Portfolio Compression

Reduce capital costs, operational risk and cost by lowering gross notional and eliminating line items.

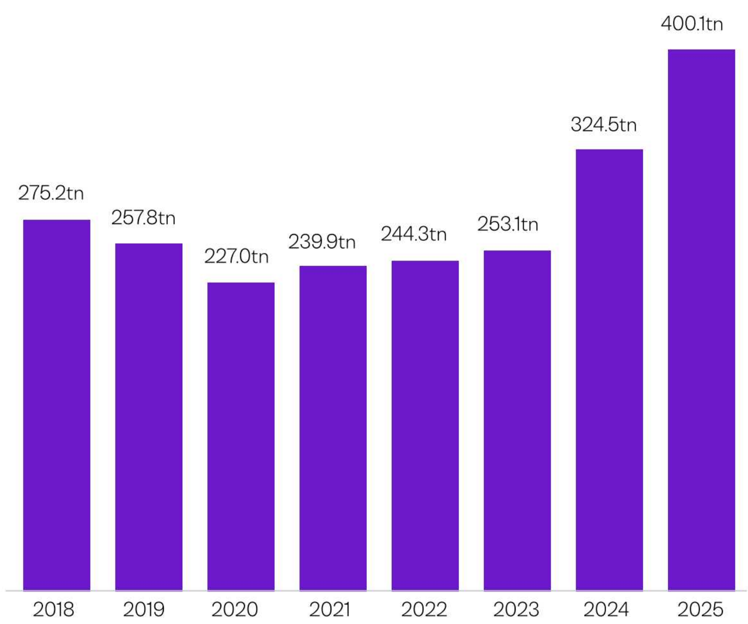
Our compression service, OSTTRA triReduce, uses a state-of-the-art algorithm to identify and leverage multilateral compression opportunities for both cleared and uncleared OTC derivative trades. This simplifies portfolios, allowing firms to effectively mitigate risk and manage escalating balance sheet costs through:

- **Gross notional reduction**
  A key contributor to optimising G-SIB and D-SIB calculations.
- **Gross MtM reduction**
  Focused on non-cleared trades to significantly improve balance sheet health.
- **Line item reduction**
  Lowers associated maintenance costs and improves system efficiency (mitigating the "cost of cloud").

Global reach

We provide seamless connectivity with major CCPs to maximise the compression pool for 28 interest rate swap currencies, inflation, cross-currency, credit (single names and indices), FX (NDFs and forwards), and commodities. Our global infrastructure supports clearing members, FCMs, and clients, ensuring liquidity and participation across deliverable and non-deliverable currencies.

Rates Compression (USD)



Benefits

Broad asset class coverage*

Cleared and uncleared interest rate swaps, inflation swaps, cross-currency swaps, credit default swaps, FX forwards, and commodity swaps.

Innovative

25 years of experience, yet able to innovate to adapt to regulatory shifts and evolving client demand.

CCP collaboration

We work with key CCPs - including ASX, CME, Eurex, HKEX, JSCC, KRX, LCH, and NASDAQ.

Established network

An extensive global network of market participants, providing access to a deep pool of liquidity.

Consistent

A uniform compression process ensures a seamless experience regardless of region or product.

Connectivity

Integrated with major hubs (e.g., OSTTRA Connect, CCPs, DTCC, CLS) with the flexibility to use your data directly for a bespoke workflow fit.

Trusted

A reliable process underpinned by a robust and proven legal framework.

API integration

Option to connect directly via the OSTTRA triReduce API for automated, high-speed interaction and straight-through processing.

Advanced capabilities

We achieve optimal results by going beyond simple termination. Participants can unlock further efficiencies by allowing changes in coupons, notionals, and dates, or by leveraging trade refactoring technology to create risk replacement trades.

Bilateral & bespoke compression

We also offer bilateral and bespoke compression to meet specific internal and external needs. Participants can compress trades within the same bank legal entity - e.g., flow books that have transactions against structured or treasury books, across multiple legal entities or to achieve specific bilateral goals with one or a few other counterparties. These sessions can be executed on a bespoke timeline tailored to your specific requirements and urgency.

*Restrictions may apply

For more information please email info@osttra.com

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