM: 6.2.2, DF: 4.3.2) makes up <0.5% of the total cash collateral for IM and <0.4% for the DF. Therefore, "Central Bank of Issue" and "Other Central Bank" Cash deposits grouped together within charts.
 CC: COVID-19 Crisis

During 2020 Q3, global Non-Cash held IM decreases **0.2%** driven by a decrease in Sov' Domestic Gov' Bonds and Corp' Bonds. DF decreases **0.8%** driven primarily by the decrease across Sov' Gov' Bonds

Global CCP Collateral Held (PostHaircut) - Non-Cash Total 2019 Q3 to 2020 Q3 (USD B and %)



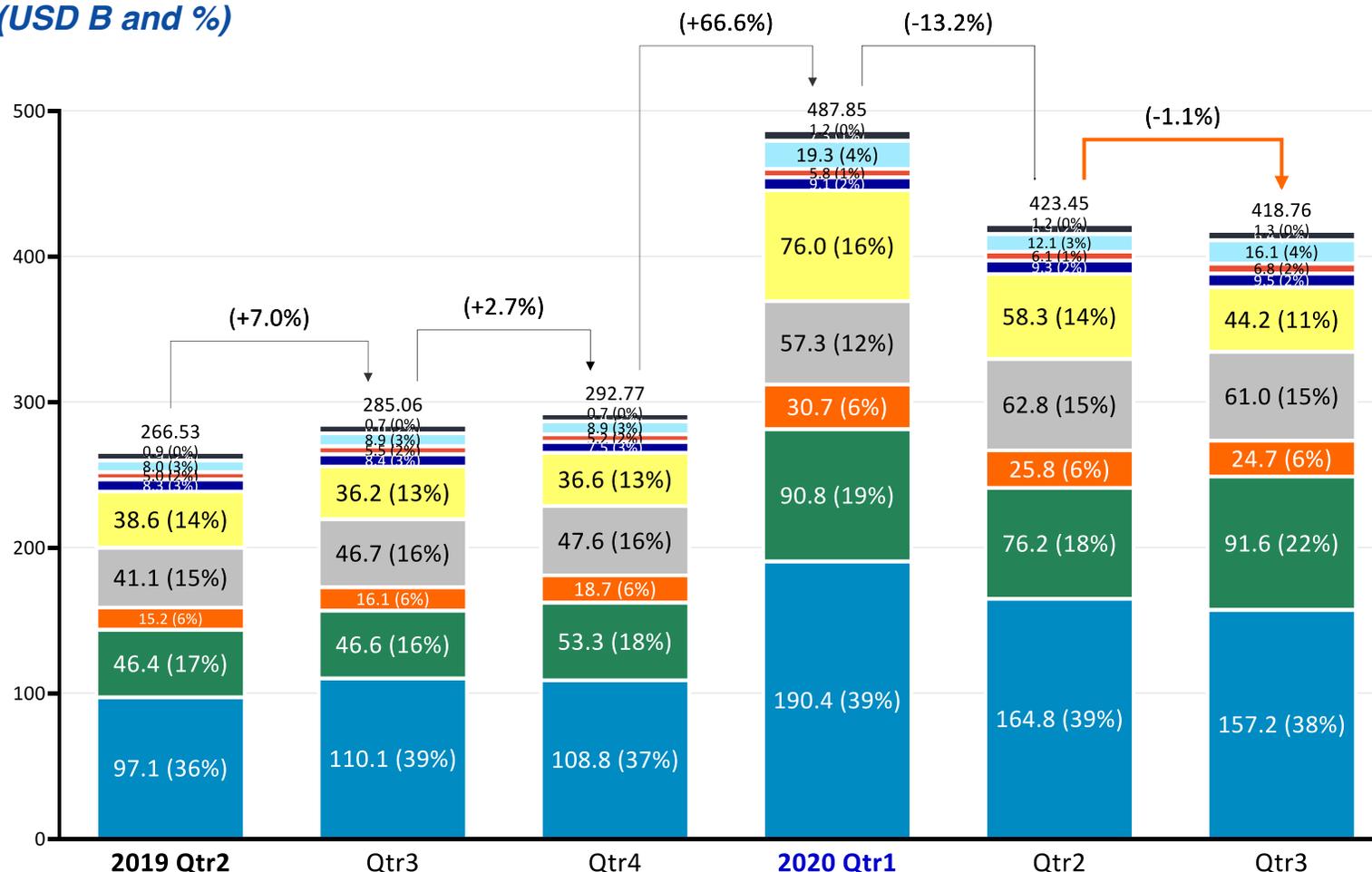
*Figures as of quarter end. Sum of IM Held across 6.2.1 – 6.2.14 is slightly lower than the Total IM Held Values for 6.2.15, due to 1). DTCC have requested that 6.2.15 figures be equivalent to 4.3.15 figures, and 2). OCC 6.2.15 total > sum of 6.2.1 – 6.2.14. TCH provide the full breakdown of 6.2.15 split across 6.2.1 - 6.2.14 as of 2020 Q2.
†Disclosures 4.3.8 – 4.3.14 constitute on average <1.5% of total non-cash collateral per quarter from 2020 Q2 – 2020 Q3.

Since 2020 Q2 the IM required for ETDs across the following 10 CCPs decreased by 1.1%



Global CCP Collateral (Required) Non-Cash Disclosure (6.1.1) 2019 Q2 to 2020 Q3 (USD B and %)

- HKEX_SEOCH
- HKEX_HKCC
- JSCC
- ASXCLF
- SGX_DC
- ECAG
- ICEU
- ICUS
- OCC
- CME



CCPs reported the same availability to core clearing systems over the previous 12-month period*



Availability, Failures and Recovery Time Objectives

2020 Q2

- CCPs report the **quantity** and **duration** of operational failures affecting their **core clearing systems over the previous 12-months** on a quarterly basis:
 - **Core Systems:** Within clearing, systems enable the acceptance and novation of trades, and provide the calculation of margin and settlement obligations;
 - **Loss of Availability:** An incident that results in an interruption to the CCP's ability to perform its own functions in relation to trade acceptance and novation, or calculation of margin and settlement obligations. An incident that compromises the CCP's ability to correctly perform the aforementioned functions is also considered a 'loss of availability', even if there is no actual outage. Failure to a back-up site without interruption to services would not count as a loss of availability.

Disclosure (17.2):

- The average actual core clearing system availability over the previous twelve month period (October 1, 2019 through September 30, 2020) across all 43 CCPs was: **99.98%**

Disclosure (17.4):

Out of 43 CCP PQDs

2 observe a target recovery time of:	1 hour
37 observe the standard target recovery time of:	2 hours
1 observes a target recovery time of:	2.5 hours
3 observe a target recovery time of:	4 hours

*For 2020 Q2, the average availability of core clearing systems over the period (July 1, 2019 through June 30, 2020) across all CCPs was 99.98%.

†Based on their respective regulatory requirements

CCP12 Members

CCP12



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