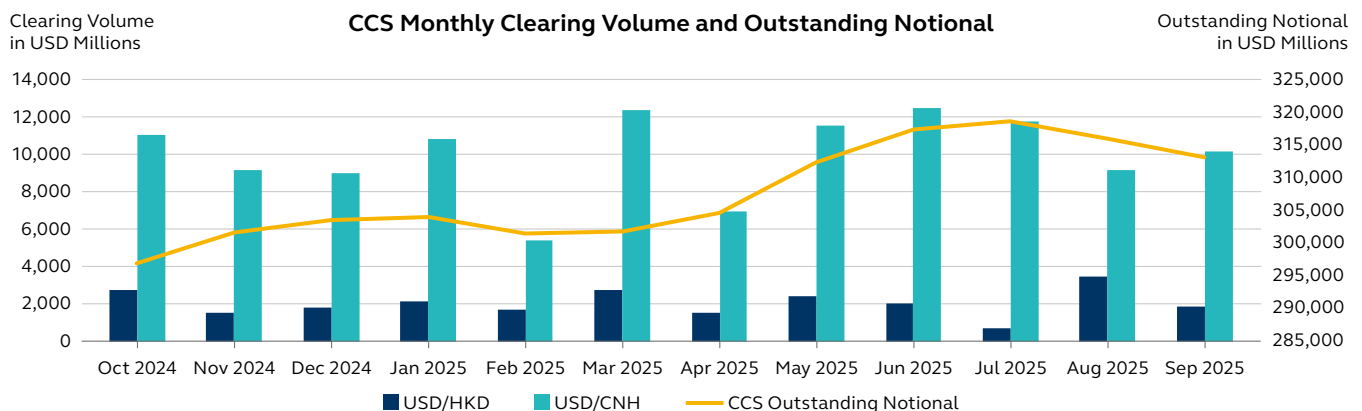


OTC Clear offers Cross Currency Swaps (CCS) clearing for USDCNH and USDHKD currency pairs. Users of CCS may include: (i) investors holding USD assets who wish to switch funding to CNH or HKD, and vice versa, or who have speculative views about interest rate movements. CCS clearing services can benefit clearing members through capital savings via reduction on bi-lateral risk-weighted assets (RWA). It also helps relieve credit limit pressure by novating trades with OTC Clear.

Clearing volume



Contract specifications

Economic Terms	Product Specifications	
Currency Pair	USD/HKD	USD/CNH
Tenor	Maximum 16 years	Maximum 11 years
Coupon Payment Flow	<ul style="list-style-type: none"> Fixed vs Float Float vs Float 	
Exchange of Notional	Only initial exchange or final exchange, both initial exchange and final exchange or no exchange of notional	
Floating Rate Option	<ul style="list-style-type: none"> HKD-HIBOR-HKAB HKD-HONIA-OIS Compound USD-SOFR USD-SOFR-OIS Compound 	<ul style="list-style-type: none"> CNH-HIBOR CNY-SHIBOR USD-SOFR USD-SOFR-OIS Compound
Floating Rate Day Count Fraction	<ul style="list-style-type: none"> HKD: Actual/365 (Fixed) USD: Actual/360 	<ul style="list-style-type: none"> HKD: Actual/365 (Fixed) CNH: Actual/360 and Actual/365 (Fixed)
Fixed Rate Day Count Fraction	Actual/Actual, Actual/365 (Fixed), Actual/360, 30/360, 30E/360 & 30E/360 (ISDA), Actual/Actual (ICMA)	
Business Day for Payment Dates	Mandatory: New York and Hong Kong. Other holiday centres can be added on an optional basis	Mandatory: New York, Beijing, and Hong Kong. Other holiday centres can be added on an optional basis
Business Day Convention	Following, Modified Following and Preceding	

Margin reduction from portfolio margining

- CCS can enjoy cross-product margining synergy with all OTC Clear products.
- Illustration of potential margin savings from cross-product margining between CCS and Interest Rate Swaps (IRS):

Portfolio cleared in OTC Clear	Margin requirement when products are cleared separately	Margin requirement when netted in OTC Clear	Margin Savings via OTC Clear
US\$1 billion HKD IRS US\$1 billion USD/HKD CCS	HKD148 million	HKD101 million	HKD47 million (31%)
US\$90 million USD/CNH CCS US\$1 billion USD/HKD CCS	HKD89 million	HKD46 million	HKD43 million (48%)
US\$90 million USD/CNH CCS US\$1 billion USD/HKD CCS	HKD89 million	HKD81 million	HKD8 million (9%)

Table and figures are for illustration purposes only

List of CCS clearing members

- Australia and New Zealand Banking Group Limited
- Bank of China (Hong Kong) Limited
- Bank of Communications Co., Ltd.
- Barclays Bank PLC
- BNP Paribas
- The Bank of East Asia, Limited
- China CITIC Bank International Limited
- China Construction Bank (Asia) Corporation Limited
- Citibank, N.A.
- Credit Agricole Corporate and Investment Bank
- DBS Bank Ltd.
- Deutsche Bank Aktiengesellschaft
- Hang Seng Bank, Limited
- The Hongkong and Shanghai Banking Corporation Limited
- Hua Xia Bank Co., Ltd
- Industrial and Commercial Bank of China (Asia) Limited
- Industrial Bank Co. Ltd.
- JPMorgan Chase Bank, National Association
- Oversea-Chinese Banking Corporation, Limited
- Societe Generale
- Standard Chartered Bank

Disclaimer

The information contained in this document is for general informational purposes only and does not constitute an offer, solicitation, inducement, invitation or recommendation to buy or sell any securities, futures and options contracts, or other products or to provide any investment advice or service of any kind. This document is solely intended for distribution to and use by professional investors. This document is not directed at, and is not intended for distribution to or use by, any person in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject Hong Kong Exchanges and Clearing Limited ("HKEX"), OTC Clearing Hong Kong Limited ("OTC Clear"), or any of their affiliates, or any of the companies that they operate (together, the "Entities", each an "Entity"), to any registration or licensing requirement within such jurisdiction or country.

No part of this document may be regarded as creating any obligation on the part of any of the Entities. Rights and obligations with regard to the clearing and settlement of any contracts on OTC Clear shall be subject to the applicable rules of OTC Clear, as well as the applicable laws, rules and regulations of Hong Kong and other relevant jurisdictions.

Although the information contained in this document is obtained or compiled from sources believed to be reliable, none of the Entities guarantee the accuracy, validity, timeliness or completeness of the information or data for any particular purpose, and the Entities shall not accept any responsibility for, or be liable for, errors, omissions or other inaccuracies in the information or for the consequences thereof. The information set out in this document is provided on an "as is" and "as available" basis and may be amended or changed. It is not a substitute for professional advice which takes account of your specific circumstances and nothing in this document constitutes legal advice. None of the Entities shall be responsible or liable for any loss or damage, directly or indirectly, arising from the use of or reliance upon any information provided in this document.

ADDITIONAL INFORMATION FOR PERSONS IN SINGAPORE

The only persons in Singapore which this document is intended to be distributed are: (a) "Accredited Investors" as defined in section 4A(1)(a) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and regulation 2 of the Securities and Futures (Classes of Investors) Regulations 2018 or (b) "Institutional Investors" as defined in section 4A(1)(c) of the SFA and regulation 4 of the Securities and Futures (Classes of Investors) Regulations 2018.

ADDITIONAL INFORMATION FOR PERSONS IN THE UNITED KINGDOM

This document is being distributed only to, and is directed only at: (a) persons who have professional experience in matters relating to investments who are reasonably believed to be investment professionals (as that term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")) and their relevant directors, officers or employees for the purposes of Article 19 of the Order; or (b) persons who are reasonably believed to be high net worth entities (as that term is defined in Article 49(2) of the Order) and their relevant directors, officers or employees for the purposes of Article 49 of the Order, and (c) other persons to whom it may otherwise lawfully be communicated in accordance with the Financial Services and Markets Act 2000 and the Order (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this document (and the related presentation) relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Hong Kong Exchanges and Clearing Limited

8/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong
info@hkex.com.hk (t) +852 2522 1122 | (f) +852 2295 3106 hkexgroup.com | hkex.com.hk

