

Modernising the interest rate swap market.

For decades, bilateral interest rate swaps between banks and corporates have relied on ageing, fragmented infrastructure. Most transactions remain uncollateralised or only periodically margined, making intraday risk management impractical and leaving material counterparty exposure embedded across the system.

STRUCTURAL INEFFICIENCIES

■ Corporates pay inflated pricing

Bank credit risk on uncollateralised flow is embedded in the spread. The corporate is the end-payer.

■ Banks carry elevated capital

SA-CCR, CVA, LCR and NSFR charges sit against every unmargined trade. RWA density climbs with the book.

■ Regulators oversee residual exposure

Persistent uncollateralised bilateral exposure is visible in supervisory data but slow to reduce at source.

ONE OF THE LARGEST
MARKETS IN THE WORLD

\$500T

OUTSTANDING IRD NOTIONAL / BIS
H1 2024

\$2-5T

TRADED DAILY / GLOBAL TURNOVER

Today this flow is dominated by financial institutions. Corporate and retail hedging sit at around ~5% of volume - the growth runway the platform is built to capture.

THE STANDARD

A new margining standard.

Block Margin introduces a shared, deterministic on-chain margining layer for bilateral derivatives. One record, both sides, computed against the same timestamped curve and settled atomically. By removing embedded credit premiums and operational friction, hedging costs compress and access expands to counterparties the legacy plumbing couldn't economically serve.

CONTINUOUS

Intraday margining against a timestamped oracle curve. VM is recomputed on every publication, not end-of-day.

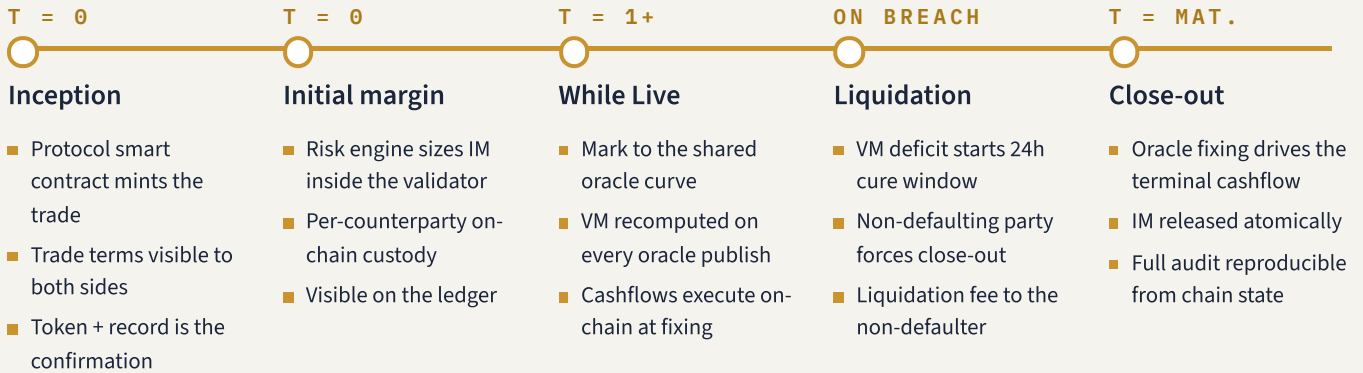
EFFICIENT

Reduced counterparty risk and capital intensity. Margined bilateral flow attracts materially lower SA-CCR and CVA capital than unmargined.

BILATERAL

Full preservation of the bilateral relationship - custom tenors, custom size, custom notional schedule. No CCP, no SEF, no trading venue.

01 Trade lifecycle, end to end.



02 What margined costs vs. unmargined, a 1y SOFR Swap example:

COST COMPONENT (BPS OVER MID)	UNMARGINED	BLOCK MARGIN	Δ
Stress-test buffer (ICAAP / regulator stress)	3	1	-2
Risk-weighted assets (Basel III CCR capital)	10	1.5	-8.5
Liquidity regulation (LCR / NSFR on exposure)	7	1.5	-5.5
Counterparty credit risk (CVA + FVA)	14	2	-12
Commercial spread (sales & operational cost)	22	6	-16
Total cost to the corporate (over mid)	56 bps	12 bps	-44 bps

Illustrative. BBB mid-corporate counterparty, 200 bps 5y credit spread, SA-CCR margined alpha with 24h MPOR, cost of equity 12%. Figures indicative; not bank-specific. Commercial spread is typically higher for sub-1m notional. Market forward rate (OIS-discounted SOFR curve) unchanged between the two scenarios; the 44 bps saving comes from lower CVA reserve, lower LCR charge, and lower RWA capital, not from compressed dealer margin.

03 Built by people who have run rate books.



Dmitry Shibaev
FOUNDER
 20+ years across rates trading, stress testing, and on-chain infrastructure. Senior mandates at JP Morgan, UBS, NatWest Markets.



Tony Woodhams
SENIOR ADVISER
 20+ years in capital-markets advisory at Big Four and management consultancies. Prior Morgan Stanley, HSBC, Credit Suisse.



Paulo Rosario
DATA & AI
 20+ years across data science and quant exec roles. Derivative-index pipelines at LSEG MTF; quant models at M&G.



Sergio Rodrigues
REGULATION & COMPLIANCE
 20+ years across Basel, capital, liquidity, and reg reporting. Prior RBS, ABN AMRO, ING, NatWest Markets.