

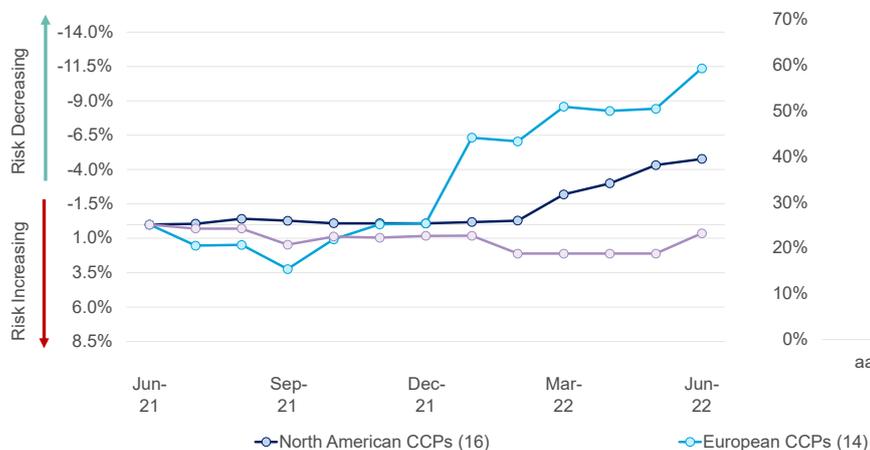
CCP Monitor: Improving Risk Trends, Member Upgrades Dominate

August 2022

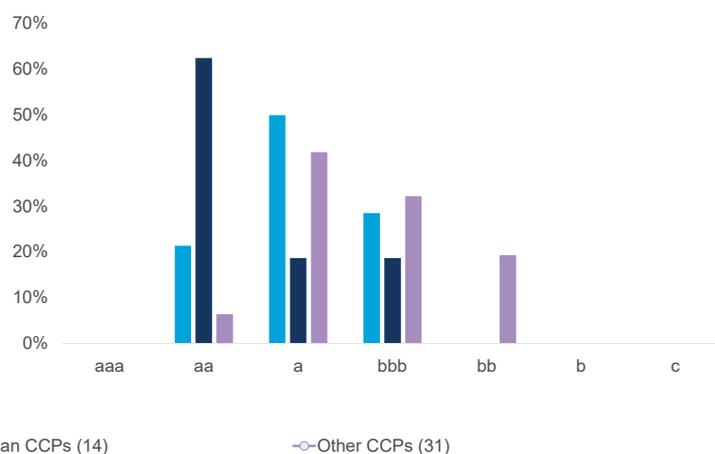
The latest Central Counterparty Clearing House (CCP) monitor produced by Credit Benchmark shows further improvements in credit quality in the two main regions. Figure 1 shows changes in credit risk over the last year (left hand chart), and current credit risk distribution (right hand chart), split by Europe, North America and Other.

Figure 1: Global CCP Aggregated Consensus Credit Risk

Average Consensus Credit Risk of Global CCPs



Consensus Credit Risk Distribution of Global CCPs



European CCP credit risk was the first region group to improve, with a significant increase in credit quality from the beginning of this year. North American CCP credit risk has steadily improved from Feb-22 although at a slower rate than European CCPs. The broader “Other CCP” group shows its first improvement for over 6 months.

Overall credit quality is very high, with 60% of North American CCPs in the **aa** category and the majority of European CCPs in the **a** category. Outside of these regions, there are some CCPs in the **bb** (i.e. High Yield) category.

Figure 2 is an extract from the latest CCP monitor, showing median consensus credit risk data on CCPs members, as well as their credit distribution and the proportion of upgrades vs. downgrades. Note that CCP risk is not a linear function of member risk: median member risk does not necessarily reflect CCP direct credit worthiness.

Figure 2: Global CCP Aggregated Member Credit Risk

| Name | Member Coverage** | Median | CCP Member Aggregate* | | | | | | | UG↑ | DG↓ |
|---|-------------------|--------|-----------------------|----|-----|-----|----|---|---|-----|-----|
| | | | aaa | aa | a | bbb | bb | b | c | | |
| North America | | | | | | | | | | | |
| CANADIAN DEPOSITORY FOR SECURITIES | 51/97 (53%) | a- | | 5 | 26 | 15 | 5 | | | 6% | 5% |
| CANADIAN DERIVATIVES CLEARING CORP | 30/37 (81%) | a- | | 5 | 13 | 9 | 3 | | | 8% | 3% |
| CHICAGO MERCANTILE EXCHANGE INC | 48/63 (76%) | a- | | 2 | 29 | 9 | 8 | | | 11% | 11% |
| CME GROUP INC | 48/63 (76%) | a- | | 2 | 29 | 9 | 8 | | | 11% | 11% |
| DEPOSITORY TRUST AND CLEARING CORPORATION | 162/236 (69%) | a- | | 13 | 75 | 39 | 35 | | | 6% | 5% |
| FIXED INCOME CLEARING CORP - GOV | 143/195 (73%) | a- | | 15 | 79 | 28 | 21 | | | 10% | 7% |
| FIXED INCOME CLEARING CORP - MBS | 120/142 (85%) | a | | 25 | 57 | 21 | 17 | | | 6% | 8% |
| ICE CLEAR CREDIT LLC | 29/29 (100%) | a | | 4 | 23 | 2 | | | | 21% | 17% |
| ICE CLEAR US INC | 27/34 (79%) | a- | | | 16 | 4 | 7 | | | 6% | 12% |
| ICE NGX CANADA INC | 124/206 (60%) | bbb+ | | 7 | 44 | 44 | 27 | 2 | | 3% | 1% |
| MINNEAPOLIS GRAIN EXCHANGE INC | 10/12 (83%) | a- | | | 5 | 1 | 4 | | | | 17% |
| NATIONAL SECURITIES CLEARING CORP | 223/668 (33%) | a- | | 16 | 123 | 45 | 35 | 4 | | 2% | 3% |
| NODAL CLEAR LLC | 13/15 (87%) | a- | | 1 | 10 | | 2 | | | 7% | 7% |
| OPTIONS CLEARING CORP | 89/107 (83%) | bbb | | | 36 | 24 | 29 | | | 7% | 6% |
| APAC | | | | | | | | | | | |
| ASIA PACIFIC EXCHANGE GROUP HOI DINGS PTY LTD | 1/7 (14%) | bbb- | | | | 1 | | | | | |

To illustrate this, Figure 3 shows Credit Consensus Rating (CCR) for some of the main CCPs – and many of these are not rated by the major CRAs.

Figure 3: Global CCP Entity Consensus Credit Risk

| Name | Country | Credit Consensus Rating |
|---|---------------|-------------------------|
| ASIGNA COMPENSACION AND LIQUIDACION | Mexico | bbb |
| ASX CLEAR FUTURES PTY LTD | Australia | aa- |
| ASX CLEAR PTY LTD | Australia | aa- |
| BME CLEARING | Spain | a- |
| CANADIAN DEPOSITORY FOR SECURITIES | Canada | aa- |
| CANADIAN DERIVATIVES CLEARING CORP | Canada | a+ |
| CASSA DI COMPENSAZIONE E GARANZIA | Italy | bbb |
| CCP AUSTRIA ABWICKLUNGSSTELLE FUER BOERSENGESCHAEFTE GMBH | Austria | a- |
| CENTRAL DEPOSITORY PTE LTD | Singapore | a- |
| CHICAGO MERCANTILE EXCHANGE INC | United States | aa- |
| CHINA FINANCIAL FUTURES EXCHANGE | China | bbb |
| CHINA SECURITIES DEPOSITORY AND CLEARING CORP LTD | China | bbb |
| CLEARING CORP OF INDIA LTD | India | bbb- |
| CME GROUP INC | United States | aa- |
| DEPOSITORY TRUST AND CLEARING CORPORATION | United States | aa- |
| DEPOSITORY TRUST CO | United States | aa |
| EUREX CLEARING AG | Germany | aa- |
| EUROPEAN CENTRAL COUNTERPARTY | Netherlands | a- |
| EUROPEAN COMMODITY CLEARING | Germany | a |
| FIXED INCOME CLEARING CORP | United States | aa |
| HKFE CLEARING CORP LTD | Hong Kong | a |
| HONG KONG SECURITIES CLEARING CO LTD | Hong Kong | a- |
| ICE CLEAR CREDIT LLC | United States | aa- |

For example, the Canadian Derivatives Clearing Corporation has a CCR of **a+**, but the median rating across more than 80% of the members in Figure 2 is **a-**. Similarly, the CME has a CCR of **aa-** but the median across 76% of its members is again **a-**.

CCPs are major users of Credit Consensus data, and as interest rates rise there is a growing focus on credit risk concentration and early indications of changes in credit trends. Consensus data is also available as a download for more than 1000 aggregates, including various financial subsectors. These can be used to calculate upgrade/downgrade ratios and default risk correlations across geographies, industries and sectors.

For the latest full CCP report, [click here](#).

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About Credit Benchmark

Credit Benchmark brings together internal credit risk views from 40+ of the world's leading financial institutions. The contributions are anonymized, aggregated, and published in the form of entity-level Credit Consensus Ratings (CCRs) and aggregate analytics to provide an independent, real-world perspective of risk. CCRs are available for 60,000 financials, corporate, funds, and sovereign entities globally across emerging and developed markets, and 90% of the entities covered are otherwise unrated.

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Credit Benchmark provides Credit Consensus Ratings and Analytics based on contributed risk views from 40+ of the world's leading financial institutions, including 15 GSIBs, domiciled in the US, Continental Europe, Switzerland, UK, Japan, Canada, Australia and South Africa.

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Credit Benchmark fills an information gap left open by traditional credit risk content providers by offering a timely, comprehensive view of credit risk which proves complementary to issuer-paid rating agencies and third party model vendors. The first of its kind "credit consensus" data reflects the expertise of more than 20,000 credit analysts across the contributing group – a powerful example of the wisdom of crowds.

Credit Consensus Ratings and Analytics are available on over 60,000 corporate, financial, fund and sovereign entities globally, most of which are unrated by credit rating agencies.

Data that works for you

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Data Use Cases

- › Counterparty Risk Management
- › Credit Risk Management
- › Systematic Credit Trading
- › Securities Finance
- › Supply Chain Risk
- › Trade Credit Insurance
- › Fund Management
- › Regulation, RWA & Capital
- › Onboarding, KYC & Relationship Management
- › Point-in-Time (PIT) Impairments
- › Accounts Payable & Receivable



10 Million

Contributed Credit Risk Estimates Per Year
40 Million+ Estimates Collected Since Launch



60,000+

Entities Covered



2x

Twice Monthly Frequency



75%

Unrated by Major Credit Rating Agencies



1,200+

Aggregates



160+

Countries



80+

Months of Data



50+

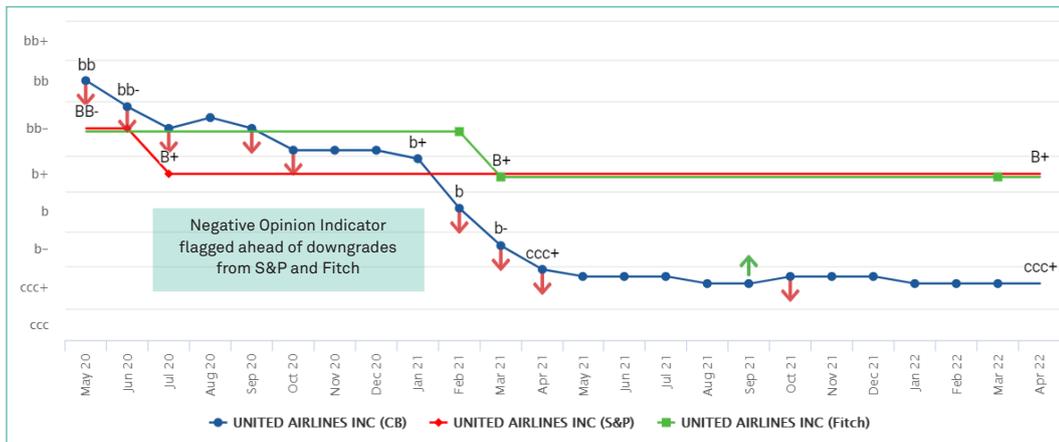
Data Metrics



40+

Contributing Financial Institutions Representing a Pool of 20,000+ Credit Analysts

Real-world risk views with unparalleled consensus coverage



Credit Consensus Rating: Unique measure of creditworthiness based on the views of 40+ leading global financial institutions

Consensus Analytics: Insights into the depth, dispersion, movement, and directionality of the Credit Consensus Rating's underlying views

Opinion Indicator: Month over month observation-level net downgrades or upgrades

Credit Benchmark Web App: Entity-Level Data Sample

Quickly filter the database of 60,000+ legal entities

Combine qualitative and quantitative fields to screen for entities that meet your criteria

Screen for public and non-publicly rated entities within specific geographies, industries, sectors and within your defined rating thresholds

44,628 Entities found

| CBID | Entity Name | Credit Consensus Rating | S&P Rating | Fitch Rating |
|--------------|--|-------------------------|------------|--------------|
| CB0000000009 | IHS GLOBAL CANADA LTD | bbb- | Unrated | Unrated |
| CB0000000025 | GYP HOLDINGS III CORP | bb | Unrated | Unrated |
| CB0000000080 | GESTIELLE CEDOLA DUAL BRAND | a- | Unrated | Unrated |
| CB0000000087 | TRANE TECHNOLOGIES LUXEMBOURG FINANCE SA | bbb+ | Unrated | Unrated |
| CB0000000088 | TECK HIGHLAND VALLEY COPPER PARTNERSHIP | bbb | Unrated | Unrated |

Credit Benchmark Web App: Data Screen Sample

Data that works for you:

Credit Benchmark data is available via our Web App, Excel add-in, API, flat-file download, and third-party channels including Bloomberg.

Contact us to learn more and get a free trial of our data.

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