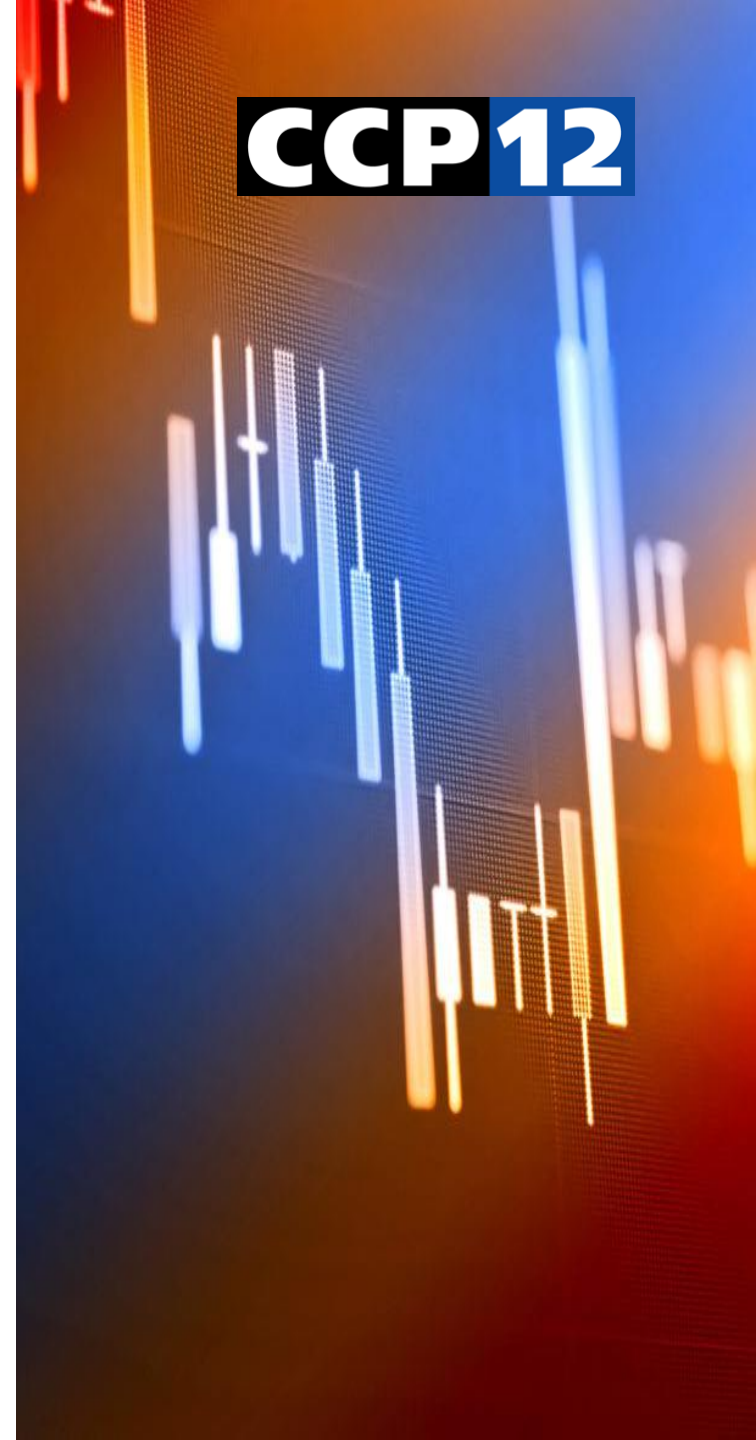


Public Quantitative Disclosure

# CCP12 Newsflash

## 2021 Q1 Data

July 2021



# CCP12 PQDs

- 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 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.
- This CCP12 Newsflash helps to inform market participants, authorities, and the general public of key features, the scale and nature of financial market infrastructure risk management.
- The data is aggregated directly from the source – the CCPs themselves – according to the CCP12 standardized template carrying information stipulated in global regulatory guidance. Further details for individual CCPs can be found in links provided on the [CCP12 website](#).
- **PQD updates this quarter:**
  - CCP12 released an update to the [PQD FAQ Guide](#) which provides guidance on the CPMI-IOSCO PQDs;
  - Two new CCP12 members are included in this quarter’s collation.

## In this collation for 2021 Q1:

### Data of 45 CCPs (equivalent to 30 CCP12 members) is included\*:

- **Americas**      **14**
- **APAC**         **16**
- **EMEA**         **15**

### 6.1.1 Initial Margin (Required):

**USD 1069 Billion**

### 4.1.4 Default Fund Resources (Required):

**USD 133 Billion**

### Global CCP Overcollateralization<sup>†</sup>:

**USD 436 Billion**

\* JSE, NSE & SHCH 2020 Q4 data has been updated to represent actual 2020 Q4 data this quarter. Since the 2020 Q4 Newsflash included the 2020 Q3 figures due to a later PQD release from these CCPs.

\* CC&G data is incorporated as a non-CCP12 member.

<sup>†</sup> 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

# Commentary on the quarter for 2021 Q1

Below are a few key market developments which took place in the first quarter of 2021:

- Headline PQD figures for 2021 Q1 are stable QoQ, there was some movement in the investment and collateral mix over the quarter but this attributable to year-end effects (2020 Q4 results) when the banks tend to reduce their repo capacity. In 2021 Q1 figures we see return to more normal mix of investments and collateral.
- 2021 Q1 saw prices of global equities advanced, in light of vaccination rollout across the globe.<sup>1</sup> Government bond yields and commodities prices also rose. Margin levels remained stable in line with volatility in the market.
- Global Futures and Options volumes reached their highest levels seen in recent years, primarily driven by equity trading. Interest Rates Futures and Options recovered strongly in 2021 Q1 to levels seen since 2019 Q2.<sup>2</sup>
- Equity and Credit markets saw a significant recovery compared to the first quarter of 2020 with the COVID-19 pandemic unfolding. Corporate bond spreads widened briefly in the later part of January after many months of steady decline, however, they remained below the long-term norms seen in recent quarters.<sup>3</sup>

<sup>1</sup> <https://www.reuters.com/article/us-health-coronavirus-vaccine-idUSKBN2A336G>

<sup>2</sup> [https://www.fia.org/sites/default/files/2021-05/FIA\\_Q1%202021%20Volume%20Trends\\_FINAL%5B54%5D.pdf](https://www.fia.org/sites/default/files/2021-05/FIA_Q1%202021%20Volume%20Trends_FINAL%5B54%5D.pdf)

<sup>3</sup> [https://www.bis.org/publ/qtrpdf/r\\_qt2103.pdf](https://www.bis.org/publ/qtrpdf/r_qt2103.pdf)

QoQ: Quarter-on-Quarter.

# Headline Statistics of the Public Quantitative Disclosures

2021 Q1

## Total Global Margin\* (USD B)

### Required

Total Global Initial Margin (IM) Required (6.1.1)	1,069
Total Global Default Fund (DF) Required (4.1.4)	133
<b>Total Global CCP Collateral Required (6.1.1 + 4.1.4)</b>	<b>1,202</b>

### Held (PostHaircut)

Total Global IM Held PostHaircut (6.2.15)	1485
Total Global DF Held PostHaircut (4.3.15)	153
<b>Total Global CCP Collateral Held PostHaircut (6.2.15 + 4.3.15)</b>	<b>1,637</b>

### Variation Margin (VM)

Total Global Average Daily VM Paid to the CCP by participants each business day (6.6.1)	31
---	----

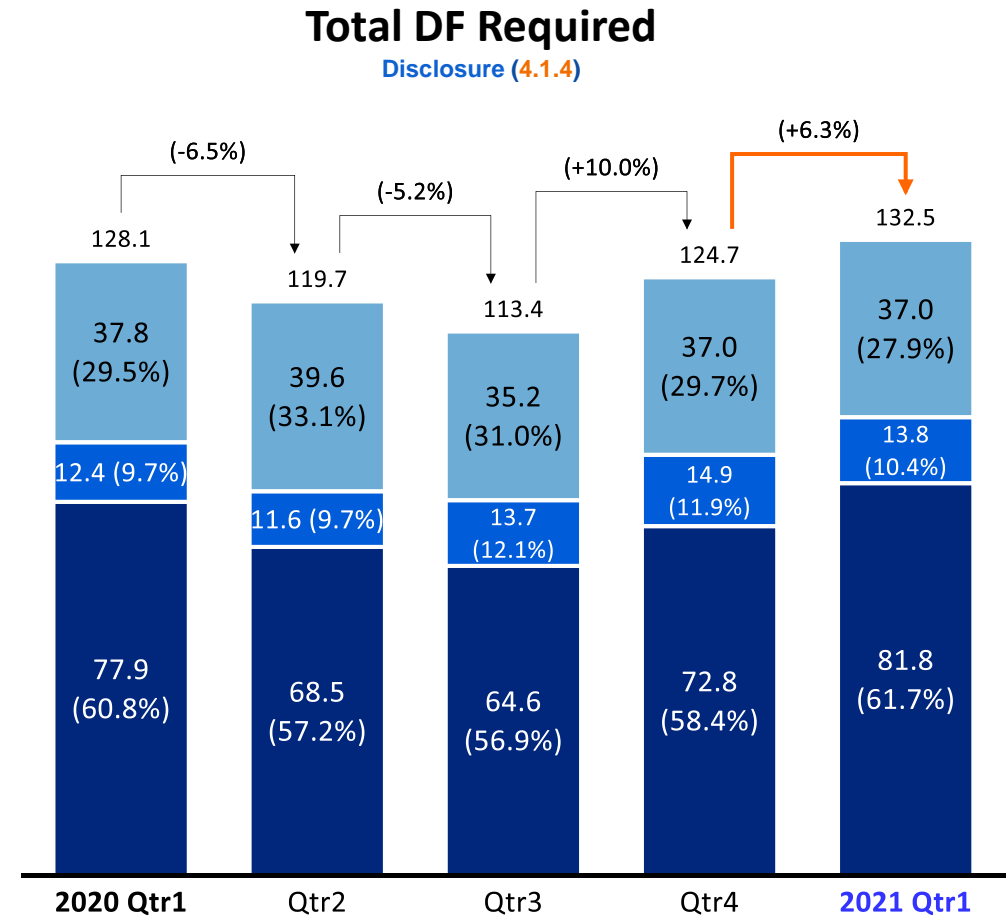
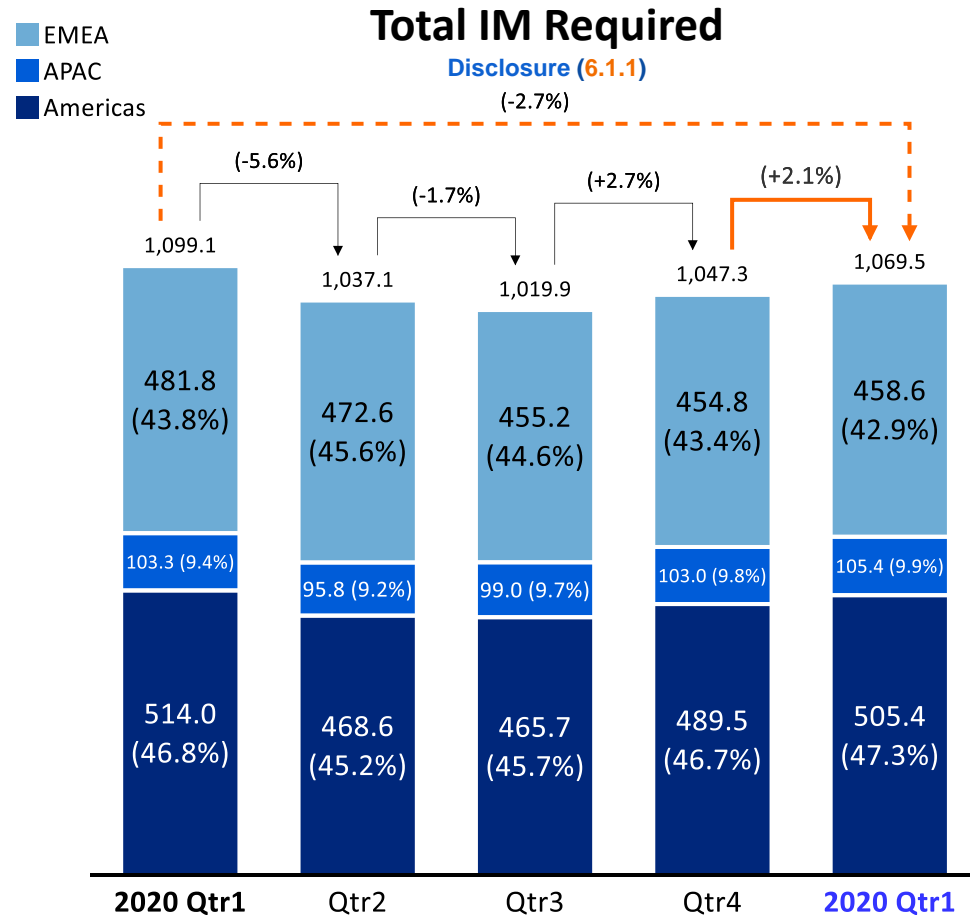
## Total Global CCP Collateral (Held) in form of\*:

	Disclosure	Initial Margin	Disclosure	Default Fund
<b>Cash</b>				
<i>At Central Bank</i>	<b>(6.2.1 + 6.2.2)</b>	17.9%	<b>(4.3.1 + 4.3.2)</b>	37.6%
<i>Secured Cash (incl. Reverse Repos) at Commercial Banks</i>	<b>6.2.3</b>	7.7%	<b>4.3.3</b>	10.2%
<i>Unsecured Cash at Commercial Banks</i>	<b>6.2.4</b>	4.2%	<b>4.3.4</b>	9.5%
<b>Non-Cash</b>				
<i>Sovereign Gov Bonds - Domestic</i>	<b>6.2.5</b>	24.6%	<b>4.3.5</b>	35.4%
<i>Sovereign Gov Bonds – Foreign</i>	<b>6.2.6</b>	17.4%	<b>4.3.6</b>	2.9%
<i>Agency Bonds</i>	<b>6.2.7</b>	1.4%	<b>4.3.7</b>	2.8%
<i>State/Municipal Bonds</i>	<b>6.2.8</b>	0.4%	<b>4.3.8</b>	0.2%
<i>Corporate Bonds</i>	<b>6.2.9</b>	5.9%	<b>4.3.9</b>	0.8%
<i>Equities</i>	<b>6.2.10</b>	4.3%	<b>4.3.10</b>	0.2%
<i>Commodities – Gold</i>	<b>6.2.11</b>	0.3%	<b>4.3.11</b>	0.0%
<i>Commodities – Other</i>	<b>6.2.12</b>	0.0%	<b>4.3.12</b>	0.0%
<i>Mutual Funds/UCITs</i>	<b>6.2.13</b>	0.2%	<b>4.3.13</b>	0.0%
<i>Other</i>	<b>6.2.14</b>	2.4%	<b>4.3.14</b>	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 the CCPs, a slightly higher level of Total IM and DF required collateral was observed for 2021 Q1, representing a similar increase from the previous quarter.

Global CCP Collateral (Required) - **Grand Total**  
 2020 Q1 to 2021 Q1 (USD B and %)



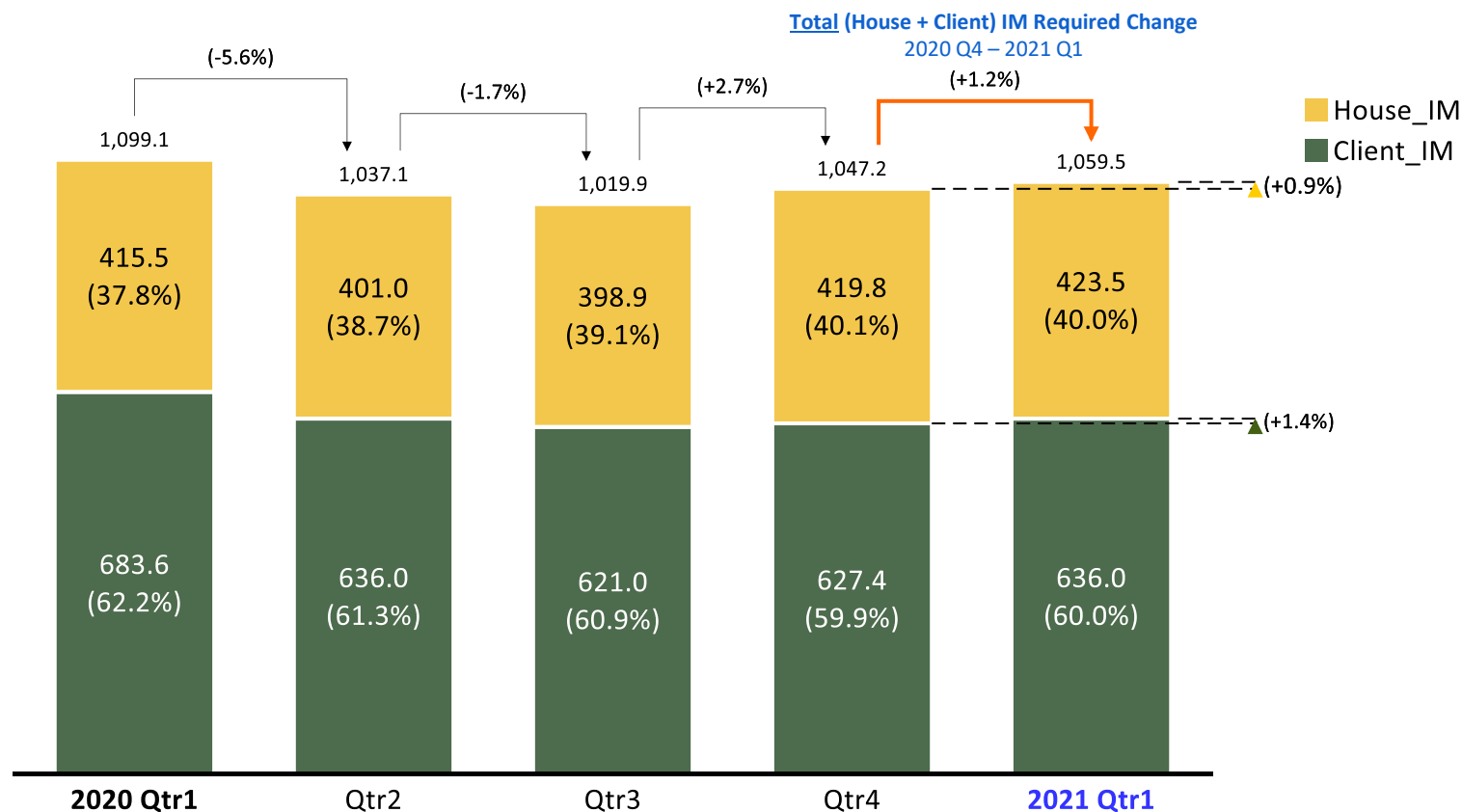
QoQ: Quarter-on-Quarter.

House and Client IM required remains flat for 2021 Q1.  
 House and Client IM increases by 0.9% and 1.4%, respectively.  
 QoQ proportion between both remains constant.

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

Disclosure (6.1.1)

2020 Q1 to 2021 Q1 (USD B and %)



\*Sum of IM Required is slightly lower than the Total IM Required on slide 5, due to no breakdown of House/Client IM Required for HKEX HKSCC, HKEX OTCC and NSE. As a result, these are assumed House\_IM.

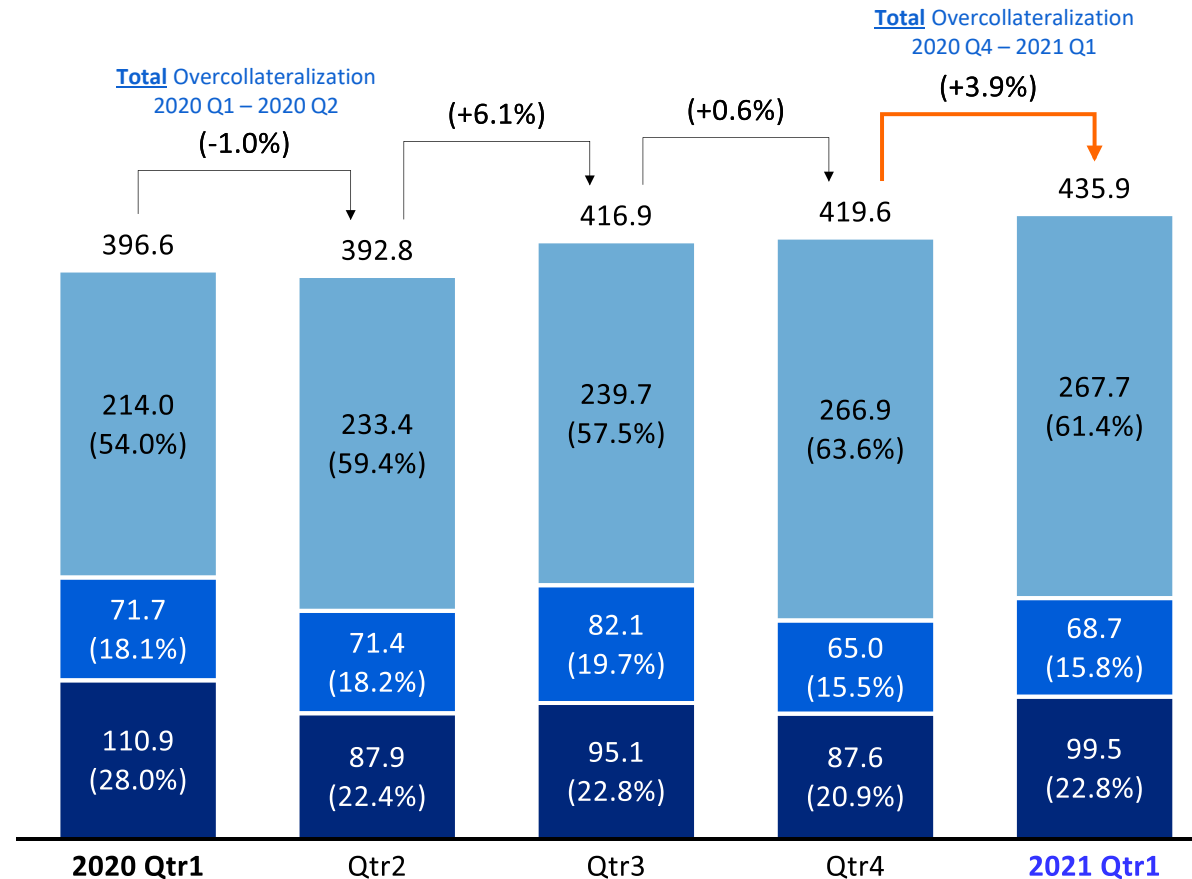
# Total Overcollateralization<sup>†</sup> is USD 435.9 B for 2021 Q1, and increased by 3.9% from 2020 Q4 to 2021 Q1.

Global CCP Overcollateralization (IM and DF Held (PostHaircut) – IM and DF Required)

(6.2.15 + 4.3.15) – (6.1.1 + 4.1.4)

2020 Q1 to 2021 Q1 (USD B and %)

- EMEA
- APAC
- Americas



<sup>†</sup>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

OC: Overcollateralization

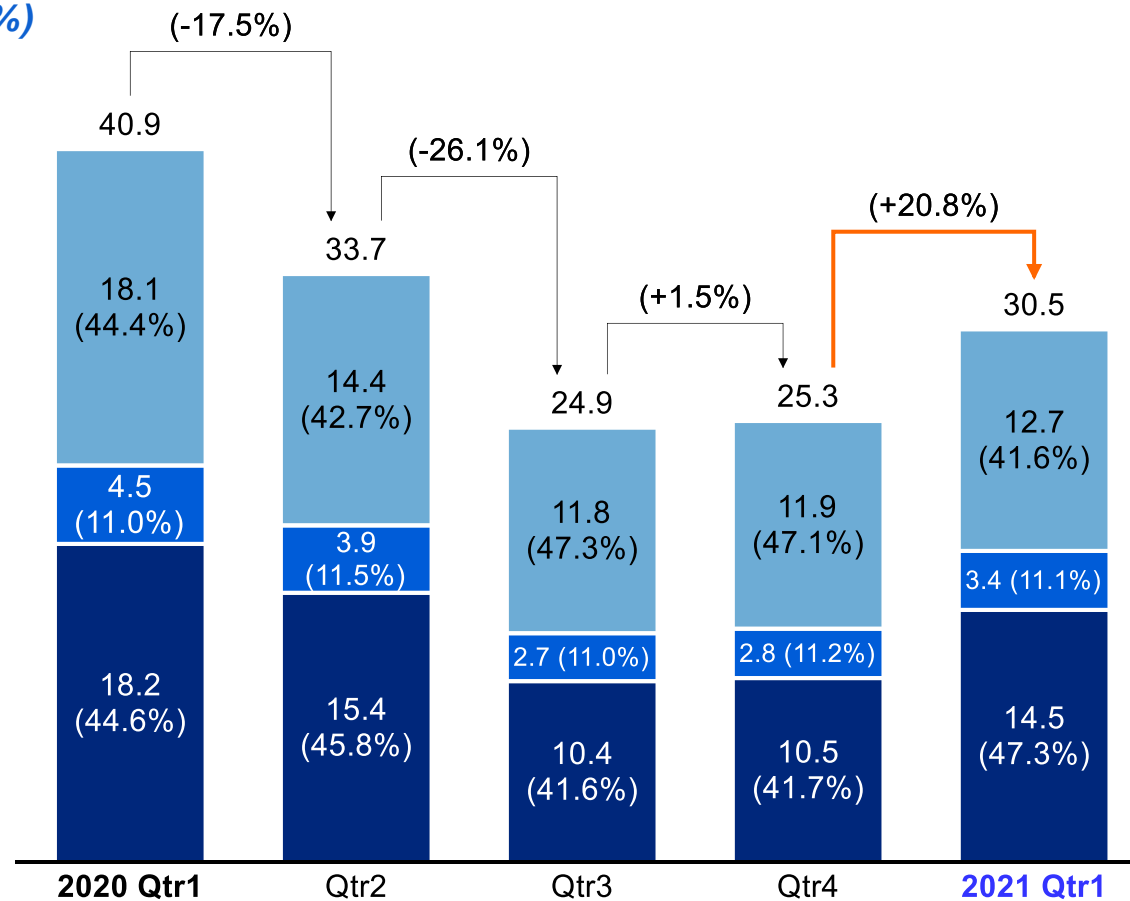
# Average Total VM Paid to the CCP by participants each business day increases 20.8% in 2021 Q1. Proportion of VM paid per region remains constant QoQ.

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

Disclosure (6.6.1)

2020 Q1 to 2021 Q1 (USD B and %)

- EMEA
- APAC
- Americas

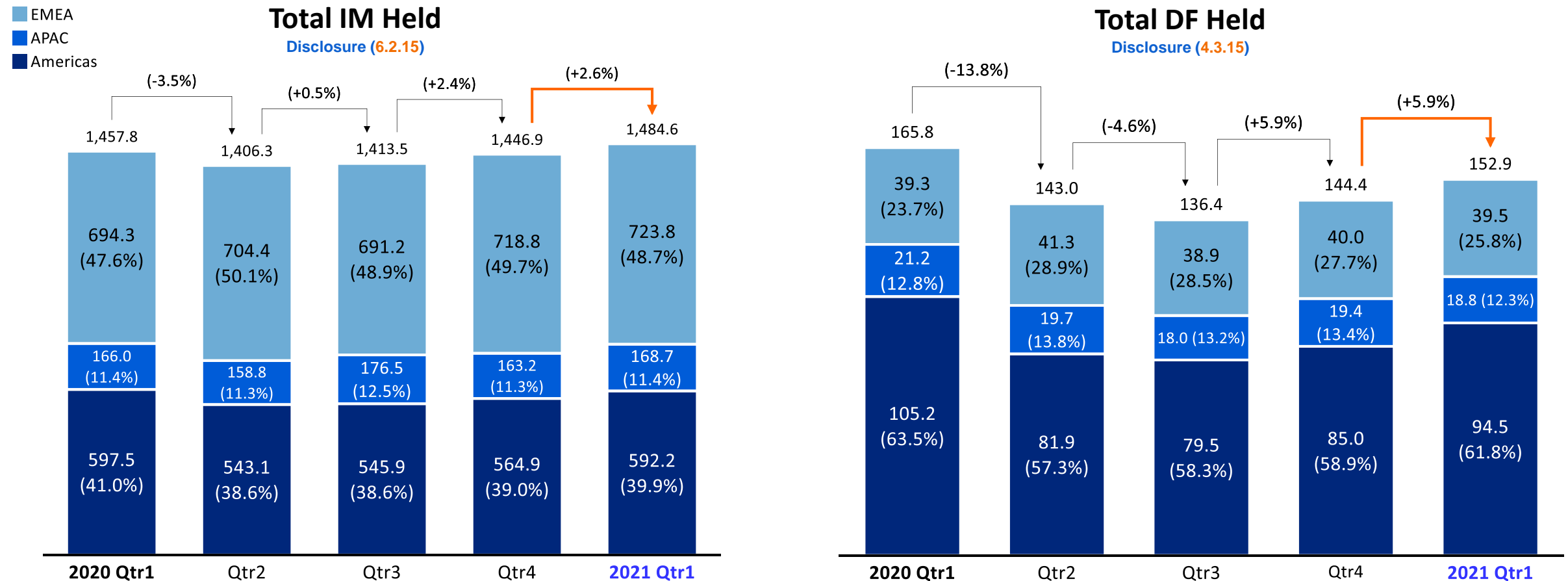




Distribution of IM held is consistently the largest for EMEA, followed by Americas and APAC. IM held for 2021 Q1 remains flat with a 2.6% increase, while the DF held increased by 5.9%.



Global CCP Collateral Held (PostHaircut) - Grand Total  
2020 Q1 to 2021 Q1 (USD B and %)



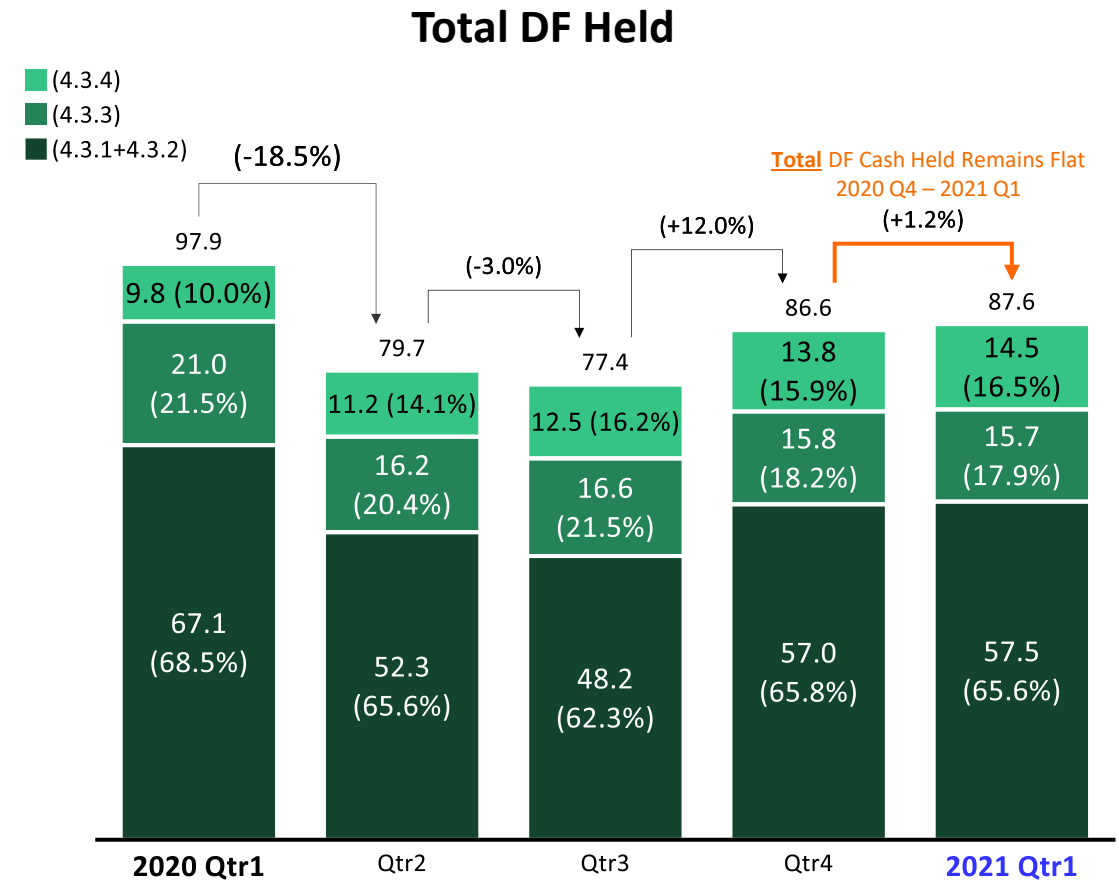
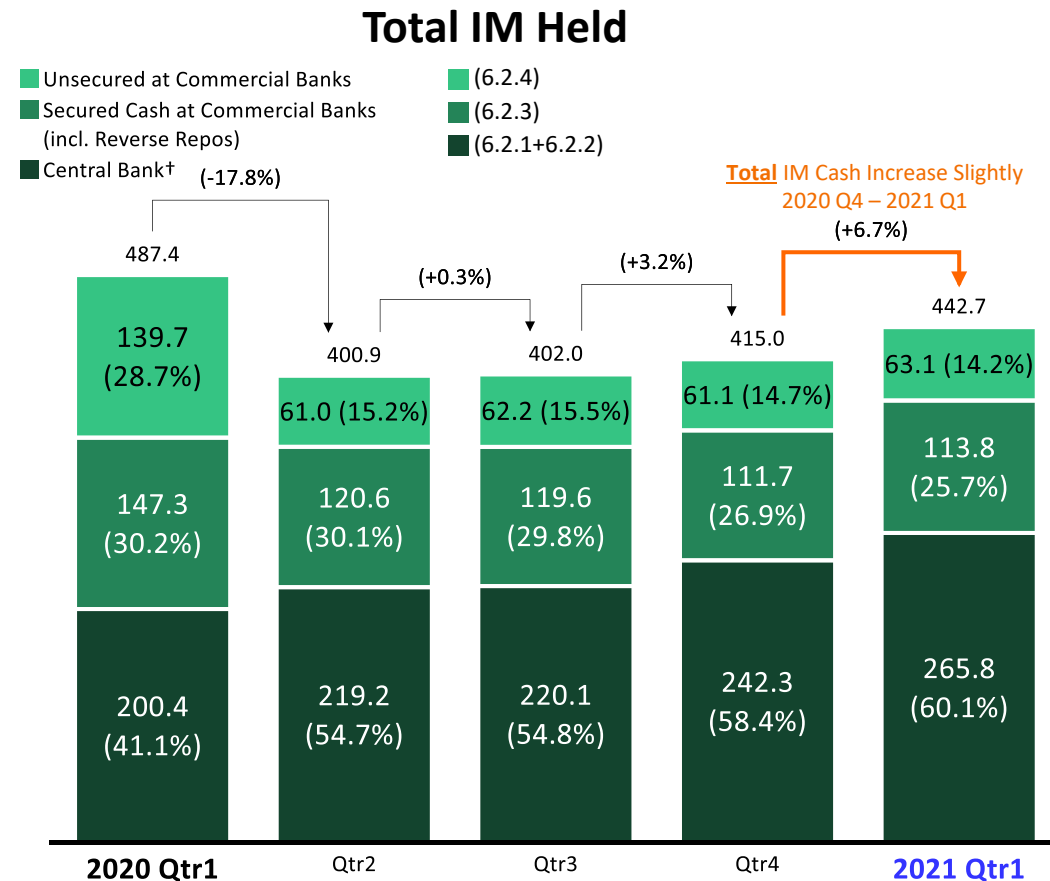
IM: Initial Margin

Jul-21

# Total Cash held increases slightly for IM by 6.7%. DF remains flat with a 1.2% increase. Majority of all cash resources continue to be deposited at the Central Bank†



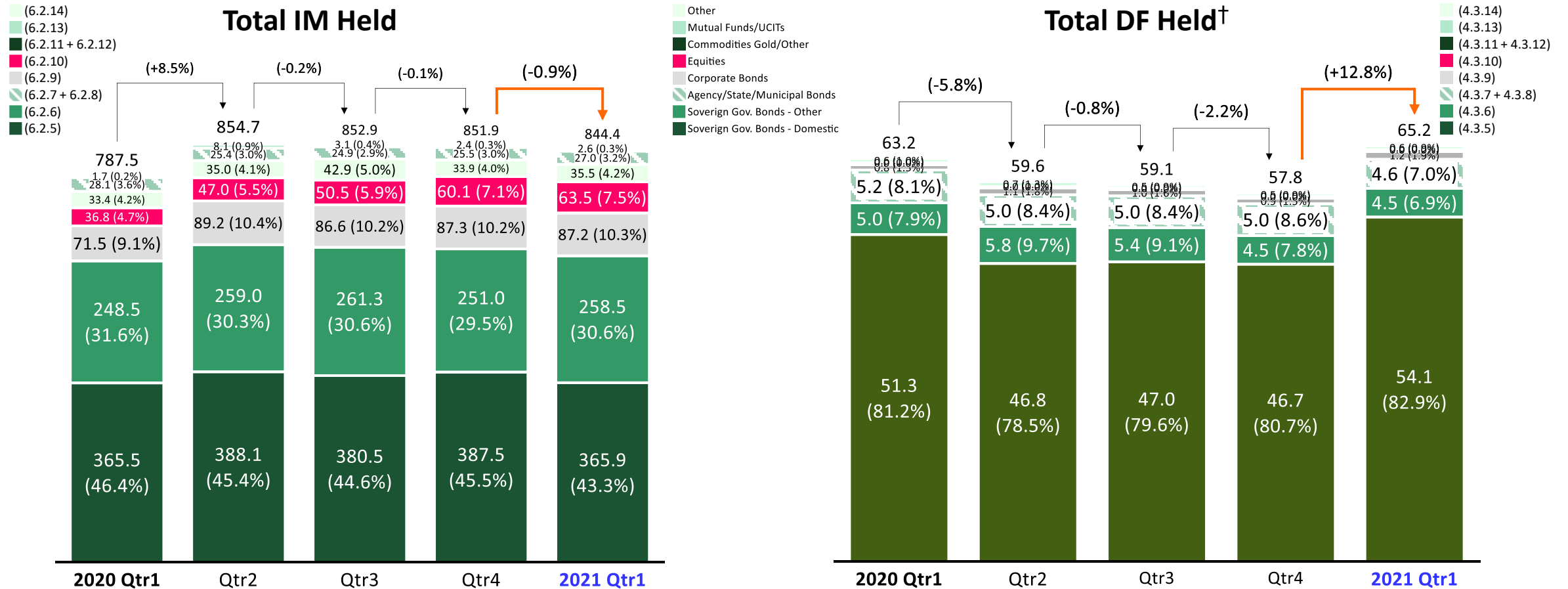
Global CCP Collateral (Held) (PostHaircut) – Cash Total  
2020 Q1 to 2021 Q1 (USD B and %)



\*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.  
 †Cash deposited at "Other Central Bank of Issue" (IM: 6.2.2, DF: 4.3.2) makes up <0.3% of the total cash collateral for IM and <0.3% for the DF. Therefore, "Central Bank of Issue" and "Other Central Bank" Cash deposits grouped together within charts.

During 2021 Q1, global **Non-Cash held** IM remains flat with a **0.9% decrease**. DF increases **12.8%** driven primarily by the increase across **Sov' Gov' Bonds (Domestic)**.

**Global CCP Collateral Held (PostHaircut) - Non-Cash Total**  
**2020 Q1 to 2021 Q1 (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.

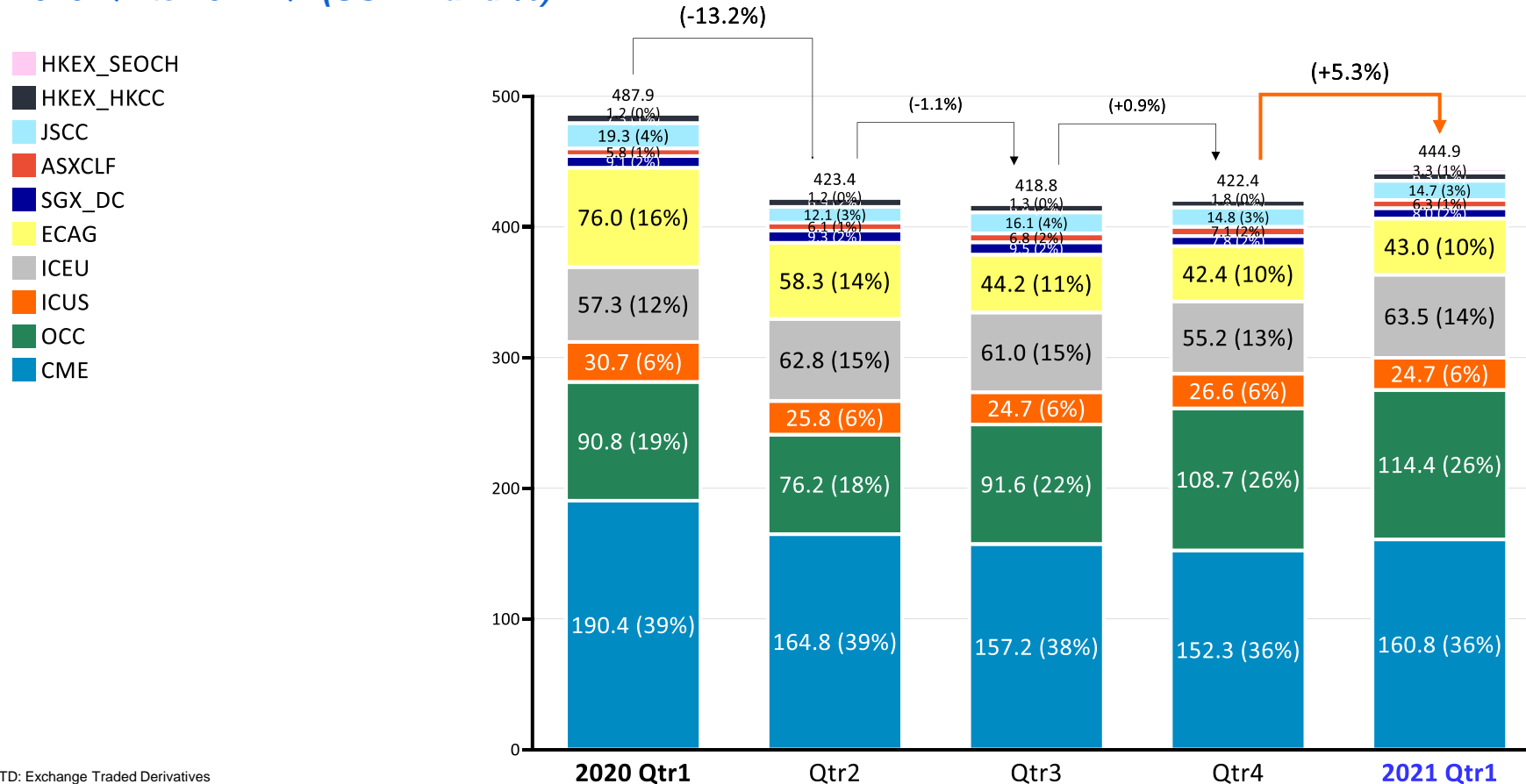
†Disclosures 4.3.8 – 4.3.14 constitute on average <1.5% of total non-cash collateral for the quarter.

For 2021 Q1 the IM required for ETDs across the following selected 10 CCPs increased by **5.3%**. Proportion across each CCP remains consistent.

Global CCP IM (Required) Collateral for ETDs across selected CCPs

Disclosure (6.1.1)

2020 Q1 to 2021 Q1 (USD B and %)



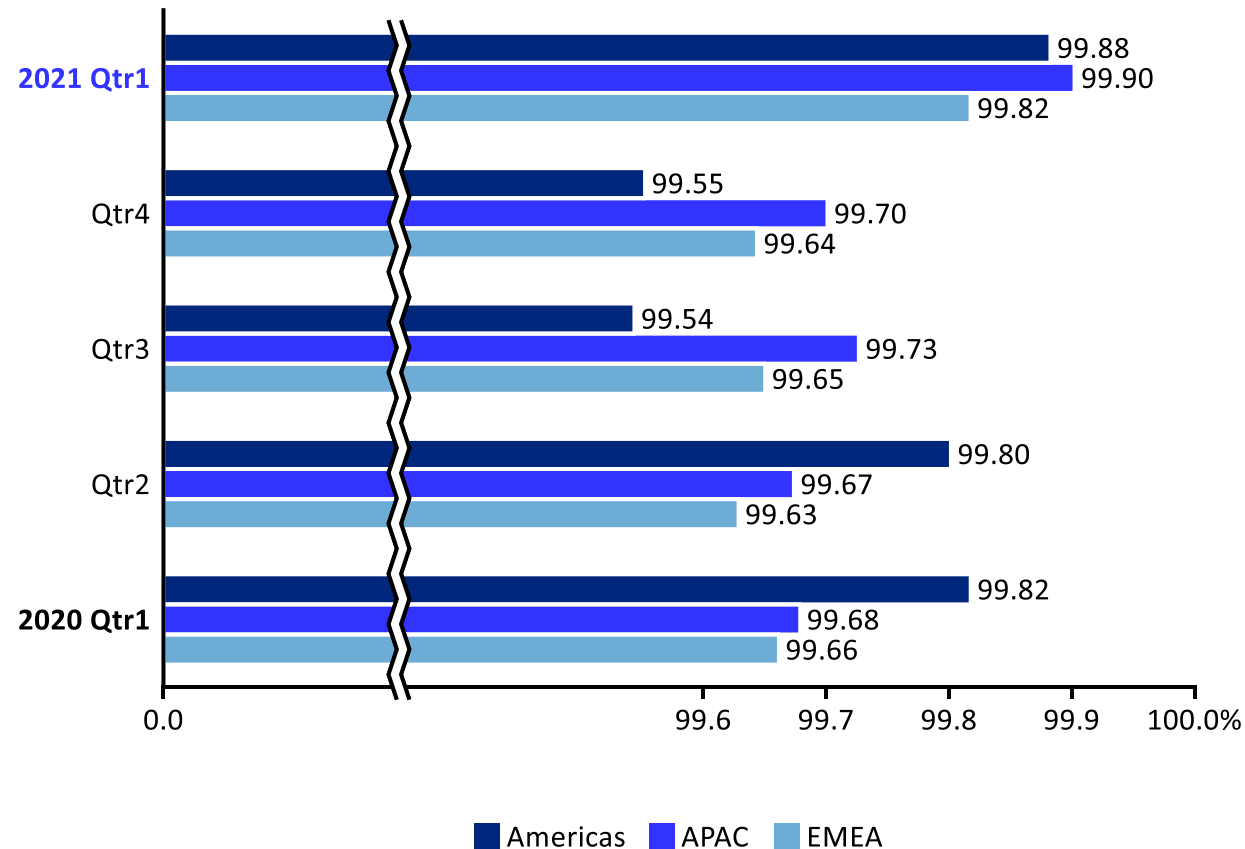
ETD: Exchange Traded Derivatives

# Results of back-testing of initial margin (Achieved Coverage Level) has remained above 99.5% (on average) across all regions since 2020 Q1

Results of back-testing of initial margin – Achieved coverage level\*

Disclosure (6.5.3)

2020 Q1 to 2021 Q1 (%)



\*Average has been taken across each respective region

# CCPs reported a **99.97%** availability to core clearing systems over the previous 12-month period



## Availability, Failures and Recovery Time Objectives

2021 Q1

- 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 (April 1, 2020 through March 31, 2021) across all 43 CCP PQDs was: **99.97%**

### Disclosure (17.4):

Out of 45 CCP PQDs representing 30 CCP12 Members & 1 Non-Member	
1 CCP observes a target recovery time of within:	20 Minutes
1 CCP observes a target recovery time of within:	52 Minutes
3 CCPs observe a target recovery time of within:	1 hour
<b>37 CCPs observe the standard target recovery time of within:</b>	<b>2 hours</b>
3 CCPs observe a target recovery time of within:	4 hours <sup>†</sup>

\*For 2020 Q4, the average availability of core clearing systems over the period (January 1, 2020 through December 31, 2020) across all CCPs was 99.99%.

†Based on their respective regulatory requirements

# CCP12 Members



Copyright © CCP12 2021. All rights reserved.

The information, opinions and analysis detailed throughout this PQD Newsflash are for general information purposes only. While we attempt to keep the information up-to-date and accurate, there are no representations or warranties, expressed or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the information, products, services, or related graphics contained in this PQD Newsflash for any purpose. This Newsflash may not be reproduced or redistributed, in whole or in part, without the written permission of CCP12. The information contained herein does not substitute as investment advice and should not be relied upon for such purposes. CCP12 accepts no liability for any loss arising from any action taken as a result of any information within this PQD Newsflash. No one should act upon any such information without the professional or financial advice and a thorough analysis of the data within the report.