

triReduce Portfolio Compression

triReduce, an award-winning multilateral portfolio compression service for OTC derivatives, is an important tool for managing counterparty exposure and to help meet the new Basel III leverage ratio requirements.

Optimizing Leverage Ratios and Reducing Risk

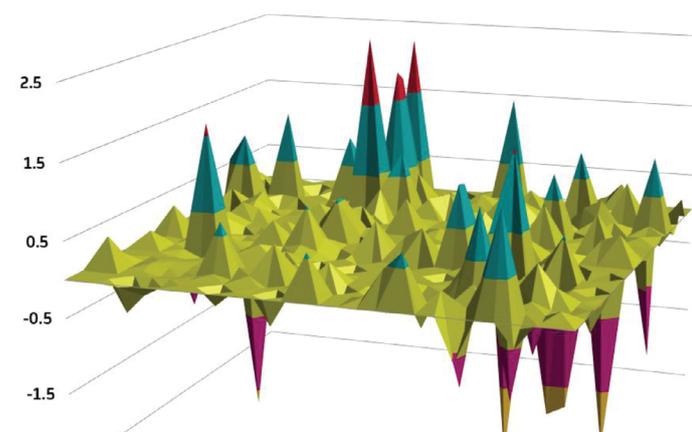
Reducing operational risk and cost by reducing gross notional, eliminating line items and managing counterparty risk exposures are critical motivators for the use of portfolio compression. OTC derivative market participants have eliminated more than \$1,065 trillion in notional principal through September 2017. triReduce leverages multilateral compression opportunities across portfolios, enabling firms to terminate trades with different coupons, end dates and cash flows for optimal results. Compression is available for cleared and uncleared interest rate swaps in 28 currencies, cross currency swaps, credit default swaps, FX forwards, and commodity swaps.

Meeting the Regulatory Challenges

New collateral, clearing, and capital regulations in the U.S., Europe and Asia are driving OTC derivative market participants to shed as much of their gross notional exposure as possible through multilateral portfolio compression. Eliminating transactions through triReduce, especially in the clearinghouse environment, can also help achieve the regulators' goal of reducing systemic risk in the financial system.

Smoothing Out Bilateral Counterparty Risk Exposures

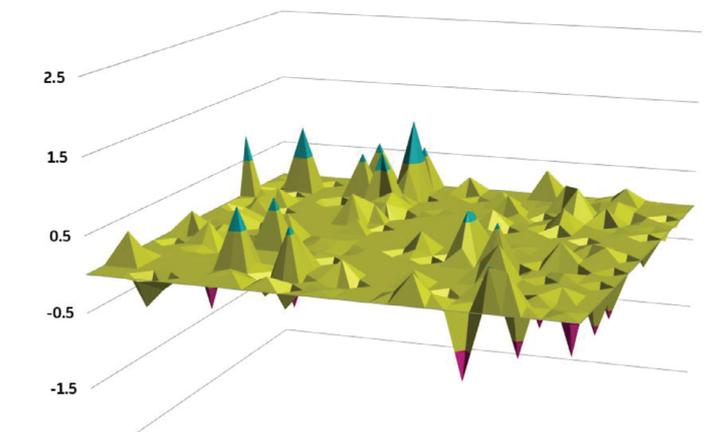
Counterparty risk **before** triReduce cycle



Delta in Millions

■ -2.5 to -1.5 ■ -1.5 to -0.5 ■ -0.5 to 0.5 ■ 0.5 to 1.5 ■ 1.5 to 2.5

Counterparty risk **after** triReduce cycle



Net Notional € Billion

The triReduce compression service can facilitate proactive management of counterparty exposures for uncleared trades, reducing capital charges and notional outstandings.

Global Reach, Broad Product Coverage

With over 260 institutions worldwide participating in our compression cycles, triReduce delivers significant and measurable results for our customers.

Interest Rate Swaps	FX Forwards & Swaps	Credit Default Swaps	Commodity Swaps	On Demand Compression
✓ Uncleared swaps	✓ G-10 pairs	✓ Indices	✓ Oil	✓ Bilateral cycles
✓ Cleared swaps in CCPs	✓ EM pairs	✓ Single names	✓ Gas	✓ Internal cycles
✓ Cross currency swaps	✓ NDFs	✓ Tranches	✓ Power	
✓ Inflation swaps		✓ Mortgage products	✓ Coal	
✓ Basis swaps		✓ Emerging markets	✓ Precious metals	
✓ OIS and FRAs		✓ Credit event cycles		

Secure, Simple Process

A triReduce cycle is a simple, secure process whether the trades are cleared or uncleared, dealer trades or client trades. triReduce maintains strong interfaces with CCPs and infrastructure providers around the globe to help clients participate seamlessly in compression.

- Participants identify and submit OTC trades they would like to eliminate from their books
- A multilateral "Unwind Proposal" is generated based on each participant's own mid-market values
- Participants then accept their Unwind Proposals as legally terminated, eliminating costs and risks

Getting Started with triReduce

Getting started with triReduce is quick and easy. triReduce is a web-based service with no software installation necessary. Our client managers are available for training front, middle, and back office personnel and once you are onboard, they will guide you through the simple preparation steps for each triReduce cycle. triReduce is committed to working with all participants in the OTC markets as they face the challenges of new regulatory requirements around the globe.

**Award-Winning
Innovation**



Compression Service of the Year

2019 Global Capital Award

**Winner
FX-Week
e-FX
Awards
2016**

FX Week Awards

Best Post Trade
Services Provider

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