Coverage in

Normal

Market

Conditions

Coverage in

Extreme

Market

Conditions

## **Eurex Clearing's Default Waterfall**

**Position Netting and Closing** 

Margin Collateral of Clearing Member (CM) in Default

## **DEFAULT FUND**

Contribution

(covering all asset classes cleared by

**Clearing Members)** 

**Dedicated Amount of Eurex Clearing** 

Default Fund Contribution of other CM's

Max two Assessments per Clearing Member and further Dedicated Amount

**Remaining funds of Eurex Clearing** 

## **Multi-Level Security System**

Close-out of all positions in case of a termination event.

The Collateral as financial resource of the defaulting Clearing Member is utilized to cover resulting losses.

## **DEFAULT FUND**

- Calibrated to cover all losses from default of two largest CM's
- Confidence Level of 99.9%.
- Report CD090 distributed over the Common Report Engine.
- The Default Fund Requirement is re-calculated at the end of each month and is in EUR.
- Eurex Clearing Circular 110 / 20: Prisma Release 10.1.
- Eurex Clearing Circular 006 / 21: Calculation of Default Fund contributions.

Dynamic contribu GCM minimum (1)	tion to the Default F DCM minimum (2)	Fund CA/BCM minimum (3)		Maximum of
EUR 5 million	EUR 1 million	EUR 1 million or EUR 100 thousand	•	Cover-2 Default Fund Size less ECAG's Dedicated Amount multiplied with: SLOM (30-day average) of the CM divided by the sum of SLOM (30-day average) over all CMs or column (1)/(2)/(3)

https://www.eurex.com/ec-en/services/risk-management/default-waterfall/default-fund

Eurex Clearings own contribution (Dedicated Amount) is applied.

Fund Contributions of other CM's to cover all remaining losses.

If the pre-funded contributions to the Default Fund are insufficient, additional financial resources (assessments) and further Dedicated Amount of Eurex Clearing are required.

Equity Capital of Eurex Clearing is applied and Deutsche Börse is providing also financial funding (Letter of Comfort).

