X-pand into the Future

e u r e x *circular 100/04*

Date: Frankfurt, July 30, 2004
Recipients: All Eurex members and vendors
Authorized by: Daniel Gisler

Eurex Repo Extends Clearing on Asset Covered Securities (ACS) Issued by Mortgage Banks and Credit Institutions Subject to Public Law

Contact: Stefan Misterek, Clearing and OTC Business Development, tel. +49-69-211-1 58 59
E-mail: Stefan.misterek@eurexchange.com

Content may be most important for:	**Attachments:**
➲ Front Office / Trading ➲ Middle + Back Office	Updated Section 2.1 of Chapter III of the Clearing Conditions for Eurex Clearing AG

In its meeting on July 28, 2004, the Executive Board of Eurex Clearing AG approved changes to the Clearing Conditions for Eurex Clearing AG concerning the settlement of trades at Eurex Repo GmbH.

In this context Chapter III, Subpart 2.1, Paragraph 2 of the Clearing Conditions for Eurex Clearing AG, will be amended with effect from **August 16, 2004** to include the settlement of Asset Covered Securities (ACS) in euro issued by mortgage banks and credit institutions subject to public law following the above decision of the Executive Board of Eurex Clearing AG.

The corresponding amendments are contained in the attachment to this circular.

III Chapter: Clearing of Transactions through the System of Eurex Repo GmbH

[...]

2 Part: Settlement of Transactions through the System of Eurex Repo GmbH

2.1 Repo Transactions Concerned

….

(2) Clearing or settlement by Eurex Clearing AG shall include all Repo Transactions (GC Repo and Special Repo) concluded through the System of Eurex Repo GmbH to the extent that the underlying securities are the following:

(a) Debt Securities of the Federal Republic of Germany or Treuhandanstalt denominated in Euro.

(b) Jumbo-Pfandbriefe (Jumbo mortgage bonds) of German issuers as well as Asset Covered Securities (ACS) issued by mortgage banks and credit institutions subject to public law denominated in Euro with an issuance volume of at least EUR 500 million. Besides, these mortgage bonds or ACS must have been rated AA or higher pursuant to the rating agency Standard & Poor's Rating Services Inc. for "Senior Unsecured Debt", Aa2 or higher pursuant to the rating agency Moody's Investors Services Inc. for "Long-term Senior-Debt" or AA or higher pursuant to the rating agency Fitch Inc. for "International Long-Term Credit". Should the rating of these rating agencies differ, the lower valuation shall be applied.