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ECC CPMI-IOSCO Disclosure IV/2016

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	Index	disclosure item	date, type, value
4.	4000	Credit Risk (Principle 4)	
4.1		Total value of default resources (excluding initial and retained variation margin), split by clearing service if default funds are segregated by clearing service	As at quarter end Mn. EURO (collateral value)
	4101	a) pre-funded own capital that forms part of the default waterfall (used before	288.2
	4103	i. member contributions)	7.5
	4102	ii. aggregate participant contributions	280.7
		iii. other	0.0
	4104	b) committed own/parent funds that are committed to address a participant	n/a
	4105	i. default aggregate participant commitments to address an initial participant	n/a
	4106	ii. default aggregate participant commitments to replenish the default fund to	n/a
	4107	iii. deal with a subsequent participant default. [1] iv. other	209.0 n/a
4.2	4201	KCCP	0.0
4.3		Value of pre-funded default resources (excluding initial and retained variation margin)	As at quarter end Mn. EURO
	4301	a) total Cash	237.4
	4302	i. deposited at a central bank of issue of the currency	[2]
	4303	ii. Cash deposited at other central banks	[2]
	4304	iii. Secured cash at commercial banks (including reverse repo)	[2]
	4305	iv. Unsecured cash deposited at commercial banks	[2]
		b) Bonds at market value w/o haircut	
	4306	i. Agency	4.1
	4307	ii. Sovereign Government Bonds - domestic	3.4
	4308	iii. Sovereign Government Bonds - foreign	15.9
	4309	iv. State / Provincial / Municipal - domestic	16.1
	4310	v. State / Provincial / Municipal - foreign	0.0
	4311	vi. Supranational Agency	5.0
	4312	vii. other Bonds	1.5
		c) Bonds at collateral value (post haircut)	
	4313	i. Agency	3.9
	4314	ii. Sovereign Government Bonds - domestic	3.2
	4315	iii. Sovereign Government Bonds - foreign	14.5
	4316	iv. State / Provincial / Municipal - domestic	15.6
	4317	v. State / Provincial / Municipal - foreign	0.0
	4318	vi. Supranational Agency	4.8
	4319	vii. other Bonds	1.3
		d) other	[3]
4.4		a) State whether the CCP is subject to a minimum "Cover 1" or "Cover 2" requirement in relation to total pre-funded default resources	As at quarter end Cover 2
	4401		
	4402	b) assumed close out period (days)	2
		c) the estimated largest aggregate stress loss (in excess of initial margin) that would be caused by the default of any single participant and its affiliates (including transactions cleared for indirect participants) in extreme but plausible market conditions?	previous 12 months Mn. EURO
	4403	i. maximum of daily values	309.4
	4404	ii. average over daily values	84.6
	4405	iii. number of days where stress loss exceeded DFW	0
	4406	iv. amount of excess of stress loss over DFW, day 1	n/a
	4407	amount of excess of stress loss over DFW, day 2	n/a
	4408	amount of excess of stress loss over DFW, day 3	n/a

	4408	amount of excess of stress loss over DFW, day 3	n/a
	4409	amount of excess of stress loss over DFW, day 4	n/a
	4410	amount of excess of stress loss over DFW, day 5	n/a
	4411	amount of excess of stress loss over DFW, day 6	n/a
	4412	amount of excess of stress loss over DFW, day 7	n/a
	4413	amount of excess of stress loss over DFW, day 8	n/a
	4414	amount of excess of stress loss over DFW, day 9	n/a
	4415	amount of excess of stress loss over DFW, day 10	n/a
		d) what was the actual largest aggregate credit exposure (in excess of initial margin) to any single participants and their affiliates	Mn. EURO
			[4]
	4416	i. maximum of daily values	n/a
	4417	ii. average over daily values	n/a
		e) the estimated largest aggregate stress loss (in excess of initial margin) that would be caused by the default of any two participant and its affiliates (including transactions cleared for indirect participants) in extreme but plausible market conditions?	previous 12 months Mn. EURO
	4418	i. maximum of daily values	370.6
	4419	ii. average over daily values	117.6
	4420	iii. number of days where stress loss exceeded DFW	6
	4421	iv. amount of excess of stress loss over DFW, day 1	-11.4
	4422	amount of excess of stress loss over DFW, day 2	-4.8
	4423	amount of excess of stress loss over DFW, day 3	-2.5
	4424	amount of excess of stress loss over DFW, day 4	-9.0
	4425	amount of excess of stress loss over DFW, day 5	-76.0
	4426	amount of excess of stress loss over DFW, day 6	-77.3
	4427	amount of excess of stress loss over DFW, day 7	n/a
	4428	amount of excess of stress loss over DFW, day 8	n/a
	4429	amount of excess of stress loss over DFW, day 9	n/a
	4430	amount of excess of stress loss over DFW, day 10	n/a
		f) what was the actual largest aggregate credit exposure (in excess of initial margin) to any two participants and their affiliates	[4]
	4431	i. maximum of daily values	n/a
	4432	ii. average over daily values	n/a
5.	5000 Collateral (Principle 5)		
5.1	5101	Assets eligible as initial margin, and the respective haircuts applied http://www.ecc.de/ecc-en/risk-management/collateral-management/overview	
5.2	5201	Assets eligible for pre-funded participant contributions to the default resources, and the respective haircuts applied http://www.ecc.de/ecc-en/risk-management/collateral-management/overview	
5.3		Collateral Backtesting	previous 12 months
	5301	i. confidence interval targeted for haircuts	99
	5302	ii. assumed holding/liquidation period for the assets	3 days
	5303	iii. look-back period	255 days
	5304	iv. number of days during look-back where fall in value exceeded haircuts	0
6.	6000 Margin (Principle 6)		
<i>Initial Margin</i>			
6.1		Initial Margin Requirement by type of segregation	As at quarter end Mn. EURO
	6101	a) House	0
	6102	b) non-segregated	2,633.1
	6103	c) segregated clients [5]	< 2% overall
	6104	Initial Margin Requirement for indirect participants: gross or net?	net
6.2		Initial margin received by type of segregation	As at quarter end Mn. EURO
		a) House	[6]
		Cash	
	6201	total Cash	< 2% overall

6202	deposited at a central bank of issue of the currency	[2]
6203	Cash deposited at other central banks	[2]
6204	Secured cash at commercial banks (including reverse repo)	[2]
6205	Unsecured cash deposited at commercial banks	[2]
	Bonds (market value - w/o haircuts)	
6206	Sovereign Government Bonds - domestic	0.0
6207	Sovereign Government Bonds - foreign	0.0
6208	Agency	0.0
6209	Supranational Agency	0.0
6210	State / Provincial / Municipal - domestic	0.0
6211	State / Provincial / Municipal - foreign	0.0
6212	other Bonds	0.0
	Bonds (collateral value - post haircuts)	
6213	Sovereign Government Bonds - domestic	0.0
6214	Sovereign Government Bonds - foreign	0.0
6215	Agency	0.0
6216	Supranational Agency	0.0
6217	State / Provincial / Municipal - domestic	0.0
6218	State / Provincial / Municipal - foreign	0.0
6219	other Bonds	0.0
	b) non-segregated	
	Cash	
6220	total Cash	2,710.1
6221	deposited at a central bank of issue of the currency	[2]
6222	Cash deposited at other central banks	[2]
6223	Secured cash at commercial banks (including reverse repo)	[2]
6224	Unsecured cash deposited at commercial banks	[2]
	Bonds (market value - w/o haircuts)	
6225	Sovereign Government Bonds - domestic	62.8
6226	Sovereign Government Bonds - foreign	10.4
6227	Agency	68.7
6228	Supranational Agency	0.0
6229	State / Provincial / Municipal - domestic	32.7
6230	State / Provincial / Municipal -foreign	0.0
6231	other Bonds	24.5
	Bonds (collateral value - post haircuts)	0.0
6232	Sovereign Government Bonds - domestic	60.5
6233	Sovereign Government Bonds - foreign	9.3
6234	Agency	65.1
6235	Supranational Agency	0.0
6236	State / Provincial / Municipal - domestic	31.6
6237	State / Provincial / Municipal - foreign	0.0
6238	other Bonds	21.0
	c) segregated clients [5]	
	Cash	[6]
6239	total Cash	< 2% overall
6240	deposited at a central bank of issue of the currency	[2]
6241	Cash deposited at other central banks	[2]
6242	Secured cash at commercial banks (including reverse repo)	[2]
6243	Unsecured cash deposited at commercial banks	[2]
	Bonds (market value - w/o haircuts)	
6244	Sovereign Government Bonds - domestic	0.0
6245	Sovereign Government Bonds - foreign	0.0
6246	Agency	0.0
6247	Supranational Agency	0.0
6248	State / Provincial / Municipal - domestic	0.0
6249	State / Provincial / Municipal - foreign	0.0
6250	other Bonds	0.0
	Bonds (collateral value - post haircuts)	0.0

	6251	Sovereign Government Bonds - domestic	0.0
	6252	Sovereign Government Bonds - foreign	0.0
	6253	Agency	0.0
	6254	Supranational Agency	0.0
	6255	State / Provincial / Municipal - domestic	0.0
	6256	State / Provincial / Municipal - foreign	0.0
	6257	other Bonds	0.0
6.3	6301	Initial margin rates on individual contracts, where the CCP sets such rates	[7]
6.4		Type of initial margin model used and key model design parameters	
	6401	Single Tail Confidence Level	99%
	6402	Look Back Period	1 Year (250 Trading Days)
	6403	Weighting on historical data	Exponential Weighting with Lambda = 0.99
	6404	Close Out Periods	2 days
	6405	Rates and Credits	
	6406	Update Frequency	http://www.ecc.de/ecc-en/risk-management/reports_and_files Daily
6.5		Results of back-testing of initial margin Reported are the aggregate results counting outliers of IM calculation at the level of each Non-Clearing Member at ECC.	prev. 12 months, daily basis
	6501	a) Number of days where IM fell below mark-to-market	46
	6502	b) Number of observations where IM fell below mark-to-market	52
	6503	c) Achieved coverage level	99.9%
	6504	d) Specify if measured intraday/continuously or only once a day.	continuously
	6505	e) If once a day, specify at what time of day.	n/a
	6506	f) i. breaches of initial margin: peak uncovered exposure	Mn. EURO 14.8
	6507	ii. breaches of initial margin: average uncovered exposure [8]	0.5
Margin Calls			
6.6	6601	Average total variation margin paid to the CCP by participants each business day.	Average over quarter Mn. EURO 72.2
6.7	6701	Maximum total variation margin paid to the CCP on any given business day over the period.	Maximum over quarter Mn. EURO 240.7
6.8	6801	Maximum aggregate initial margin call on any given business day over the period.	Maximum over quarter Mn. EURO 365.5
7. Liquidity Risk (Principle 7)			
7.1	7101	'Cover 1' or 'Cover 2'. Size and composition of qualifying liquid resources for each clearing service, for each relevant currency	Cover2 Mn. EURO
		a) Cash deposited at a central bank of issue of the currency concerned	As at quarter end
	7102	i. EUR	3,017.8
	7109	ii. GBP	0.0
	7116	iii. USD	0.0
		b) Cash deposited at other central banks	As at quarter end
	7103	i. EUR	0.0
	7110	ii. GBP	0.0
	7117	iii. USD	0.0
		c) Secured cash deposited at commercial banks (including reverse repo)	As at quarter end
	7104	i. EUR	0.0
	7111	ii. GBP	0.0
	7118	iii. USD	0.0

	d) Unsecured cash deposited at commercial banks		
	7105 i. EUR		16.7
	7112 ii. GBP		0.5
	7119 iii. USD		0.0
	e) secured committed lines of credit including committed foreign exchange swaps and committed repos	As at quarter end	
	7106 i. EUR		0.0
	7113 ii. GBP		0.0
	7120 iii. USD		0.0
	f) unsecured committed lines of credit which the CCP may draw without providing collateral/security	As at quarter end	
	7107 i. EUR		0.0
	7114 ii. GBP		0.0
	7121 iii. USD		0.0
	g) highly marketable collateral held in custody and investments that are readily available and convertible into cash with prearranged and highly reliable funding arrangements even in extreme but plausible market conditions	As at quarter end	[9]
	7108 i. EUR		46.1
	7115 ii. GBP		0.0
	7122 iii. USD		0.0
	h) other		
	i. EUR		0.0
	ii. GBP		0.0
	iii. USD		0.0
	i) State whether the CCP has routine access to central bank liquidity or facilities.	As at quarter end	
	7123 i. EUR	yes - intraday facility	
	7124 ii. GBP	no	
	7125 iii. USD	no	
7.2	7201 Supplementary Liquidity over those from 7.1		n/a
7.3	Largest same-day payment obligation in total that would be caused by the default of any single participant and its affiliates in extreme but plausible market conditions?	previous quarter Mn. EURO	
	7301 i. maximum estimated amount		670.1
	7302 ii. number of days where estimated payment exceeded liquidity		0
	7303 iii. amount of excess on each day:		
	7303 amount of excess of payment over liq., day 1		n/a
	7304 amount of excess of payment over liq., day 2		n/a
	7305 amount of excess of payment over liq., day 3		n/a
	7306 amount of excess of payment over liq., day 4		n/a
	7307 amount of excess of payment over liq., day 5		n/a
	7308 amount of excess of payment over liq., day 6		n/a
	7309 amount of excess of payment over liq., day 7		n/a
	7310 amount of excess of payment over liq., day 8		n/a
	7311 amount of excess of payment over liq., day 9		n/a
	7312 amount of excess of payment over liq., day 10		n/a
	7313 iv. past 12 months		n/a
12.	Exchange of Value Settlement Systems (Principle 12)		
12.1	Percentage of settlements by value effected using a DvP, DvD or PVP settlement		n/a
12.2	Percentage of settlements by volume effected using a DvP, DvD or PVP settlement mechanism		n/a

13 Default Rules and Procedures (Principle 13)			
13.1		Quantitative information related to past defaults	
	13101	a) amount of loss vs. amount of margin	n/a
	13102	b) amount of other financial resources used to cover losses	n/a
	13103	c) proportion of client positions closed-out/ported	n/a
14. Segregation and Portability (Principle 14)			
14.1		Total client positions (Open Interest) as a share of notional values, by type of segregation	[6]
		a) basis: OI short side	
	14101	i. HOUSE	0%
	14102	ii. ISA	< 5%
	14103	iii. LSOC/GOS	> 95%
	14104	iv. SOS	< 5%
		b) basis: OI long side	
	14105	i. HOUSE	0%
	14106	ii. ISA	< 5%
	14107	iii. LSOC/GOS	> 95%
	14108	iv. SOS	< 5%
15. General Business Risk (Principle 15)			
15.1	15101	a) value of liquid net assets funded by equity (EMIR capital)	Mn. EURO 60.9
	15102	b) six months of current operating expenses	13.1
15.2		Financial disclosures	[10]
	15201	a) total revenue	53,713,494 €
	15202	b) total expenditure	19,738,369 €
	15203	c) profits	32,248,010 €
	15204	d) total assets	1,145,334,943 €
	15205	e) total liabilities	1,145,334,943 €
	15206	f) Explain if collateral posted by clearing participants is held on or off the CCP's balance sheet	All Cash pledged by participants is held on the balance sheet
15.3		Income breakdowns	
	15301	a) percentage of income from clearing fees	100%
	15302	b) percentage of income from reinvestment of assets provided by clearing participants	0%
16. Custody and Investment Risks (Principle 16)			
16.1	16101	Total Cash received by the CCP from participants	As at quarter end Mn. EURO 2,971.7
	16102	Total Cash received by the CCP from participants: Default Fund contributions	237.4
	16103	Total Cash received by the CCP from participants: Initial Margins	2,734.3
16.2		Investment of Cash: Deposits	
	16201	a) deposits at central banks of issue of the currency	100%
	16202	b) deposits at other central banks	0%
	16203	c) secured deposits at commercial banks	0%
	16204	d) unsecured deposits at commercial banks	0%
	16205	e) money market funds	0%
	16206	f) other	0%
	16207	g) Cash - EUR	100%
	16208	h) Cash - GBP	0%
	16209	i) Cash - USD	0%
	16210	j) weighted average maturity of deposits and funds (days)	< 1
		Investment of Cash: Securities	
	16211	a) domestic sovereign government bonds	0%
	16212	b) foreign sovereign government bonds	0%
	16213	c) agency bonds	0%
	16214	d) state/ provincial / municipal bonds	0%

	16215	e) other instruments	0%
	16216	f) percentage split by currency	0%
	16217	g) percentage split by currency	0%
	16218	h) percentage split by currency	0%
	16219	i) weighted average maturity of these securities	0
		Investment of Cash: Investment Risk	
	16220	VaR(99%) of total investment portfolio	n/a
	16221	Limit for Investment Counterparty	individual limits, see [11]
	16222	Number of limit breaches	0
16.3	16301	Investment of Cash: Rehypothecation of Cash ECC does not use the instrument of rehypothecation of cash for investment	none
17. Operational Risk (Principle 17)			
17.1	17101	Operational availability targets for the core systems involved in clearing	n/a
17.2	17201	Achieved availability of the core systems, previous twelve months	n/a
17.3	17301	Total number of failures affecting the core systems, previous twelve months	n/a
	17302	Total duration of failures affecting the core systems, previous twelve months	n/a
17.4	17401	Recovery time objectives (in hours)	2
18. Access and Participation Requirements (Principle 18)			
18.1		Number of clearing members by type and origin	as at quarter end
	18101	a) DCM domestic	0
	18102	b) DCM foreign	2
	18103	c) GCM domestic	3
	18104	d) GCM foreign	18
18.2		Percentage of OI held by Top5 CM: daily average over quarter	
	18201	a) basis: long side	80%
	18202	b) basis: short side	77%
		Percentage of OI held by Top5 CM: peak EoD over quarter	
	18203	c) basis: long side	82%
	18204	d) basis: short side	79%
18.3		Percentage of IM posted by Top5 CMs	
	18301	a) peak EoD over quarter	85%
	18302	b) daily average over quarter	82%
18.4	18401	Percentage of Top5 CM contributions to CF	68%
19. Tiered Participation Arrangements (Principle 19)			
19.1		Measures of concentraion of client clearing	
	19101	a) Number of known clients	510
	19102	b) Number of CM clearing for clients	21
	19103	c) Client OI attributale to Top5 CM	77%
	19104	d) Client OI attributale to Top5 CM	79%

Comments and Explanations

- [1] According to the Clearing Conditions, ECC may request the non-defaulting Clearing Members to replenish their default fund contributions within 10 days after a Clearing Member has been set into default and the default fund has been fully or partially utilized. The amount reported here as replenishment assumes the default of the largest Clearing Member. It is calculated as the total Default Fund Contributions of all Clearing Members less the contribution of the largest Clearingmember.
- [2] ECC maintains cash collateral provided in EURO for initial margin requirements and the default fund contributions at first at its TARGET2 account. ECC does not separate its holdings of cash and cash investments between default fund contributions and margin contributions.
- [3] According to ECC's collateral policy, ECC does not accept "other types" of collateral for the default fund.
See also <https://www.ecc.de/ecc-en/risk-management/collateral-management>
- [4] ECC does not invest funds with the top five Clearingmembers (according to initial margin requirement) or its affiliates. Therefore, the credit exposures with clients and participants are determined by the clearing service, but not influenced by other creditor relationships to the Clearing Members.
- [5] Under the term "Segregated Clients", ISA, OSA and SOS segregated accounts are comprised.
- [6] Values are provided in ranges due to date protection reasons.
- [7] All margin calculations are based on a general modelling approach either for derivatives or for spot products. The statistical models and all relevant changes to them are part of a regulatory oversight process. They are based on conservative assumptions which are validated once a year by external parties. Information concerning the margining approach can be found under:
<https://www.ecc.de/ecc-en/risk-management/margining>
- [8] Days without uncovered exposure are not included in the calculation of the average value.
- [9] Based on ECCs obligation to maintain liquidity for the default of the largest two Clearing Members, reported here are highly secure and liquid securities provided by all Clearing Members as contribution to the Clearing Funds as well as securities provided by the top two Clearing Members as collateral for their initial margin requirement.
- [10] Values taken from the latest audited annual financial statement. See also
<https://www.ecc.de/ecc-en/about-ecc/company/reports>
- [11] ECC sets individual limits for every single investment counterparty with regard to types of investment as well as overall limits for the individual counterparty and the counterparties company group. These limits are based on an internal risk assessment using different external data sources including external rating agencies.