Eurex Clearing AG – Collateral Acceptance

Collateral Type	Acceptance Criteria	
Cash	Currencies	CHF, EUR, GBP, USD available for intraday- and overnight margin calls
		JPY additionally available with T-2 pre-advice
Bonds	Denomination Currencies	AUD, CAD, CHF, DKK, EUR, GBP, JPY, NOK, SEK, USD
		DEM (former Euro-In currencies)
	General Eligibility	Acceptance by European Central Bank or Swiss National Bank
		Additional sovereigns: AU, CA, GB, JP, US
		Supranationals
		Europe: AT, BE, CZ, DE, DK, ES, FI, FR, GB, HU, IE, IT, LU, NL, NO, PL, SE, SI, SK
		World: AU, CA, CH, JP, US
	Specific Eligibility	No unsecured bank bonds from ES, IE, and IT
	Maturity	> 15-days to maturity
		< 30Y for CHF, DKK, JPY, NOK, SEK
		< 50Y for AUD, CAD, EUR, GBP, USD
	Credit Rating	Investment grade issue/issuer rating (≥ BBB-)
		Upper medium investment grade for unsecured bank bonds (≥ A-)
	Structures	Selected float and inflation indices
		No callable, puttable, sinkable, convertible or stripped bonds
		No bonds with pool factor or negative coupons
		No ABS, MBS, CDOs
	Concentration	No more than 25% of issued capital
		No more than 1 bn EUR issued SAREB
	Liquidity	Need to exhibit sufficient liquidity (e.g. reasonable availability of quotes, issued volume, …)
Equities	General Eligibility	Constituents of: DAX 40®, EURO STOXX 50®, SMI®
		No REITS
	Concentration	No more than 1% of free float
	Liquidity	Need to exhibit sufficient liquidity (via equity index constraint)
Exchange-Traded Funds	General Eligibility	ETFs are not eligible
Bank Guarantees	General Eligibility	Bank guarantees are not eligible.
Gold	General Eligibility	Gold is not eligible.

- Additional collateral concentration limits exist with respect to the collateral pool, details are disclosed here: Services > Risk-management > Credit-concentration-wrong-way-risk
- No acceptance of own issues or issues of closely linked entities with respect to the collateral provider/clearing member.
- No acceptance of issues of Deutsche Börse Group.

- Collateral generally needs to allow for straight-through-processing (STP), exhibiting suitable safe custody along with full support of custody events.
- Collateral needs to comply with admissible taxation law, be un-sanctioned and the issuer not subject to financial distress.

Eligibility of specific ISINs along with their respective collateral haircut are disclosed in the *Admissible Securities* file, published on the website under risk parameters, section General Parameters: Services > Risk-parameters.

Eurex Clearing AG reserves the right to amend these criteria any time, should changes in market structure, economics or regulation necessitate such action facilitating the safety of the clearing house.

Eurex Clearing AG – Collateral Haircuts

Collateral haircuts are calculated on a 99.9% confidence level and for a liquidation period given by the maximum of the holding periods of the different asset classes. Eurex Clearing uses three different methodologies to determine haircuts:

- Volatility based approach (for equity like instruments)
- Full-revaluation, yield shift based approach (for fixed income instruments)
- Modified volatility based approach (for cross currency pairs)

Haircuts are calibrated using concepts like volatility-filtered VaR and long-term floors to ensure sufficient coverage over the liquidation period even in stressed market conditions. Liquidity risk is covered by instrument dependent liquidity constraints. Prudent and conservative minimum haircuts are applied that ensure a reasonable haircut level that is not too sensitive to changes in market volatilities.

The post-haircut price $P_{i,t}^{\mathrm{HC}}$ can be determined from the security price $P_{i,t}$ and applicable haircut $HC_{i,t}$ as $P_{i,t}^{\mathrm{HC}} = P_{i,t}\left(1 - HC_{i,t}\right)$.

Collateral Type	Website Location	$P_{i,t}$	$HC_{i,t}$ (%)
	Services > Risk Parameters > General Parameters		
Cash	Currency haircuts	Column D – Exchange Rate	Column G - Haircut
Bonds and Equities	Admissible securities	CollClosingPrc	(100 – EvalPct)