

## INTERNATIONAL COMPARISON – NON-DEFAULT LOSS ALLOCATION

	LCH/SwapClear	CME Clearing Europe	ICE Clear Europe
<b>Allocation of Investment Loss</b>	Yes	Yes	Yes
<b>Amount of loss absorbed by CCP</b>	Euro 15 million.	USD 100 million	USD 90 million
<b>Basis for allocation to Participants</b>	Pro-rata based on average total margin requirement for all accounts over 60 business days prior to loss.	Pro-rata based on amount of cash Collateral, Contributions, Assessments and Optional Payments attributed to participant (across all accounts) in CCP books and records.	Pro-rata based on total of all Guaranty Fund Contributions, Original/Initial Margin and Permitted Cover in respect thereof for all Contract Categories (across all accounts) at time of event.
<b>Method of Payment</b>	Allocated Loss amount payable in cash within an hour of demand. CCP can debit from participant's proprietary account.	Reduction in value of such Collateral, Contributions, Assessments and Optional Payments for all purposes.	Offset against obligation of CCP to return or pay Original/Initial Margin, Guaranty Fund Contributions or Permitted Cover to a participant, and CCP will collect by call for additional cash margin or cash Guaranty Fund Contributions from a participant proprietary account.
<b>Allocation of other non-default losses</b>	No, but other limitations on liability for third party service providers apply.	No, but other limitations on liability apply.	Non-default loss firstly met by CCP applying \$90 million and then any other available capital. No allocation to participants, but limitation on liabilities for third party service providers apply.

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