



DEUTSCHE BÖRSE
GROUP

Spotlight on RISK

PTI Conference 2018

21 – 22 March 2018

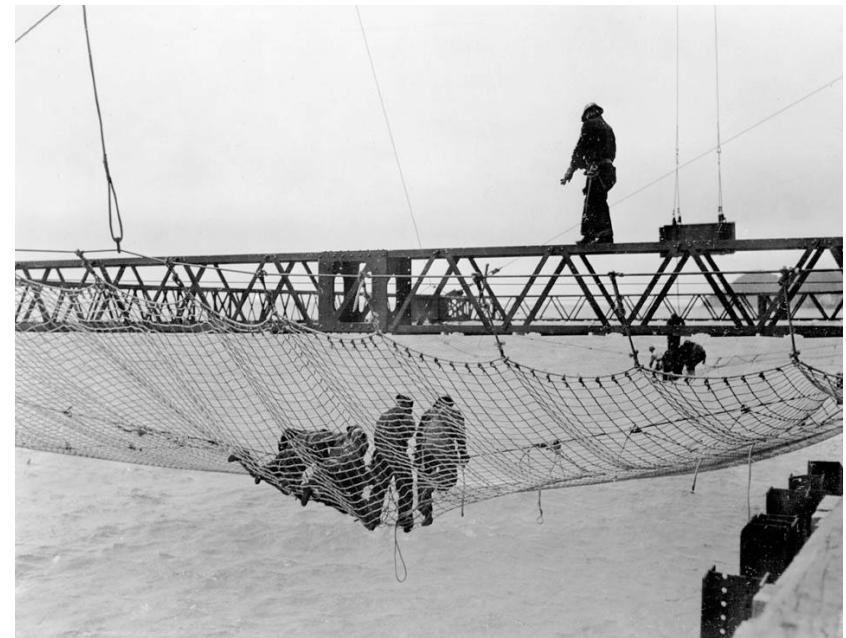


Risk @ PTI 2017: introduction in 30 seconds.

We are a **safety net** for market participants. (Making good on transactions if any party defaults.)

We want to **be industry leader for risk management solutions** that are adequate and efficient.

We are setting benchmarks for clearing houses and CCPs, both in terms of reliability and features.



Risk @ PTI 2018: +1 big hairy audacious goal

Our core values are ***high performance*** (standards), ***freedom*** and ***responsibility***.

We exist to make Eurex Clearing the ***industry leader in risk services*** (CCP risk management) and ***support the growth of Eurex*** into new products and markets.

And our goal over the next couple of years is to simplify our landscape and operate along ***cloud native services run by small and independent teams with end-to-end responsibility***.

What are we working on in 2018?

OTC IRS euro clearing / LSOC

OTC FX readiness and approval

Securities Lending & Repo: risk management for settlement + market data hub

Trading Hours Extension

New Products in ETD

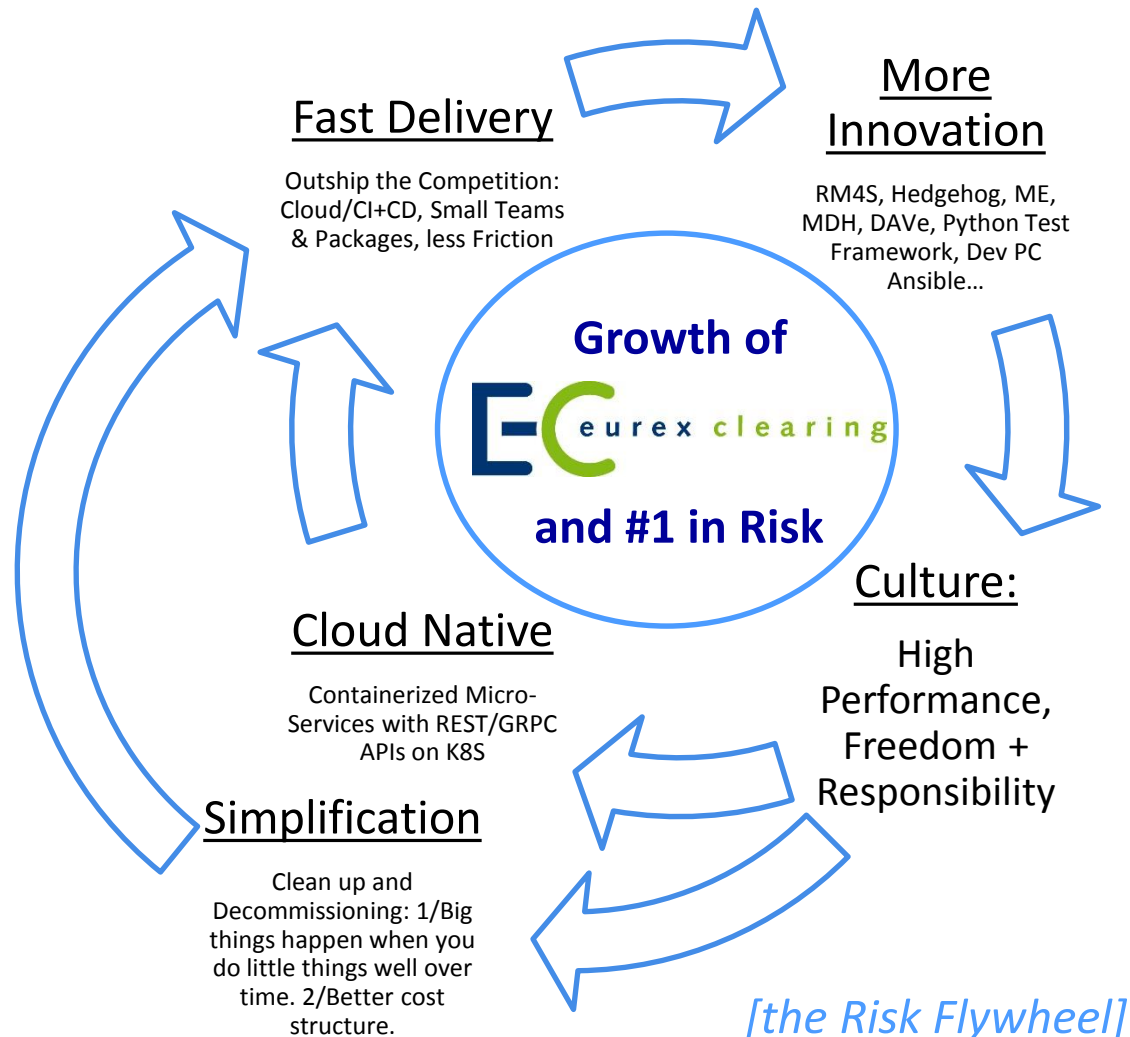
Default Management: hedgehog and difference claims

Margin Transparency: APIs / data and risk as a service

Complexity Reduction: RBM & VMS, RICA, RITA



What am I working on in 2018?

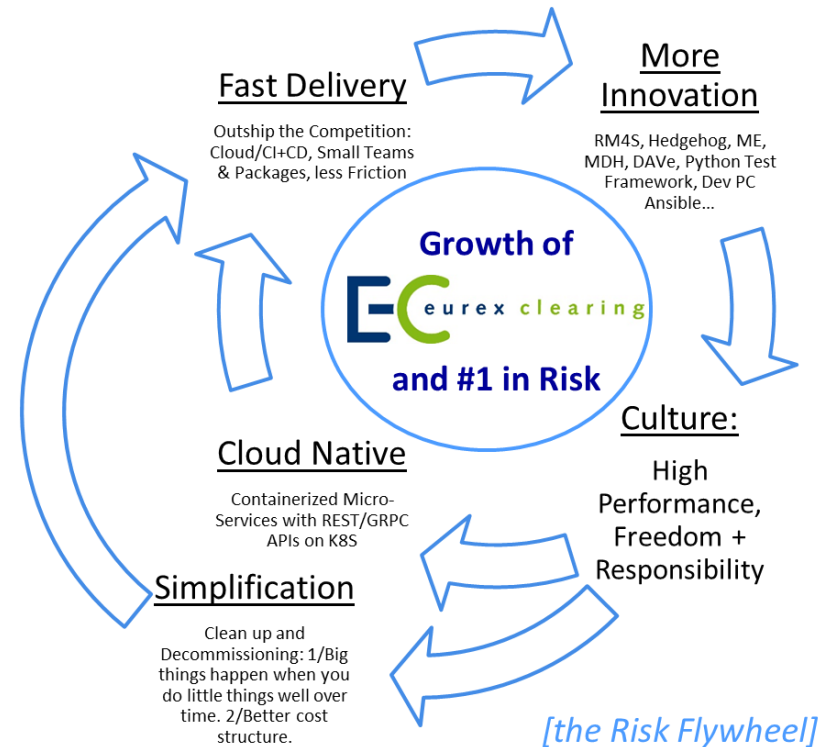


The Risk Flywheel

Good-to-great does not happen in one defining action. No prominent transformation program, no one killer innovation, no lucky break, no miracle moment.

Instead, you have to quietly and deliberately ***figure out what needs to be done, and then simply do it.***

Keep pushing the heavy flywheel, turn after turn, building momentum until a point of breakthrough (and beyond).

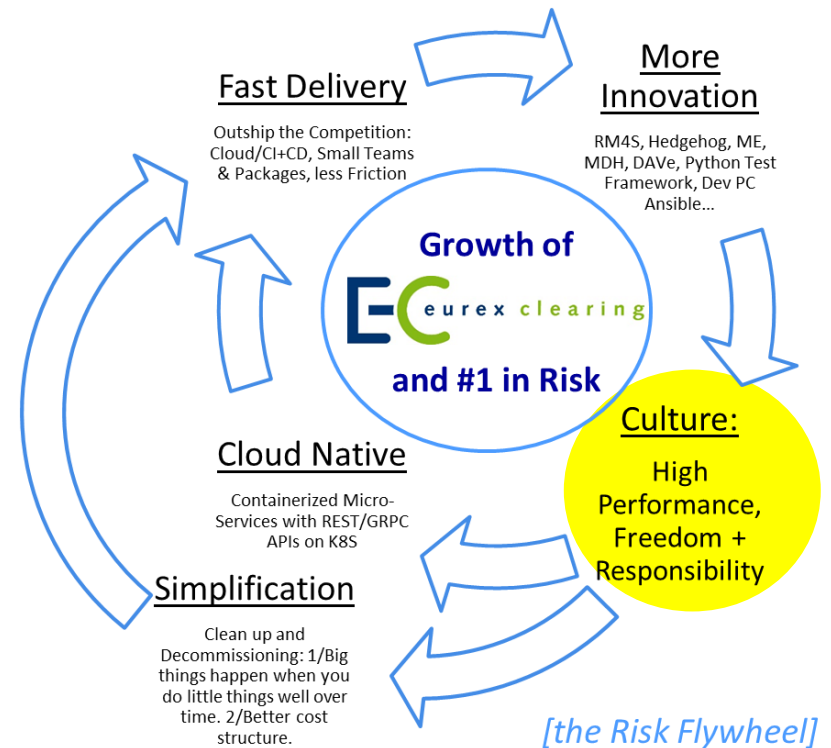


Why is culture so essential in this?

Smart creatives want to work with other smart creatives on important and hard problems – **and they don't need to be tightly managed or motivated.** “A-players hire A-players.”

With people who join for the team/culture – changing direction is easier. “If we need to change direction to be successful – that's fine.”

Can you build a great company without great culture? What if you give a great idea to a bad team?



High Performance, Freedom and Responsibility

Drive for results - and strive to improve.

Don't wait to be told what to do:

- Contribute ideas / how can we do something useful?
- Challenge assumptions / how can we improve the way we work?
- Help reduce complexity / how do we find time to simplify?

Pick up the trash lying on the floor:

- Take care of problems, small and large, as you see them
- Don't ignore issues / "that's not my job"



<https://jobs.netflix.com/culture>

<https://www.slideshare.net/reed2001/culture-1798664>

How do we get people to behave like this?

How do we really get people to behave like this?

Foster independent decision making – give people enough information and context. Treat them like business owners, help them understand P&Ls, costs and benefits.

Enforce discipline rather than control.

Give real and in the moment performance feedback. Start with what you are trying to accomplish and work backwards to the individuals' development plans.

Let innovators experiment – they are different, they look forward not backward, they move fast, and sometimes break stuff.

Remove obstacles that take away people's spirits. Question process, layers, approvals and compliance. I have never seen anyone at work naked – even though we do not have a policy against that, I think...

And then...

You no longer have to worry about how to write meeting minutes to make sure everyone has the same understanding.

Under the right conditions – steady progress from rotating your flywheel – and improving your culture – the problems of motivation, alignment, change and commitment largely fade away.

Big changes will happen if you keep doing little things really well over time.

And finally... other Risk talks/workshops at PTI 2018

Talks:

Michal Zerola, Martin Zemlicka: ***A day in life of a Risk Engineer***

(21.3. @11:00 in C01)

Carsten Schwant, Adam Netocny: ***Authentication in the cloud***

(22.3. @14:30 in C06)

Workshops (Programming Camp):

Petra Simkova, Michal Karasek: ***Front-end testing using plain English***

(21.3. @10:15 in S3)

Michal Zerola, Adam Netocny: ***Kubernetes in 60 Minutes***

(21.3. @14:15 in S3)

AND... we are looking for smart colleagues who get things done :-).

And FYI – Our delivery Roadmap 2018

Release 7.0 26.3.2018	Release 7.1 18.06.2018	Release 7.2 20.08.2018	Release 8.0 03.12.2018
<ul style="list-style-type: none"> ▪ EDRE Decommissioning ▪ Margin Re-Play ▪ Margin Estimator ETD (pending Cloud Approvals) 	<ul style="list-style-type: none"> ▪ Time to Expiry Shifts ▪ RHEL 7 Upgrade ▪ AMQP Upgrade ▪ New Product Setup Automation / Streamlining 1/2 ▪ Difference Claims Tool ▪ Market Data Hub Release 1.0 (Volatilities Routing from SOL3: pending cloud approvals) ▪ Margin Estimator OTC 	<ul style="list-style-type: none"> ▪ LSOC 1/2 (end-of-day) ▪ Trading Hours Extension (2/3) ▪ Single Stock Dividend Adjusted Futures ▪ Payment Service (Cash Engine / Carmen) ▪ Job Scheduler Upgrade 	<ul style="list-style-type: none"> ▪ LSOC Part 2/2 (intraday) ▪ Time to Expiry (Stress and Back Testing enhancements) ▪ VM Aggregation for GOSA ▪ Trading Hours Extension (3/3) ▪ New Product Setup Automation / Streamlining 2/2 ▪ Enhanced Model Validation (parameter sensitivity) ▪ Margin Monitor for THX + LSOC



Thank you for your attention

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