

Credit: Standardization Matrix Definitions and Reporting Explanations

General Product Definitions

Base Product (A)

The primary product categories. These are Index, Index Tranche, Single Name CDS, Swaptions, Baskets and Other, and for ease of reference are further defined in the attached appendix 1.

Sub-Product (B)

Sub-categorisation of the Base Product reflecting its underlying asset. Examples of the sub-product are Single Name CDS on Corporate reference entities or an Index Tranche transaction on a CDX (untranching index). The sub-product is further split into Transaction Types (B1). Individual transactions within the same Transaction Type each reference the same set of legal provisions governing the credit derivative transaction, providing a standard product type for reference in a relevant Confirmation, reporting, or other communication in respect of a transaction.

Region (C)

The individual Transaction Type used for a transaction is typically determined by the location of the Reference Entity(ies), and the Matrix further groups the Transaction Types into geographical region. This allows the Matrix to reflect differences in regional processes and provide associated trading metrics. The regions used are based on the assignment of individual Transaction Types to the five regional ISDA Credit Derivatives Determinations Committees. "Global" refers to Transaction Types whose Reference Entities are potentially drawn from multiple regions.

Industry Volume Metrics

Submissions are sourced directly from reporting firms internal records and divided into (i) G14 vs G14 (labeled G14) and (ii) G14 vs Non G14 (labeled Non G14). The G14 column will count transactions for each dealer that has submitted and therefore a single trade between two G14 firms will be represented twice in the data. Gross notional values will be converted to USD using the exchange rates from the Trade Information Warehouse (“TIW”)¹ as of 30th June. Submissions will include all trades that would be eligible for reporting to the TIW.

Stock Portfolio (D)

A count of all current outstanding live transactions across G14 dealers² for each sub-product/region combination as of the 30th June 2011. This will be reflected as a count of live transactions (D) and a gross notional of those transactions in USD (D1)

Monthly Volume (E)

Sum of submissions of G14 dealer’s monthly average economic trading volume³ for the 3 month period between April 2011 – June 2011. The submission reflects both trade count (E) and gross notional in USD (E1). This volume includes all external executions of New Trades, Unwinds and Step-In Assignments. This metric excludes all activity related to post trade date clearing, portfolio compression, remaining party novations and bulk assignments related to mergers, etc. This metric includes only economic risk transfer activity for the submitting dealers. Transactions resulting from Delta Neutral Auctions (DNAs) are considered new trades.

¹ FX Rates supplied by DTCC repository for the purpose of conversion into USD. Appendix 2: FX Conversion Rates.

² Data should be submitted for those entities that currently submit to the repository.

³ Per firm, this is the total count of economic external activity done over the 3 month period, divided by 3. Each submission is then collated and summed up.

Standardisation Levels

General Note regarding Reported Values

All fields reported as a weighted average percentage are determined as follows:

Submitting firms will provide a best efforts approximation, to the nearest whole percentage point, of their volume of business that is processed according to the relevant category. This percentage will be applied to the submitting firms volume submission to determine a trade count for the category in question. The aggregate of individual firms trade counts will be expressed as a percentage of total industry volume in the relevant cell.

Execution Venue (F & G):

Voice (F)

Weighted average percentage of Monthly Volume that is executed by communication over phone, email or similar messaging platforms.

Bilateral Voice (F1 & F1a)

Bi-lateral communication over phone, email or similar bi-lateral messaging platform (Bloomberg MSG, IM, etc.) Only the two parties to the trade have the transaction details at the point of execution.

- F1 - if yes at least 1 reporting party has identified this execution venue as having utilized in the reporting period
- F1a - will be reported as a percentage of transactions which have been executed via the venue

Multiparty Voice (F2 & F2a)

Multiparty voice platforms that contain multiple market-maker bids/offers that are classified as Multi Party Execution Venues (Inter Dealer Broker "click to trade" screens, Request-For-Quote platforms, etc.), over the period covered in the calculation of (E). In all cases, there is a third party that captures transaction details at the point of execution

- F2 – if yes at least 1 reporting party has identified this execution venue as having utilized in the reporting period
- F2a – will be reported as a percentage of transactions which have been executed via the venue

Electronic (G1 & G2)

Weighted average percentage of Monthly Volume that is executed on a purpose built electronic execution platform. This can be on a dealers own in-house electronic execution venue offered to its clients (Single Dealer)(G1) or a third party communal venue such as those offered by interdealer execution brokers (Multi Party)(G2).

Single Dealer Electronic Platform (G1 & G1a)

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Platforms sponsored by a single market maker and available to one or more counterparties for trade execution. Transaction details are recorded by a system/platform sponsored/owned by one of the two parties to the trade and there is no third party involved in execution

- G1 - if yes at least 1 reporting party has identified this execution venue as having utilized in the reporting period
- G1a - will be reported as a percentage of transactions which have been executed via a single dealer electronic execution venue

Multi Party Electronic Platform (G2)

Multiparty platforms that contain multiple market-maker bids/offers that are classified as Multi Party Execution Venues (IDB “click to trade” screens, RFQ platforms, etc.), over the period covered in the calculation of (E). In all cases, there is a third party that captures transaction details at the point of execution

- G2 – if yes at least 1 reporting party has identified this execution venue as having utilized in the reporting period
- G2a – will be reported as a percentage of transactions which have been executed via the venue

Electronic Confirmation (I)

Weighted average percentage of trades within each sub-product/region combination that are confirmed using electronic confirmation, referencing industry sponsored confirmations

Short Form Paper (J1)

Weighted average percentage of trades within each sub-product/region combination that are confirmed using industry sponsored short form paper confirmation

Long form Paper (J2)

Weighted average percentage of trades within each sub-product/region combination that are confirmed under industry sponsored long form paper confirmation or other mechanism for confirmation.

Clearing Eligibility (L)

Yes/No value indicating that at least one transaction in any sub-product/region combination is available for clearing.

Credit Standardisation Definitions

Annex 1

Credit Base Product Definitions	
<u>Base Product</u>	<u>Base Product Description</u>
Single Name CDS	A credit derivative transaction, on a single name Reference Entity ⁴ , in which one party (the Protection Buyer) pays the other party (the Protection Seller) periodic payments for the specified life of the agreement. The Protection Seller makes no payment unless one of a defined set of Credit Events relating to a Reference Entity or certain of its obligations occurs. If such an event occurs, it triggers the Protection Seller's settlement obligation, which can be either cash or physical.
Index	A portfolio of Single Name CDS, each Reference Entity and the relative weighting of each Reference Entity being determined by reference to a published index.
Index Tranche	A credit derivative transaction on a portfolio of Reference Entities, each Reference Entity and the relative weighting of each Reference Entity being determined by reference to a published index, in which one party (the Protection Buyer) pays the other party (the Protection Seller) periodic payments for the specified life of the agreement. The Protection Seller makes no payment unless one of a defined set of Credit Events relating to a Reference Entity or certain of its obligations occurs and losses on the portfolio due to such Credit Events exceed a pre-agreed attachment point. If such an event occurs, it triggers the Protection Seller's settlement obligation, which can be either cash or a combination of cash and physical. The Protection Seller ceases to make payments once losses on the portfolio exceed a pre-agreed detachment point. Different attachment and detachment points or "tranches" (equity, mezzanine, senior, and super senior) reference a different segment of the loss distribution of the underlying index.
Swaptions	An option to enter into a predetermined underlying CDS transaction that is either a Single Name CDS or an Index.
Baskets	A Bespoke Tranching Credit Derivative Transaction that is similar to an Index Tranche, but references Reference Entities agreed by the parties rather than an index.
Securitized Credit Products: (Index, Index Tranche, Single Name CDS)	Any Credit Derivative Transaction referencing a single Reference Obligation that is an asset-backed security, mortgage-backed security and/or collateralized debt obligation (including, but not limited to, any collateralized loan obligation, collateralized bond obligation, collateralized synthetic obligation or hybrid thereof).
Other	Any Credit product or deal that falls outside of the above categories.

⁴ Refers to the legal entity that is the subject of a CDS contract. The reference entity can be the issuer or the guarantor of the debt.

Credit Standardisation Definitions

Appendix 2: FX Conversion Rates

CCY	FX Rate
USD	1
AED	0.27224
AFN	0.02325
ALL	0.01028
AMD	0.00271
ANG	0.55685
AOA	0.01071
ARS	0.24336
AUD	1.07209
AWG	0.5571
AZN	1.27113
BAM	0.738
BBD	0.5
BDT	0.01344
BGN	0.73626
BHD	2.65216
BIF	0.00081
BMD	1
BND	0.81366
BOB	0.14255
BRL	0.6402
BSD	0.9995
BTN	0.02262
BWP	0.1529
BYR	0.0002
BZD	0.5119
CAD	1.03723
CDF	0.00109
CHF	1.18948
CLF	46.86035
CLP	0.00213
CNY	0.15467
COP	0.00056

CCY	FX Rate
COU	0.110959
CRC	0.00199
CUP	1
CVE	0.01304
CZK	0.05963
DJF	0.00564
DKK	0.19445
DOP	0.02626
DZD	0.01394
EGP	0.16751
ERN	0.06622
EUR	1.45043
FJD	0.56705
FKP	1.60128
GBP	1.60475
GEL	0.60139
GHS	0.66002
GIP	1.60128
GMD	0.03571
GNF	0.00014
GTQ	0.12861
GYD	0.00485
HKD	0.1285
HNL	0.05285
HRK	0.19668
HTG	0.02447
HUF	0.00545
IDR	0.00011
ILS	0.29403
INR	0.02242
IQD	0.00085
IRR	0.00009
ISK	0.00873

CCY	FX Rate
JMD	0.01171
JOD	1.40845
JPY	0.01241
KES	0.01119
KGS	0.02208
KHR	0.00024
KMF	0.00294
KPW	0.00111
KRW	0.00093
KWD	3.64331
KYD	1.21951
KZT	0.00685
LAK	0.00012
LBP	0.00066
LKR	0.00913
LRD	0.01369
LSL	0.14785
LTL	0.42006
LVL	2.0454
LYD	0.82808
MAD	0.12785
MDL	0.08603
MGA	0.00051
MKD	0.02375
MMK	0.1536
MNT	0.00079
MOP	0.12475
MRO	0.00364
MUR	0.03527
MVR	0.06518
MWK	0.00659
MXN	0.08534
MXV	0.388973

CCY	FX Rate
MYR	0.33107
MZN	0.03552
NAD	0.14786
NGN	0.00655
NIO	0.04459
NOK	0.18544
NPR	0.01396
NZD	0.82867
OMR	2.59706
PAB	1
PEN	0.36363
PHP	0.02306
PKR	0.01161
PLN	0.36464
PYG	0.00024
QAR	0.2746
RON	0.34264
RSD	0.0144
RUB	0.03583
RWF	0.00167
SAR	0.26664
SCR	0.08264
SDG	0.37362
SEK	0.15812
SGD	0.814
SHP	1.60128
SLL	0.00022
SOS	0.00062
SRD	0.3028
STD	0.00005
SVC	0.11435
SYP	0.02107
SZL	0.14787

CCY	FX Rate
THB	0.03255
TJS	0.21421
TMT	0.35081
TND	0.73195
TOP	0.58119
TRY	0.61652
TTD	0.15625
TWD	0.03471
TZS	0.00061
UAH	0.12523
UGX	0.00038
UYP	0.0541
UYU	0.05434
VEB	0.2299
VEF	0.23266
VND	0.00004
VUV	0.01096
WST	0.4474
XAF	0.00221
XCD	0.37037
XDR	1.60032
XOF	0.00221
XPF	0.01211
YER	0.00465
ZAR	0.14786
ZMK	0.0002
ZWL	0.00263