

ISDA Margin Survey Full Year 2017



Methodology and Participants

- The ISDA Margin Survey considers the impact of regulatory and other changes on collateral practices, and analyzes the amount and type of IM and VM posted for non-cleared derivatives, and the IM posted for cleared transactions.
- For non-cleared derivatives, we surveyed 20 firms with the largest derivatives exposures. These firms were subject to the first phase of the new margining regulations for non-cleared derivatives in the US, Canada and Japan from September 2016, and in Europe from February 2017 (known as ‘phase-one’ firms)
- For cleared derivatives, the survey uses publicly available margin data from two US CCPs (CME Group and ICE Clear Credit), three European CCPs (Eurex Clearing, ICE Clear Europe, and LCH Group (including LCH Ltd and LCH SA)) and two Asian CCPs (Japan Securities Clearing Corporation (JSCC) and OTC Clearing Hong Kong Limited (OTC Clear)).

Initial Margin for Non-Cleared Derivatives

- IM collected by the 20 largest market participants (phase-one firms) for their non-cleared derivatives totaled approximately \$130.6 billion at year-end 2017, a 22% increase over the 2017 first quarter.
 - Of this amount, \$73.7 billion (+58%) came from the 20 phase-one firms and the six phase-two firms currently in scope for the rules (Regulatory IM).
 - Approximately \$56.9 billion (-6%) was collected under existing collateral agreements from counterparties not currently in scope (Discretionary IM).
 - Phase-one firms posted about \$6.4 billion of discretionary IM for non-cleared derivatives (-61%).

IM Posted and Received by Phase-One Firms

	Q4 2017	Q1 2017	Q4 vs. Q1
Regulatory Initial Margin Received	73.7	46.6	58%
Discretionary Initial Margin Received	56.9	60.5	-6%
Total Initial Margin Received	130.6	107.1	22%
Regulatory Initial Margin Posted	75.2	47.2	59%
Discretionary Initial Margin Posted	6.4	16.3	-61%
Total Initial Margin Posted	81.7	63.6	28%

In US\$ billions

Variation Margin for Non-Cleared Derivatives

- Variation margin (VM) for non-cleared derivatives posted and received by phase-one firms totaled \$631.7 billion and \$893.7 billion, respectively, at the end of the fourth quarter 2017. This includes both regulatory and discretionary VM.
 - VM posted decreased by about 8% and VM received increased by 3% compared with ISDA’s VM estimate of \$685 billion and \$870.4 billion, respectively, as of March 31, 2017.

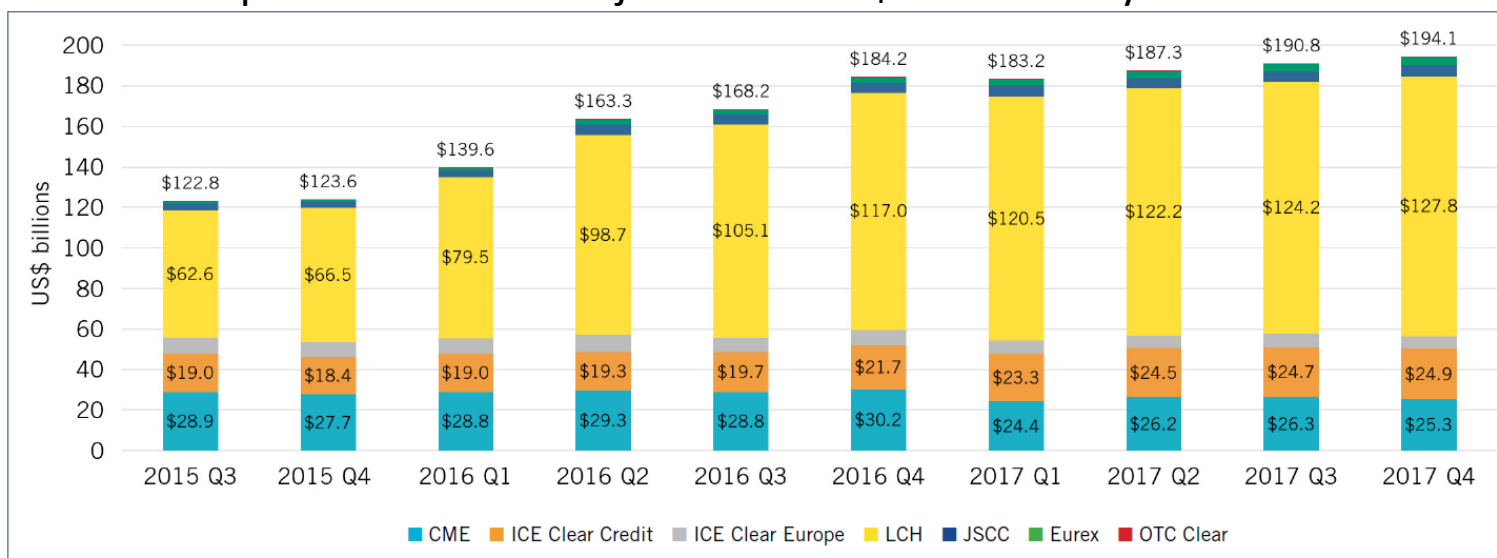
VM Posted and Received by Phase-One Firms

	Q4 2017	Q1 2017	Q4 vs. Q1
Variation Margin Posted	631.7	685.0	-8%
Variation Margin Received	893.7	870.4	3%

In US\$ billions

Initial Margin Posted for Cleared IRD and CDS

- For cleared IRD and both single-name and index credit default swaps (CDS), IM posted at all major CCPs by all market participants totaled \$194.1 billion at year-end 2017. This represents an increase of 6% from \$183.2 billion as of March 31, 2017.
 - \$159 billion of this amount represents IM posted for IRD products. Open interest in IRD products across five major CCPs totaled \$328 trillion at year-end 2017.
 - \$35.1 billion of IM was posted by market participants for CDS transactions. Open interest in CDS products at five major CCPs was \$2 trillion at year-end 2017.



Source: CCP disclosures