



## **\$1.41 Trillion in Collateral Posted for Cleared and Non-cleared Derivatives, ISDA Margin Survey Finds**

**WASHINGTON, September 18, 2017** – The International Swaps and Derivatives Association, Inc. (ISDA) has published a new survey on margin payments in the over-the-counter derivatives market, which shows that approximately \$1.41 trillion of collateral was posted for cleared and non-cleared trades by the end of the first quarter of 2017.

Of this amount, initial margin (IM) posted by clearing participants to central counterparties (CCPs) for their cleared derivatives trades totaled \$173.4 billion. IM posted to the 20 largest market participants for their non-cleared derivatives transactions totaled \$107.1 billion. Variation margin (VM) posted totaled \$1.13 trillion, with \$260.8 billion for cleared and \$870.4 billion for non-cleared.

The analysis reflects significant changes to collateral practices in cleared and non-cleared derivatives markets over recent years. In September 2016, the 20 largest derivatives dealers had to meet new regulatory margin requirements for their non-cleared trades. These rules were expanded to the second phase of derivatives users on September 1, 2017, and will be phased in for ever-broader circles of market participants until 2020. All in-scope entities are now also subject to variation margin requirements.

Clearing volumes have also grown rapidly since the financial crisis, resulting in an increase in collateral posted to CCPs. Approximately 76% of interest rate derivatives notional outstanding was cleared at the end of 2016, according to the Bank for International Settlements.

“ISDA’s margin survey shows that the industry has made great strides to make the derivatives market safer and more robust. Posting collateral reduces counterparty risk, makes the industry as a whole more resilient, and meets a key Group of 20 requirement for financial reform,” said Scott O’Malia, ISDA’s Chief Executive.

- IM and VM posted by clearing participants to CCPs for cleared interest rate swaps (IRS) and credit default swaps (CDS) totaled \$434 billion at the end of March 2017. IM and VM posted with the top-20 dealers for their non-cleared derivatives totaled \$977.5 billion.
- The 20 largest dealers delivered \$63.6 billion of IM in total and received \$107.1 billion of IM for their non-cleared derivatives transactions. VM delivered by these firms totaled \$685 billion and VM received was \$870.4 billion.

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- The amount of IM delivered to CCPs for cleared IRS and CDS totaled \$173.4 billion. VM posted to CCPs by market participants for cleared IRS and CDS at the end of the first quarter of 2017 was approximately \$260.8 billion.
- The \$1.41 trillion total excludes margin posted on cleared products other than IRS and CDS, and also excludes margin on non-cleared derivatives exchanged between non-top-20 firms.

To collect this data, ISDA surveyed the 20 banks with the largest non-cleared derivatives exposures – the so-called ‘phase-one’ firms under the new margin rules. ISDA also used publicly available data on cleared derivatives from two US CCPs, three European CCPs, and two Asian CCPs.

Click [here](#) to access the full report.

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**About ISDA**

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 875 member institutions from 68 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers.

Information about ISDA and its activities is available on the Association's website:

[www.isda.org](http://www.isda.org).

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