$2.1 quadrillion! That’s the total notional compressed at SwapClear – and a key reason why we remain a market leader. But we’re not stopping there. With more frequent compression runs offered by an Approved Compression Service Provider (ACSP) and innovative enhancements to our blended rate and multi compression offerings, SwapClear is now delivering even greater benefits to participants.

**Compression-Ometer**

$2,109 trn*
Notional compressed

11,918,171*
Number of trades compressed

*From January 2016 to July 2019

72%
In 2018, SwapClear compressed away the equivalent of 72% of the total notional it cleared

**Source: Clarus Financial Technology – excluding swaptions and cross currency swaps

**Effect of Compression on Notional Outstanding**

$44 trn
Increase in Notional Outstanding despite $1,208 trn cleared

Notional Cleared $1,208 trn
Maturing Trades $-288 trn
Notional Compressed $-876 trn

Notional Outstanding $338 trn
As of Aug. 2018

Notional Outstanding $382 trn
As of Jul. 2019
LOWERING YOUR CAPITAL REQUIREMENT

Reducing your capital burden has become even more important with the proposed introduction of the leverage ratio. This provides a clear incentive for financial institutions to optimize their capital requirement through the use of compression services.

<table>
<thead>
<tr>
<th>Notional Outstanding</th>
<th>$1,000,000,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenor</td>
<td>1–5 Yrs</td>
</tr>
<tr>
<td>CEM Netting Limit</td>
<td>x 40%</td>
</tr>
<tr>
<td>CEM-Required PFE</td>
<td>x 0.5%</td>
</tr>
<tr>
<td>Resulting Exposure</td>
<td>$2,000 mn</td>
</tr>
<tr>
<td>Minimal Capital Requirement</td>
<td>$60 mn</td>
</tr>
</tbody>
</table>

THE BENEFITS OF COMPRESSION

Optimizes Capital
The level of capital needed by financial institutions to support their derivatives exposure to the clearinghouse is based on notional outstanding, which can be significantly reduced through compression.

Reduces Operational Risk
Eliminating line items lowers the administrative burden by reducing the number of reconciliations needed, as well as streamlining portfolio management.

Streamlines Porting
Increases the likelihood and ease of porting by creating more efficient portfolio transfers in the ordinary course of business and default scenarios.

SWAPCLEAR’S SUITE OF COMPRESSION OFFERINGS

SwapClear provides a broad range of proprietary compression offerings, as well as access to third-party ACSPs.

<table>
<thead>
<tr>
<th>Solo</th>
<th>Solo with Blended Rate</th>
<th>Duo</th>
<th>Multi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available for members and clients to terminate their own off-setting trades, regardless of counterparties. Eligible products: IRS, OIS, Basis, FRAs, VNS &amp; Inflation.</td>
<td>Available for members and clients to compress any trade with the same remaining cash flow dates. Eligible products: IRS, OIS &amp; FRAs. <strong>COMING SOON:</strong> Blended rate compression to include front stubs, basis swaps and inflation</td>
<td>Provides a matching service identifying mutual compression opportunities between a pair of members. This enables them to trade out the opportunities and replicate the original risk in a more notional-efficient way.</td>
<td>Provides multilateral compression to members and clients through its proprietary offering or through an ACSP. <strong>COMING SOON:</strong> Multi compression to include inflation and ND IRS</td>
</tr>
</tbody>
</table>