

# COLLATERAL LIST

2018-11-12

**Collateral refers to the assets Clearing Members and Customers may provide to fulfill their Margin Requirement. Eligible Funds refer to the assets Default Fund Participants or a Loss Sharing Participant may use to fulfill their Default Fund Requirement Loss Sharing Requirement.**

## GENERAL CONDITIONS

- A) Property not specifically referenced in this appendix will be valued at zero.
- B) That portion of any approved form of collateral or Eligible Funds, which exceeds the limitations, which are referenced below, will be valued at zero.
- C) The Clearing House does not allow collateral or Eligible Funds issued by the Clearing Member/Clearing Client/Direct Pledging Customer itself, or by a company within the same group of companies as the Clearing Member/Clearing Client/Direct Pledging Customer.
- D) For Individual Client Segregated Accounts, the Clearing House does not allow collateral or Eligible Funds issued by the Clearing Member holding the Individual Client Segregated Account or by a company within the same group as such Clearing Member.
- E) All eligible securities provided as either collateral for undertakings in the clearing operations, or Eligible Funds for contributions to the Default Fund or Loss Sharing Pool, are valued in accordance with the following:
- Valuations prior to discounting (haircut) are based on the 1) Last Price or 2) Bid Price at 6:30 pm, the previous Bank Day as referenced by Reuters. The Clearing House may, however, decide that the prices that the valuations are based on can be taken at another time.
  - Valuation of bonds and bills is based on settlement date, i.e. bills and bonds are valued at zero when the settlement date is on or after the maturity date.
  - Accrued interest is excluded from the valuation of bonds at the ex-coupon day (with number of settlement days taken into consideration).
  - Bonds are valued at zero at, and after the last ex-coupon date (before the maturity – and last coupon date) of the bond (with number of settlement days taken into consideration).
- F) All eligible securities provided as either collateral or Eligible Funds shall have daily prices available via Reuters. If daily prices are missing, the security is valued at zero.
- G) Any re-calculation of surplus/deficit into Base Currency in relation to a Margin Requirement Account, Default Fund Custody Account or Loss Sharing Pool Custody Account is subject to the Clearing House's currency valuation ("Haircut when converting Surplus/ Deficit into Base Currency" referenced below).
- H) For eligible collateral to be recognized as accepted collateral, and for Eligible Funds to be recognized as Eligible Funds, it must be properly pledged or otherwise provided in accordance with the Clearing Rules and instructions, and applicable law.
- I) The Concentration Limits (referenced below) is the percentage allowed of totally posted eligible securities in relation to a Margin Requirement Account, Default Fund Custody Account or Loss Sharing Pool Custody Account. Any eligible securities posted exceeding the relevant concentration limit is valued at zero. Concentration Limits are set per collateral type (as referenced below).

- J) For securities eligible as collateral or Eligible Funds, the following applies:
- Outstanding amount: All bonds approved as eligible collateral or Eligible Funds need to have a minimum outstanding amount of equivalent SEK 100 million per ISIN.
  - Minimum rating criteria: The minimum rating criteria is per issuer or security. Rating from one rating institute is sufficient, but when the issuer or the security is rated by both S&P and Moody's, the lower of the two ratings is applicable. In cases where the minimum rating criteria is A- (S&P) and/or A3 (Moody's) and the issuer (or security) has been given a BBB+ rating by S&P and a A3 rating by Moody's, S&P's rating is used and the security is not eligible as collateral or Eligible Funds (valued at zero).
  - Maximum time to maturity: The maximum time to maturity shall not be longer than 40 years for eligible bonds.
- K) Pre-delivered EI-Certs and European Union Allowances (EUA) can be used as collateral (to cover a Margin Requirement) of net-sellers of these contracts and up to a maximum of the net sold position. The EUA may only be used as collateral from 6 days prior to the expiration day until the settlement day. Pre-delivered assets shall be transferred to the Clearing House with full and valid title, free and clear of all liens, security interests, claims and encumbrances or any interest in or to them by any person (except where in favour of the Clearing House).
- L) The Clearing House is, according to article 42 of Commission Delegated Regulation (EU) No 153/2013 supplementing EMIR, only allowed to accept collateral corresponding to a predefined percentage per collateral issuer (where an issuer is defined so as to include all companies belonging to the same group of companies as the actual issuer) of the Clearing House's total collateral. Therefore, the Clearing House will, in cases where there is a breach of this limit, request individual clearing participants to reduce their exposure toward the specific collateral issuer. In cases where the clearing participant has been requested to reduce its exposure towards a collateral issuer, the clearing participant shall do so, with the required amount, immediately upon request by the Clearing House, unless the Clearing House decides in its discretion to allow more time in specific cases.
- M) All eligible ISIN codes can be found in CMS Web. If a security is eligible as collateral or Eligible Funds, but not specified as eligible in CMS Web, the Clearing House will not accept the security until such security has been added to the system. A request of adding a security to the system must be made no later than 3pm CET, Monday to Friday (Swedish business days), in order for it to be available in the system the following business day.
- N) The Clearing House is, according to article 39 and Annex I of Commission Delegated Regulation (EU) No 153/2013 supplementing EMIR, only allowed to accept highly liquid financial instruments fulfilling the criteria of having low credit- and market risk. In cases where individual financial instruments fail to fulfill these criteria, based upon the Clearing House's internal assessment, the instruments will be removed as eligible collateral or Eligible Funds. The removal of such instruments will be done at the Clearing House's full discretion.
- O) Members and direct clearing participants whose total margin requirement (including all margin requirement accounts belonging to one member or direct clearing participant) exceeds 250 MSEK (or equivalent in any other currency) are not allowed to post more than 33% of their total collateral and Eligible Funds in securities issued by one issuer (where an issuer is defined so as to include all companies belonging to the same group of companies as the actual issuer). The limit applies to securities issued by credit institutions and corporates.

## APPROVED COLLATERAL FOR CUSTOMERS PROVIDING COLLATERAL TO CLEARING MEMBERS

- A) Collateral which is accepted according to the Swedish Bank Association's recommendations "Collateral ratio for securities" dated 5 March 2008. As there is no similar reference document for Denmark and Finland the corresponding Danish and Finnish collateral shall be valued by Clearing Members in a same manner as the Swedish securities specified in the above stated recommendations.
- B) Deposits, in an account with the Clearing Member or - if the member is not a credit institution - a Custodian Institution, which are pledged by the Customer to the Clearing Member.

As recommended in the Swedish Bank Association's "Collateral ratio for securities" dated 5 March 2008	
<b>When the currency of collateral and Margin Requirement is the same</b>	<b>When the currency of collateral and Margin Requirement is different</b>
Value %	Value %
100%	90%

## APPROVED COLLATERAL FOR CUSTOMERS AND / OR CLEARING MEMBERS (PROVIDING COLLATERAL TO THE CLEARING HOUSE) AND ELIGIBLE FUNDS FOR DEFAULT FUND PARTICIPANTS

### Concentration limits

The concentration limits below refer to the allowed percentage of totally provided collateral per Margin Requirement Account (MRA), as well as the allowed percentage of totally provided Eligible Funds per Default Fund Custody Account or Loss Sharing Pool Custody Account. If the concentration limit is 50% for the Collateral Type, only 50% of the collateral posted in relation to a Margin Requirement Account, Default Fund Custody Account or Loss Sharing Pool Custody Account can belong to this Collateral Type (for Collateral Types, see below). Collateral and Eligible Funds exceeding the specified concentration limit will be valued at zero.

### Collateral Types

#### Collateral (for Margin Requirement)

Allowed collaterals are divided into the following Collateral Types with concentration limits:

1. Cash Collateral – Concentration Limit 100%
2. Government Bonds and Bills – Concentration Limit 100%
3. World Bank Green Bonds – Concentration Limit 100%
4. Covered Bonds - Concentration Limit 95%
5. Kommuninvest Bonds - Concentration Limit 95%
6. ETF – Concentration Limit 50%
7. Pre-delivered EI-Certs and European Union Allowances (EUA) – Concentration limit 100%
8. Equities – Concentration Limit 75%

#### Eligible Funds (for Default Fund Requirement and Loss Sharing Pool Requirement)

Eligible Funds are divided into the following Collateral Types with concentration limits:

1. Cash Collateral – Concentration Limit 100%
2. Government Bonds and Bills – Concentration Limit 100%

## Cash Collateral – Concentration Limit 100%

Cash collateral is accepted in the following currencies. Surplus/Deficit in relation to the Margin Requirement Account, Default Fund Custody Account or Loss Sharing Pool Custody Account recalculated into the Margin Requirement Account, Default Fund Custody Account or Loss Sharing Pool Custody Account Base Currency is charged with the below specified haircuts (in case the surplus/deficit is in another currency than the Base Currency).

Currency	Value after Haircut	Haircut when converting Surplus/ Deficit into Base Currency
British pounds (GBP)	100%	10%
Danish kronor (DKK)	100%	10%
Euro (EUR)	100%	10%
Norwegian kronor (NOK)	100%	10%
Swedish kronor (SEK)	100%	10%
US dollars (USD)	100%	10%

## Government Bonds and Bills – Concentration Limit 100%

The following government bonds and bills are accepted as collateral for Margin Requirement and as Eligible Funds for contributions to the Default Fund and the Loss sharing Pool.

Type of instrument	Instrument currency	Time until Maturity	Value after Haircut	Minimum Rating
Austrian government bills and fixed rate, unstructured and dated government bonds denominated in EUR. Austrian index linked bonds are not eligible as collateral.	EUR	0-5 years	96,5%	S&P: AA- and/or Moody's: Aa3
		5-10 years	94,0%	
		10-20 years	91,0%	
		20-30 years	85,5%	
		>30 years	70,0%	
Danish government bills and fixed rate, unstructured and dated government bonds denominated in DKK. Danish index linked bonds are not eligible as collateral.	DKK	0-5 years	97,0%	S&P: AA- and/or Moody's: Aa3
		5-10 years	96,0%	
		10-20 years	96,0%	
		20-30 years	93,5%	
		>30 years	70,0%	
Dutch government bills and fixed rate, unstructured and dated government bonds denominated in EUR. Dutch index linked bonds are not eligible as collateral.	EUR	0-5 years	97,0%	S&P: AA- and/or Moody's: Aa3
		5-10 years	96,0%	
		10-20 years	94,0%	
		20-30 years	91,0%	
		>30 years	90,5%	
Finnish government bills and fixed rate, unstructured and dated government bonds denominated in EUR. Finnish index linked bonds are not eligible as collateral.	EUR	0-5 years	96,5%	S&P: AA- and/or Moody's: Aa3
		5-10 years	95,0%	
		10-20 years	92,0%	
		20-30 years	86,5%	
		>30 years	86,0%	
French government bills and fixed rate, unstructured and dated government bonds denominated in EUR. French index linked bonds are not eligible as collateral.	EUR	0-5 years	97,0%	S&P: AA- and/or Moody's: Aa3
		5-10 years	93,5%	
		10-20 years	89,0%	
		20-30 years	84,5%	
		>30 years	84,0%	
German government bills and fixed rate, unstructured and dated government bonds denominated in EUR. German index linked bonds are not eligible as collateral.	EUR	0-5 years	97,0%	S&P: AA- and/or Moody's: Aa3
		5-10 years	95,5%	
		10-20 years	93,5%	
		20-30 years	89,0%	
		>30 years	70,0%	

Type of instrument	Instrument currency	Time until Maturity	Value after Haircut	Minimum Rating
Norwegian government bills and fixed rate, unstructured and dated government bonds denominated in NOK. Norwegian index linked bonds are not eligible as collateral.	NOK	0-5 years	97,0%	S&P: AA- and/or Moody's: Aa3
		5-10 years	95,0%	
		10-20 years	87,0%	
		20-30 years	80,0%	
		>30 years	70,0%	
Swedish government bills and fixed rate, unstructured and dated government bonds denominated in SEK. Swedish index linked bonds denominated in SEK are also eligible as collateral.	SEK	0-5 years	97,0%	S&P: AA- and/or Moody's: Aa3
		5-10 years	94,5%	
		10-20 years	92,0%	
		20-30 years	91,0%	
		>30 years	70,0%	
British government bills and fixed rate, unstructured and dated government bonds denominated in GBP. British index linked bonds are not eligible as collateral.	GBP	0-5 years	97,0%	S&P: AA- and/or Moody's: Aa3
		5-10 years	94,0%	
		10-20 years	87,5%	
		20-30 years	81,5%	
		>30 years	77,0%	

### World Bank Green Bonds – Concentration Limit 100%

Type of instrument	Instrument currency	Time until Maturity	Value after Haircut	Minimum Rating
World Bank (issuer ID: IBRD, International Bank of Reconstruction and Development) fixed rate, unstructured and dated green bonds (proceeds to support projects mitigating climate change, <a href="http://treasury.worldbank.org/cmd/htm/WorldBankGreenBonds.html">http://treasury.worldbank.org/cmd/htm/WorldBankGreenBonds.html</a> )	SEK, NOK, DKK, EUR, GBP, USD	0-5 years	97,0%	S&P: AA- and/or Moody's: Aa3
		5-10 years	96,0%	
		10-20 years	87,0%	
		20-30 years	86,5%	
		>30 years	70,0%	

### Covered Bonds – Concentration Limit 95%

Type of instrument	Instrument Currency	Time until Maturity	Value after Haircut	Minimum Rating
Fixed rate and unstructured covered bonds issued by Swedish issuing institutions (as defined under the Swedish Covered Bonds Issuance Act (SFS 2003:1223)) denominated in SEK.	SEK	0-5 years	94,5%	S&P: AAA and/or Moody's: Aaa
		5-10 years	88,5%	
		10-20 years	88,0%	
		20-30 years	87,0%	
		>30 years	70,0%	
Fixed rate and unstructured covered bonds issued by Danish mortgage credit institutions (as defined under the Financial Business Act (Consolidated act no.705 of 25 June 2012)) denominated in DKK or EUR.	DKK or EUR	0-5 years	94,5%	S&P: AAA and/or Moody's: Aaa
		5-10 years	88,5%	
		10-20 years	88,0%	
		20-30 years	87,0%	
		>30 years	70,0%	

### Kommuninvest Bonds – Concentration Limit 95%

Type of instrument	Instrument currency	Time until Maturity	Value after Haircut	Minimum Rating
Fixed rate and unstructured bonds issued by Kommuninvest under the "Swedish Benchmark Programme" and denominated in SEK.	SEK	0-5 years	95,0%	S&P: AA+ and/or Moody's: Aa1
		5-10 years	95,0%	
		10-20 years	87,0%	
		20-30 years	80,0%	
		>30 years	70,0%	

### ETF – Concentration Limit 50%

Type of instrument	Instrument Currency	Value after Haircut
XACT Norden 30, ISIN SE0001710914 XACT OMXS30, ISIN SE0000693293 XACT OMXSB, ISIN SE0001056045	SEK	60%

### Pre-delivered EI-Certs and European Union Allowances (EUA) – Concentration limit 100%

Type of instrument	Instrument Currency	Value after Haircut
EI-Certs	SEK	90%
EUA	EUR	80%

### Equities – Concentration Limit 75%

#### Swedish equities

Only shares included in OMXS30, excluding financial shares, shares with another Nordic exchange as their primary market and shares not fulfilling the criteria N) under General Conditions, are eligible as collateral.

Instrument	ISIN	Instrument Currency	Value after haircut
ABB	CH0012221716	SEK	71%
ALFA	SE0000695876	SEK	70%
ALIV	SE0000382335	SEK	67%
ASSA B	SE0007100581	SEK	70%
ATCO A	SE0011166610	SEK	70%
ATCO B	SE0011166628	SEK	68%
AZN	GB0009895292	SEK	75%
BOL	SE0011088665	SEK	57%
ELUX B	SE0000103814	SEK	70%
ERIC B	SE0000108656	SEK	63%
ESSITY B	SE0009922164	SEK	75%
GETI B	SE0000202624	SEK	65%
HEXA B	SE0000103699	SEK	62%
HM B	SE0000106270	SEK	75%
SAND	SE0000667891	SEK	70%
SCA B	SE0000112724	SEK	57%
SECU B	SE0000163594	SEK	75%
SKA B	SE0000113250	SEK	72%
SKF B	SE0000108227	SEK	73%
SSAB A	SE0000171100	SEK	65%
SWMA	SE0000310336	SEK	75%
TEL2 B	SE0005190238	SEK	67%
TELIA	SE0000667925	SEK	75%
VOLV B	SE0000115446	SEK	67%