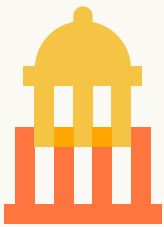


5 Things to Know About FICC

DTCC

While expanding Treasury clearing under the new SEC Final Rule will be an important structural change for all Treasury market participants, at the Fixed Income Clearing Corporation (FICC), we view it as a logical expansion of the services we provide every day, and consistent with FICC's mission.

Here are 5 things you need to know about FICC:



Almost 40 Years of Experience

FICC has provided certainty, stability, and seamless execution to the Treasury market for nearly 40 years.

Our unique member-owner governance structure means that we measure performance of the central counterparty in terms of efficiency and risk management, as opposed to short-term considerations like quarterly financial returns or maximizing shareholder value above all else. This promotes robust risk management, safety and soundness, reduces systemic risk and supports the stability of the broader financial system.

Built for Capacity

Among all DTCC subsidiaries, FICC processes the greatest dollar value in transactions every day – in fact, an average of over **\$7 trillion a day in Treasury activity**. This is approximately **double** any additional volume that is expected to migrate into central clearing resulting from the Treasury clearing requirement.

We continually test our throughput and resilience to ensure seamless execution as volumes increase.



Flexible and Inclusive

FICC has steadily grown both its Treasury volumes and its community of market participants beyond its traditional dealer and bank members. We have evolved a variety of access model solutions to meet the needs of the diverse array of firms in the Treasury market – sell-side, buy-side, lenders, and borrowers.

Today, FICC serves more than 2,400 Sponsored members from all around the world, up 60% year-over-year. Sponsored Service clearing volumes have also seen a year-over-year increase of 74% to a daily average of \$938 billion.

Market participants can have their activity submitted directly, agency-intermediary style, or via our unique sponsored access indirect model. FICC's open, flexible approach to client clearing promotes the fair and equitable availability of central clearing services.

Leading Market Innovation

Since 1986, FICC has delivered increased value to market participants through clearing primary and secondary market treasury cash transactions and treasury repo.

FICC has a strong track record of consistently introducing new innovations – from launching multiple access models, like our successful Sponsored membership for the buy-side, to our enhanced cross-margining agreement with CME – which have mitigated risk, optimized collateral usage, reduced capital requirements and enhanced overall market efficiency.



Risk Management is in our DNA

At its heart, DTCC is a risk management organization. As a SIFMU and as a SEC-covered clearing agency, FICC is required to meet prescribed risk management standards and heightened oversight by the SEC and the Federal Reserve Board.

We have proven that DTCC's subsidiaries are the most battle-tested CCPs in the world. We provide the public and private sectors a central vantage point to effectively manage risk, understand market exposures and protect the integrity and stability of the markets.