

12-015

TO: Clearing Member Firms
Back Office Managers

FROM: CME Clearing

SUBJECT: **CME OTC IRS Liquidity Add-On Implementation**

Below please find a table describing the EUR Swap parameters for the Liquidity Add-On charge previously approved by the Interest Rate Swaps Risk Committee as part of our margining regime. These parameters are subject to periodic recalibration.

For multi-currency portfolios, Liquidity Add-Ons will now be applied based on the naked margin requirement for EUR and USD Swaps within a Clearing Member's House Account and each individual Customer Account in our New Release environment beginning on January 11, 2011.

For further details on calculation methodology please contact the CME Client Service Team at Onboarding@cmegroup.com or reference the previously posted CME OTC IRS Liquidity Add-On Implementation Advisory sent on Friday, October 28th, 2011.

Subject to a successful test period, we target going live with the EUR Liquidity Add-On on Monday, January 23, 2011.

EUR Liquidity Margin Add-On Table

| Margin Lower Bound (\geq) – Mln € | Margin Upper Bound (\leq)- Mln € | Multiplier |
|---------------------------------------|--------------------------------------|------------|
| 0 | 230 | 0 |
| 230 | 400 | 0.4 |
| 400 | 800 | 0.8 |
| 800 | 1500 | 1.0 |
| 1500 | 2300 | 1.15 |
| 2300 | ∞ | 1.25 |