X-pand into the Future

e u r e x *circular 236/06*

Date: Frankfurt, November 23, 2006
Recipients: All Eurex Clearing Members and Vendors
Authorized by: Daniel Gisler

U **Action required**

1. Collateral: Interest Payment on Cash Deposits

2. Change of U.S. Dollar Settlement Bank

Related Eurex Circulars: 013/02, 013/03, 217/05

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Content may be most important for:

Ü Middle + Backoffice
Ü IT/System Administration
Ü Auditing/Security Coordination

Attachments:

None

Summary:

The Executive Board of Eurex Clearing AG decided on a range of significant improvements with regard to payments of interest on cash amounts deposited as collateral. The measures will become effective on **December 1, 2006.** Eurex Clearing Members are thereby offered an additional attractive option for covering margin requirements which simplifies management of collateral deposits. The attractiveness of depositing cash as collateral is further enhanced by removing the base amount in Euro and Swiss francs and by introducing interest payment on U.S. dollar balances. Furthermore, the funding deadline for Euro will be moved from currently 10:00 CET to 15:00 CET. Other than the use of securities as collateral, the deposit of cash simplifies the process of reclaiming surplus collateral for Clearing Members since the surplus cash collateral is automatically made available for the Clearing Member in the appropriate cash accounts.

1. Collateral: Interest Payment on Cash Deposits

2. Change of U.S. Dollar Settlement Bank

1. Interest Payment on Cash Deposits

The Executive Board of Eurex Clearing AG decided a whole range of significant improvements with regard to payments of interest on cash amounts deposited as collateral which will become effective on **December 1, 2006**:

a. The base amounts of currently EUR 200,000.000 and CHF 300,000.000 will be removed meaning that collateral deposited in cash will earn interest on the whole balance without the deduction of the before mentioned base amounts.

b. The balance snapshot with regard to the determination of deposited cash collateral in euro will be deferred from 10:00 CET to 15:00 CET. This deferral allows interest earnings on additional cash amounts that are deposited intraday until the amended deadline resulting for example from an Intraday Margin Call. Please note that the balance snapshot for Swiss francs will remain unchanged at 10:00 CET.

c. In the future also deposited cash collateral in U.S. dollar will be eligible to earn interest. The balance snapshot will be set to 21:00 CET, thus considering a major part of U.S. dollar cash amounts that are deposited through issued Intraday Margin Calls. Also note that no base amount is applied to U.S. dollar meaning that the whole balance is eligible to earn interest.

d. As the interest level has changed for Swiss francs, cash collateral in this currency is also eligible to earn interest from the effective date as stated above.

2. Change of Eurex Clearing AG's U.S. Dollar Settlement Bank

Eurex Clearing AG has changed its account relationship with regard to its U.S. dollar Settlement Bank and would like to announce that is has appointed Citibank N.A. based in New York City (SWIFT BIC: CITIUS33) as its new cash correspondent for U.S. dollar payments.

The change impacts Clearing Members that deposit U.S. dollar amounts as cash collateral resulting from Intraday Margin Calls that are issued through Eurex Clearing AG towards the respective Clearing Member in order to satisfy increased margin requirements. Please note that this change will become effective on **December 4, 2006** and that deposits of cash collateral in U.S. dollar from that point of time need to be transferred to this new account relationship with the same beneficiary information (EUREX SWIFT BIC: EUXCDEFF) as used previously.

The general Intraday Margin Call procedure as communicated in Eurex circular 013/02 and 217/05 will remain unchanged.

Frankfurt, November 23, 2006