

# Eurex Partnership Program

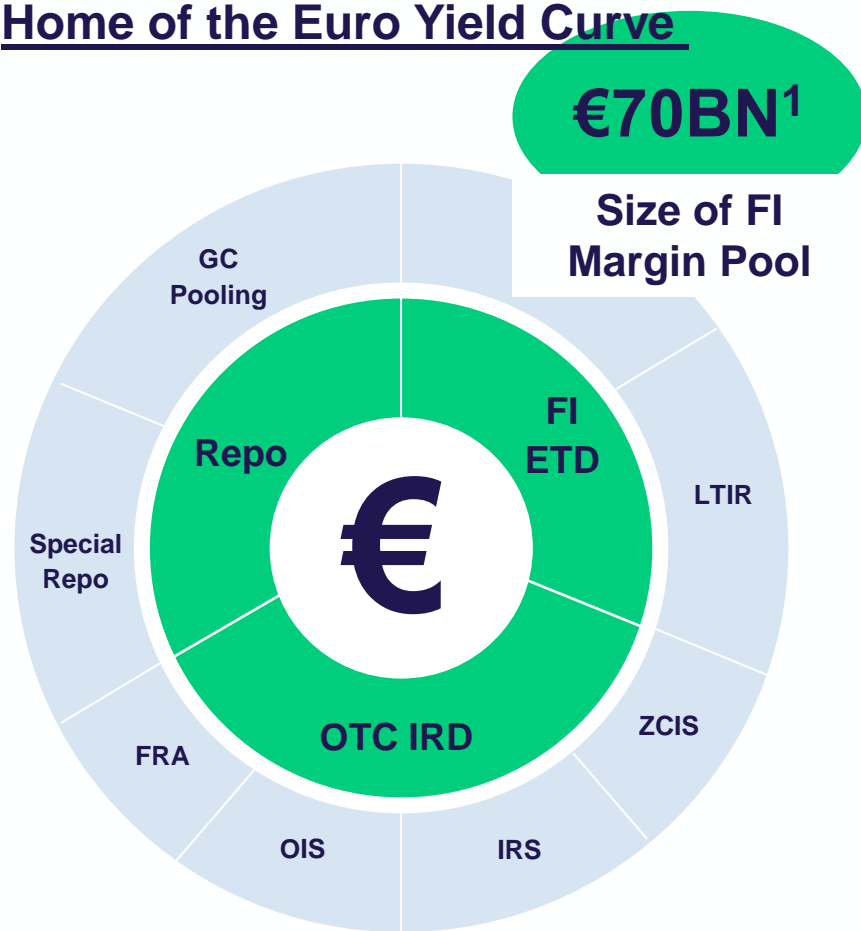
A market-led solution to create an  
alternative liquidity pool for  
€ short-term interest rate derivatives

August 2023



# Eurex maintains the largest integrated European fixed income derivatives and repo liquidity pool

## Home of the Euro Yield Curve



Highly liquid global € fixed income market place

Delivering a strong value proposition

EU-based risk manager

- **Global distribution network:** Trading connectivity to 300+ exchange participants in 30 countries and 175+ clearing members in 19 countries
- **Global leader in European government bond derivatives** with over 1,25 bn contracts traded and clearing in 2022
- **Global Leader in funding driven € repo market** “GC Pooling” with an overall **repo outstanding** of more than **€ 250 billion**
- Second largest liquidity pool globally for **€ interest rate swaps** with an **outstanding of more than €30 trillion** and some **20% market share**
- Fixed income margin pool with more than **€70 BN** offers unparalleled **cross product margin efficiencies** via Eurex Clearing’s **PRISMA**
- **Lowest funding costs** by offering the broadest eligible collateral range and most attractive Euro cash collateral terms globally
- Fully integrated collateral and liquidity management solution
- EMIR authorized “QCCP” with **robust default management** process
- **Robust lines of defense** with more than **€125bn<sup>1</sup>** collateral under management and more than **€15bn in further lines of defense** (e.g. Default Contribution Fund)
- Permanent **access to European Central Bank** to strengthen risk management in crisis situations

**However, Eurex currently has a very limited footprint in the Euro STIR derivatives segment**

# An EU based alternative liquidity pool for STIR derivatives is key to address broader market and political challenges

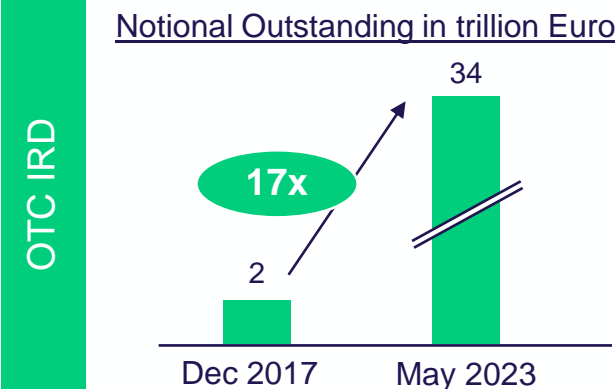


**Objective**

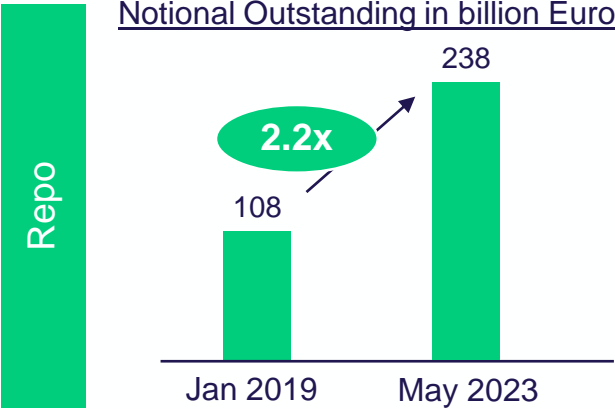
Accelerate **development of EU based alternative for trading and clearing** EURO Short-Term Interest Rate Derivatives

# STIR derivatives expand the existing highly successful Eurex Partnership Program for OTC IRD and Repo

Eurex' Partnership Programs gained broad market support with **40 participants around the globe**



- 600+ onboarded clearing members and clients
- Competitive swaps execution prices across multiple platforms
- Continued success in building a diversified, exposure driven long-dated IRS footprint



- 160+ European financial institutions are currently active on our markets
- Significant market share increase in European government bond repo
- Take-off of dealer-to-clients repo service – with outstanding volumes above €20bn

## Governance

### FIC Board Advisory Committee

### ECAG Supervisory Board

BNP PARIBAS

Deutsche Bank

J.P.Morgan

Bank of America Merrill Lynch

BARCLAYS

COMMERZBANK

LB≡BW

UniCredit

Morgan Stanley

SOCIETE GENERALE

**More than €80 million have been shared since start of the Program with top performing participants**

# The Partnership and a dedicated Liquidity Provider Scheme set the basis for building the alternative liquidity pool

All Eurex Members and Disclosed Clients are eligible to participate in the Partnership Program

## Products and objectives

- Establish Eurex as the **global venue** to trade and clear **euro-denominated rates derivatives**
- Ensure commitment from key stakeholders to build an **alternative liquidity pool** in:
- **Euribor** Futures and Options
- **€STR** Futures and Options
- **Inter-product spread** functionalities across **STIR products**

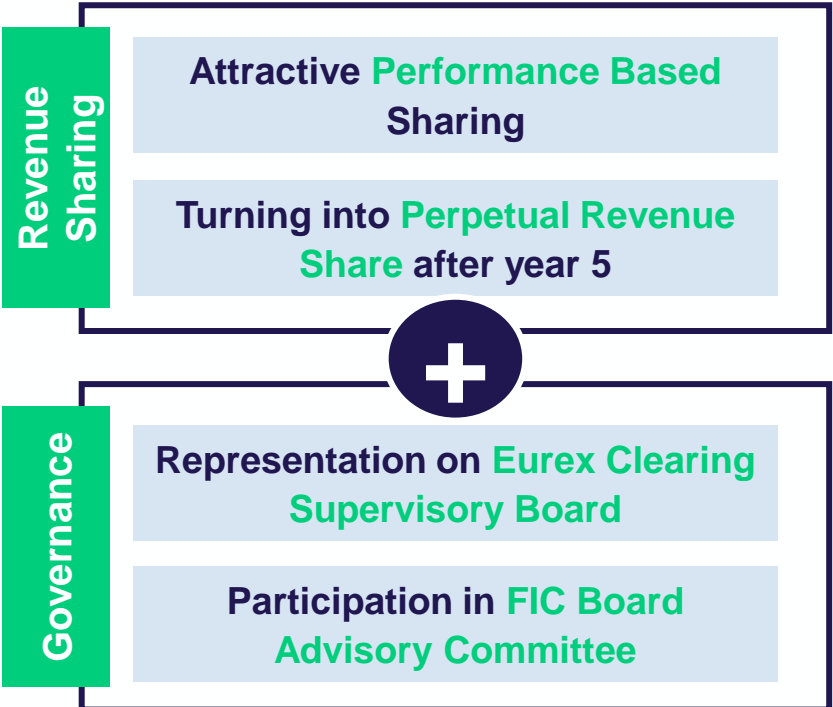
**Eurex  
Partnership  
Program**

**Liquidity  
Provider  
Scheme**

## Scope

- **Expand the framework** of our existing partnership program to **include STIRs**
- **Deepen relationship** with global sell-side institutions and achieve **mutual growth**
- Ensure **shared governance** over a key segment of the European capital markets
- **Long-term, competitive** incentive scheme to order-book liquidity providers
- Ensure **deep liquidity** in the order-book and **lowest execution costs**

## Direct rewards to 10 most active participants in partnership...



# World class infrastructure and strong partnerships are key factors for the success of the STIR derivatives initiative



# The support of our key stakeholders will ensure the success of our initiative

“Adding EUR STIR futures and options is a logical extension for Eurex in European derivatives. We can expect benefits and efficiencies across the EUR interest rate curve and across listed and OTC markets.”

**Guillaume Bioche**, Head of European rates automated market-making, **BNP Paribas**



“We are very excited about the creation of an alternative liquidity pool for EURIBOR! The new expanded program complements Eurex’s comprehensive offering of Euro-denominated short- and long-term interest rate futures and options, OTC IRS and Repo products.”

**David Feldmann**, Head of Markets D/A/CH, **Deutsche Bank**



“Eurex is an EU-based exchange and clearing house which is EMIR authorized as ‘QCCP’ (qualifying central counterparty). We are happy to expand our long-standing partnership with Eurex into STIR futures.”

**Jan Scheffel**, Co-Global Head of STIR Trading, **Goldman Sachs**



“We have been an early supporter and design partner of the OTC interest swaps segment of the program. We now highly appreciate the planned extension of this successful program for more choice and competition.”

**Tom Prickett**, Head of EMEA Rates Trading, **J.P. Morgan**



“Being among the first to trade Euro STR Futures at Eurex, we trust in Eurex to provide an alternative liquidity pool for euro short-term interest rate derivatives. Joining the STIR Partnership Program underlines the ambition to constantly strive to be among the first in new market innovations for our clients.”

**Thilo Rossberg**, Head of FICC Markets, **LBBW**



“The extension of the Partnership Program is the latest step in Eurex’s efforts to provide the market with greater choice and bring more systematically relevant business into the EU. It helps customers not only to diversify risk across CCPs, but also to benefit from comprehensive cross-product margin efficiencies, lowest funding costs via the broadest range of securities collateral and attractive terms for Euro cash collateral.”

**Matthias Graulich**, Member of the Executive Board, **Eurex Clearing**



# Next steps – registration started, product relaunch in Q4 2023





# Disclaimer

© Eurex 2023

Deutsche Börse AG (“DBAG”), Clearstream Banking AG (“Clearstream”), Eurex Frankfurt AG (“Eurex”), Eurex Clearing AG (“Eurex Clearing”) and Eurex Repo GmbH (“Eurex Repo”) are corporate entities and are registered under German law. Eurex Global Derivatives AG is a corporate entity and is registered under Swiss law. Clearstream Banking S.A. is a corporate entity and is registered under Luxembourg law. Eurex Frankfurt AG is the administrating and operating institution of Eurex Deutschland. Eurex Deutschland is in the following also referred to as the “Eurex Exchange”.

All intellectual property, proprietary and other rights and interests in this publication and the subject matter hereof (other than certain trademarks and service marks listed below) are owned by DBAG or its affiliates and subsidiaries or used under authorization by their respective owners, including, without limitation, all patent, registered design, copyright, trademark and service mark rights. While reasonable care has been taken in the preparation of this publication to provide details that are accurate and not misleading at the time of publication DBAG, Clearstream, Eurex, Eurex Clearing, Eurex Repo as well as the Eurex Exchange and their respective subsidiaries, servants and agents (a) do not make any representations or warranties regarding the information contained herein, whether express or implied, including without limitation any implied warranty of merchantability or fitness for a particular purpose or any warranty with respect to the accuracy, correctness, quality, completeness or timeliness of such information, and (b) shall not be responsible or liable for any third party's use of any information contained herein under any circumstances, including, without limitation, in connection with actual trading or otherwise or for any errors or omissions contained in this publication.

This publication is published for information purposes only and shall not constitute investment advice respectively does not constitute an offer, solicitation or recommendation to acquire or dispose of any investment or to engage in any other transaction. This publication is not intended for solicitation purposes but only for use as general information. All descriptions, examples and calculations contained in this publication are for illustrative purposes only.

Eurex and Eurex Clearing offer services directly to members of the Eurex Exchange respectively to clearing members of Eurex Clearing. Those who desire to trade any products available on the Eurex market or who desire to offer and sell any such products to others or who desire to possess a clearing license of Eurex Clearing to participate in the clearing process provided by Eurex Clearing, should consider legal and regulatory requirements of those jurisdictions relevant to them, as well as the risks associated with such products, before doing so.

Only Eurex derivatives that are CFTC-approved may be traded via direct access in the United States or by United States persons.

A complete, up-to-date list of Eurex derivatives that are CFTC-approved is available at: <https://www.eurex.com/ex-en/rules-regs/eurex-derivatives-us/direct-market-access-from-the-us>.

In addition, Eurex representatives and participants may familiarize U.S. Qualified Institutional Buyers (QIBs) and broker-dealers with certain eligible Eurex equity options and equity index options pursuant to the terms of the SEC's July 1, 2013 Class No-Action Relief.

A complete, up-to-date list of Eurex options that are eligible under the SEC Class No-Action Relief is available at:

<https://www.eurex.com/ex-en/rules-regs/eurex-derivatives-us/eurex-options-in-the-us-for-eligible-customers>. Lastly, U.S. QIBs and broker-dealers trading on behalf of QIBs may trade certain single-security futures and narrow-based security index futures subject to terms and conditions of the SEC's Exchange Act Release No. 60,194 (June 30, 2009), 74 Fed. Reg. 32,200 (July 7, 2009) and the CFTC's Division of Clearing and Intermediary Oversight Advisory Concerning the Offer and Sale of Foreign Security Futures Products to Customers Located in the United States (June 8, 2010).

## Trademarks and Service Marks

Buxl®, DAX®, DivDAX®, eb.rexx®, Eurex®, Eurex Repo®, Strategy Wizard®, Euro GC®, FDAX®, FWB®, GC Pooling®, CPI®, MDAX®, ODAX®, SDAX®, TecDAX®, USD GC Pooling®, VDAX®, VDAX-NEW® and Xetra® are registered trademarks of DBAG or its affiliates and subsidiaries. MSCI®, EAFE®, ACWI® and all MSCI indexes (the “Indexes”), the data included therein, and service marks included therein are the intellectual property of MSCI Inc., its affiliates and/or their licensors (together, the “MSCI Parties”). The Indexes are provided “as is” and the user assumes the entire risk of any use it may make or permit to be made of the Indexes. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Indexes and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any of the Indexes, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. For full disclaimer see [msci.com/disclaimer](https://www.msci.com/disclaimer).

ATX®, ATX® five, CECE® and RDX® are registered trademarks of Vienna Stock Exchange AG. IPD® UK Quarterly Indexes are registered trademarks of Investment Property Databank Ltd. IPD and have been licensed for the use by Eurex for derivatives. SLI®, SMI® and SMIM® are registered trademarks of SIX Swiss Exchange AG. The STOXX® indexes, the data included therein and the trademarks used in the index names are the intellectual property of STOXX Limited and/or its licensors. Eurex derivatives based on the STOXX® indexes are in no way sponsored, endorsed, sold or promoted by STOXX and its licensors and neither STOXX nor its licensors shall have any liability with respect thereto. PCS® and Property Claim Services® are registered trademarks of ISO Services, Inc. Korea Exchange, KRX, KOSPI and KOSPI 200 are registered trademarks of Korea Exchange Inc. The names of other companies and third-party products may be trademarks or service marks of their respective owners.

FTSE® is a trademark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. The names of other companies and third-party products may be trademarks or service marks of their respective owners.

PRIIPs: Eurex Deutschland qualifies as manufacturer of packaged retail and insurance-based investment products (PRIIPs) under Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs Regulation) and provides key information documents (KIDs) covering PRIIPs traded on Eurex Deutschland on its website under the following link: <https://www.eurex.com/ex-en/rules-regs/priips-kids>.

In addition, according to Art. 14(1) PRIIPs Regulation the person advising on, or selling, a PRIIP shall provide the KID to retail investors free of charge.