# 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 by EFSF, ESM, 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) |