

Clearing Notice SIX x-clear Ltd

Adjustment of risk buckets for bonds clearing

1.0 Overview

SIX x-clear will adjust the current risk bucket structure for bonds clearing based on an analysis of the price volatility of the cleared instruments in order to ensure adequate risk coverage. This adjustment to a slightly more conservative model was necessary due to recent discussions with regulators and a reassessment of current margin rates applied to individual risk buckets.

2.0 Effective date

1 April 2015

3.0 Impact on member

The below tables shows the current and the future rates of initial margin applied to the risk buckets formed for bond instruments:

Risk bucket name	Minimum VaR	Maximum VaR	Initial margin current	Initial margin from 1.4.2015
BU01	0,00%	1,50%	0.75%	1.00%
BU02	1,50%	3,00%	2.25%	2.30%
BU03	3,00%	4,50%	3.75%	3.80%
BU04	4,50%	6,00%	5.25%	5.40%
BU05	6,00%	7,50%	6.75%	7.20%
BU06	7,50%	and higher	8.25%	13.90%

3.1 Impact on collateral requirement

SIX x-clear member may become subject to higher total margin requirements due to the adjusted risk bucket structure for bonds.

3.2 Legal framework

Please be advised that the risk bucket adjustment has been specified conceptually in chapter 5.2.1.1 of SIX x-clear's Clearing Terms for Swiss Exchange Ltd.

The updated Clearing Terms of SIX x-clear Ltd can be found at www.six-securities-services.com > Clearing > Download Center.

4.0 Contact

For further assistance, please contact the SIX x-clear Risk Management Operations team at xclearops@sisclear.com or tel. +41 58 399 4323.

In this context, SIX x-clear Ltd draws the Members' attention to clauses **7.1 lit. f. and 25.3** General Terms and Conditions of SIX x-clear Ltd stipulating that the Member bears responsibility for the tax requirements and consequences of clearing with x-clear pursuant to the Applicable Laws and that SIX x-clear Ltd assumes no liability



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for any charges or other negative consequences arising in conjunction with clearing through SIX x-clear Ltd that are a result of tax laws or ordinances issued by tax authorities pursuant to the Applicable Law.