

**Public Quantitative Disclosure
Standards for Central Counterparties
ASX Clear (Futures) Pty Limited**

September 2019



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Introduction

Overview

ASX Clear (Futures) Pty Limited (ASX Clear (Futures)) is the central counterparty (CCP) for all futures and options products traded on ASX Trade24 and OTC products affirmed on an approved Affirmation platform.

As the central counterparty, the Clearing House becomes the seller to every buyer and the buyer to every seller, making it liable for completing all cleared transactions on the relevant market. This occurs through a contractual process known as novation, in accordance with the operating rules of the Clearing House.

Standard and Poor's (S&P)

ASX has obtained an S&P issuer credit rating for its clearing house for derivatives, ASX Clear (Futures). S&P has assigned an AA- long-term and A1+ short-term credit rating to ASX Clear (Futures). The rating outlook on the long-term issuer credit rating is stable.

European Securities and Markets Authority (ESMA) recognition

The European Market Infrastructure Regulation ("EMIR") was adopted by the European Parliament on 4 July 2012. Under EMIR, a CCP established outside of the European Union may continue to provide clearing services to clearing members established in the European Union only if ESMA recognises the CCP as a 'third-country CCP'. In addition, under the European Capital Requirements Directive IV ("CRD IV"), European banks are permitted to apply concessional risk weightings to their group's novated exposures to CCPs if they are "Qualifying CCPs". To become a Qualifying CPP, a CCP established outside the European Union must obtain recognition as a 'third country CCP' under EMIR.

ASX Clear (Futures) obtained recognition as a "third-country CCP" from ESMA with effect from 27 April 2015. Two important steps to obtaining such recognition were:

- (i) the adoption by the European Commission of its equivalence decision for Australia's regulatory regime on 30 October 2014; and
- (ii) the signing of a Memorandum of Understanding relating to cooperation between ASIC, RBA and ESMA on 27 November 2014.

The U.S. Commodity Futures Trading Commission (CFTC)

As of 18 August 2015, ASX Clear (Futures) is exempt from the requirement to register with the Commodity Futures Trading Commission as a Derivatives Clearing Organisation. Subject to the terms of the exemption, ASX Clear (Futures) is permitted to clear proprietary swap positions including but not limited to interest rate swaps denominated in U.S. dollars, Euros, Japanese yen, British pounds, Australian dollars and New Zealand dollars for its U.S. clearing members (including transactions of a parent or affiliate of a U.S. clearing member).

Background

The CPSS-IOSCO *Principles for financial market infrastructures* (PFMI) states that financial market infrastructures (FMIs) should provide relevant information to participants, relevant authorities and the broader public.

Quantitative data are important components of the set of public disclosures that is expected of FMIs as part of satisfying the PFMI.

Purpose of the disclosures

The disclosures are intended to support the objectives of enabling stakeholders, including authorities, participants (direct, indirect and prospective) and the public, to:

- compare Central Counterparty (CCP) risk controls, including their financial condition and financial resources to withstand potential losses;
- have a clear, accurate and full understanding of the risks associated with a CCP (in accordance with Principle 23, Key Consideration 5);
- understand and assess a CCP's systemic importance and its impact on systemic risk in all jurisdictions and currency areas for which it provides services, from which it has material membership or in which there are linked infrastructures; and
- understand and assess the risks of participating in CCPs (directly, and, to the extent relevant, indirectly).

Principle 23 states that FMIs should, at a minimum, disclose "basic data" on transaction volumes and values. Principle 23 also states that FMIs should disclose data on their financial condition, their financial resources to withstand potential losses, the timeliness of settlements, and other performance statistics. They should disclose sufficient information for participants and prospective participants to understand fully the risks of participating in the system. This disclosure is expected to be to the public rather than restricted to participants or members.

Frequency and type of disclosure

The matrix below details the quantitative disclosures as required in the Public Quantitative disclosure standards for central counterparties.

These standards can be accessed via the following link. <http://www.bis.org/cpmi/publ/d125.htm>

For each standard that requires a quantitative disclosure the matrix will display the following information:

- The principle number;
- The requirement of that principle (as specified in the standards);
- The quantitative disclosure as it applies to the CCP¹;
- The frequency period of updating this disclosure; and
- The period for which this disclosure relates

The common templates (csv files) and supporting documentation can be accessed via the following link:

<http://www.asx.com.au/regulation/regulatory-compliance/asx-clear-futures.htm>

Principle 4 – Credit Risk

| Requirement | |
|--|--|
| 4.1 | <p>Total value of default resources (excluding initial and retained variation margin), split by clearing service if default funds are segregated by clearing service, split by:</p> <ul style="list-style-type: none"> (a) pre-funded <ul style="list-style-type: none"> i. own capital that forms part of the default waterfall (further split by whether used before, alongside, or after, member contributions) ii. aggregate participant contributions (both amount required and post-haircut amount posted, where different) iii. other (b) committed <ul style="list-style-type: none"> i. own/parent funds that are committed to address a participant default (or round of participant defaults) ii. aggregate participant commitments to address an initial participant default (or initial round of participant defaults) iii. aggregate participant commitments to replenish the default fund to deal with a subsequent participant default (or round of participant defaults) after the initial participant default (or round of participant defaults) has been addressed iv. other <p>[Refer to the explanatory note at the end of this document for additional details]</p> |
| Disclosure | |
| <p>ASX Clear (Futures) has total default resources of up to \$1,250m. This is comprised of a paid in default fund of \$650m (comprising \$450m paid in resources from ASX and \$200m participant contributions) together with the ability to call on recovery assessments from its participants of up to \$600m.</p> <p>In the event of a participant default, the Clearing House will use the margins of the defaulting participant together with any Additional Initial Margins that had been collected from the defaulting participant.</p> | |
| <p>ASX Clear (Futures) \$650m</p> | |
| Update Frequency: | Quarterly |
| Last Updated: | 30 September 2019 |

| Requirement | | | |
|---|------|--|---------------------------------|
| 4.2 | KCCP | [Refer to the explanatory note at the end of this document for additional details] | |
| Disclosure | | | |
| <p>The Kccp is a hypothetical capital requirement for a CCP, calculated for the purpose of determining the capital requirement on bank clearing member default fund contributions. A CCP's hypothetical capital requirement is driven by its counterparty credit risk exposures from its clearing members.</p> <p>The Kccp does not represent the actual default resources for a CCP (the actual default resources are determined by the CCP's supervisor). As a qualifying CCP, ASX is required to calculate the default resources on bank clearing member default fund contributions on a monthly basis.</p> <p>The Kccp (Hypothetical capital) for ASX Clear (Futures) as at the reporting period was \$9.8m compared to actual default resources held of \$650m.</p> | | | |
| Update Frequency: | | Quarterly | Last Updated: 30 September 2019 |

| Requirement | | | | | | | | | | | | | | | | | | |
|--|--|---|--|------------|----------------|-----------------|-------------|--|--|---|-----|-----|--|-------|-------|--|------|------|
| 4.3 | Value of pre-funded default resources (excluding initial and retained variation margin) held for each clearing service, in total and split by: | <ul style="list-style-type: none"> • Cash deposited at a central bank of issue of the currency concerned • Cash deposited at other central banks • Secured cash deposited at commercial banks (consisting of Reverse Repos of Australian and State Government bonds only) • Unsecured cash deposited at commercial banks • Non-cash <ul style="list-style-type: none"> • sovereign government bonds <ul style="list-style-type: none"> ○ domestic ○ other • agency bonds • state/municipal bonds • corporate bonds • equities • commodities <ul style="list-style-type: none"> ○ gold ○ other (please describe) • mutual funds / UCITs • other (please provide explanation of type of asset) <p>Amounts should be reported both pre-haircut (i.e. at market value) and at post-haircut value.</p> | | | | | | | | | | | | | | | | |
| Disclosure | | | | | | | | | | | | | | | | | | |
| <p>Pre-funded default resources of \$650m (repayable upon demand) are provided in cash from ASX and Participant contributions. These funds together with margins from ASX Clear and ASX Clear (Futures), ASX Clear default funding and the CCPs own funds are combined into one portfolio and invested into various assets through a Trust.</p> <p>As the default resources cannot be individually assigned to specific asset classes, a general allocation has been made based on the proportion of the default resources to the total portfolio and this % has been applied to each asset class.</p> | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Investment</th> <th>Pre Haircut(m)</th> <th>Post Haircut(m)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td></td> <td></td> </tr> <tr> <td>Cash deposit at central bank of issue of currency</td> <td>0.1</td> <td>0.1</td> </tr> <tr> <td>Secured cash deposit at commercial banks (Reverse Repos of Australian and State Government bonds only)</td> <td>353.0</td> <td>353.0</td> </tr> <tr> <td>Unsecured cash deposit at commercial banks</td> <td>17.7</td> <td>17.7</td> </tr> </tbody> </table> | | | | Investment | Pre Haircut(m) | Post Haircut(m) | Cash | | | Cash deposit at central bank of issue of currency | 0.1 | 0.1 | Secured cash deposit at commercial banks (Reverse Repos of Australian and State Government bonds only) | 353.0 | 353.0 | Unsecured cash deposit at commercial banks | 17.7 | 17.7 |
| Investment | Pre Haircut(m) | Post Haircut(m) | | | | | | | | | | | | | | | | |
| Cash | | | | | | | | | | | | | | | | | | |
| Cash deposit at central bank of issue of currency | 0.1 | 0.1 | | | | | | | | | | | | | | | | |
| Secured cash deposit at commercial banks (Reverse Repos of Australian and State Government bonds only) | 353.0 | 353.0 | | | | | | | | | | | | | | | | |
| Unsecured cash deposit at commercial banks | 17.7 | 17.7 | | | | | | | | | | | | | | | | |

| Investment | Pre Haircut(m) | Post Haircut(m) |
|-------------------------------------|----------------|-----------------|
| Non- Cash | | |
| Domestic Sovereign Government Bonds | 0.0 | 0.0 |
| Australian State issued securities | 279.2 | 279.2 |
| Total | 650.0 | 650.0 |

| | | | |
|-------------------|-----------|---------------|-------------------|
| Update Frequency: | Quarterly | Last Updated: | 30 September 2019 |
|-------------------|-----------|---------------|-------------------|

| Requirement | | | | | |
|---|--|---|-----------|---|-----------|
| 4.4 | <p>1) State whether the CCP is subject to a minimum “Cover 1” or “Cover 2” requirement in relation to total pre-funded default resources.</p> <p>2) For each clearing service, state the number of business days within which the CCP assumes it will close out the default when calculating credit exposures that would potentially need to be covered by the default fund.</p> <p>3) For each clearing service, what is 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?</p> <p>4) Report the number of business days, if any, on which the above amount exceeded actual pre-funded default resources (in excess of initial margin) and by how much.</p> <p>5) For each clearing service, what was the actual largest aggregate credit exposure (in excess of initial margin) to any single participant and its affiliates (including transactions cleared for indirect participants)?</p> <p>6) For each clearing service, what is the estimated largest aggregate stress loss (in excess of initial margin) that would be caused by the default of any two participants and their affiliates (including transactions cleared for indirect participants) in extreme but plausible market conditions?</p> <p>7) Report the number of business days, if any, on which the above amount exceeded actual pre-funded default resources (in excess of initial margin) and by how much.</p> <p>8) For each clearing service, what was the actual largest aggregate credit exposure (in excess of initial margin) to any two participants and their affiliates (including transactions cleared for indirect participants)?</p> <p>[Refer to the explanatory note at the end of this document for additional details]</p> | | | | |
| Disclosure | | | | | |
| Ref | Result | | | | |
| 1) | ASX Clear (Futures) is subject to a “Cover 2” requirement | | | | |
| 2) | ASX Clear (Futures) assumes that it will close out a default within 3 business days | | | | |
| 3) | <table border="0"> <tr> <td>Peak day amount in the previous 12 months (Cover 1)</td> <td>\$399.6m*</td> </tr> <tr> <td>Average over the previous 12 months (Cover 1)</td> <td>\$291.9m*</td> </tr> </table> | Peak day amount in the previous 12 months (Cover 1) | \$399.6m* | Average over the previous 12 months (Cover 1) | \$291.9m* |
| Peak day amount in the previous 12 months (Cover 1) | \$399.6m* | | | | |
| Average over the previous 12 months (Cover 1) | \$291.9m* | | | | |
| 4) | The peak amount in the previous 12 months of \$399.6m did not exceed the pre-funded default resources of \$650.0m. | | | | |
| 5) | <table border="0"> <tr> <td>Peak day amount in the previous 12 months (Cover 1)</td> <td>\$0.0m</td> </tr> <tr> <td>Average over the previous 12 months (Cover 1)</td> <td>\$0.0m</td> </tr> </table> | Peak day amount in the previous 12 months (Cover 1) | \$0.0m | Average over the previous 12 months (Cover 1) | \$0.0m |
| Peak day amount in the previous 12 months (Cover 1) | \$0.0m | | | | |
| Average over the previous 12 months (Cover 1) | \$0.0m | | | | |
| 6) | <table border="0"> <tr> <td>Peak day amount in the previous 12 months (Cover 2)</td> <td>\$665.8m*</td> </tr> <tr> <td>Average over the previous 12 months (Cover 2)</td> <td>\$507.1m*</td> </tr> </table> | Peak day amount in the previous 12 months (Cover 2) | \$665.8m* | Average over the previous 12 months (Cover 2) | \$507.1m* |
| Peak day amount in the previous 12 months (Cover 2) | \$665.8m* | | | | |
| Average over the previous 12 months (Cover 2) | \$507.1m* | | | | |
| 7) | The peak amount in the previous 12 months of \$665.8m did exceed the pre-funded default resources of \$650.0m. | | | | |
| 8) | <table border="0"> <tr> <td>Peak day amount in the previous 12 months (Cover 2)</td> <td>\$0.0m</td> </tr> </table> | Peak day amount in the previous 12 months (Cover 2) | \$0.0m | | |
| Peak day amount in the previous 12 months (Cover 2) | \$0.0m | | | | |

| | | | |
|---|---|---------------|-------------------|
| | Average over the previous 12 months (Cover 2) | \$0.0m | |
| *Exposures are net of additional initial margins (AIMs) held. | | | |
| Update Frequency: | Quarterly | Last Updated: | 30 September 2019 |

Principle 5 – Collateral

| Requirement | | | |
|---|--|--|--|
| 5.1 | Assets eligible as initial margin, and the respective haircuts applied [Refer to the explanatory note at the end of this document for additional details] | | |
| Disclosure | | | |
| Subject to approval and on such conditions as ASX Clear (Futures) may determine from time to time, the following may be provided in respect of ETD and OTC initial margin: | | | |
| Approved Cover | Cover Requirements | Valuation Haircut | |
| AUD Cash | Acceptance of cash collateral in a currency against margin on a product denominated in a different currency is at ASX Clear Future's absolute discretion on a best endeavours basis and subject to pre-approval from ASX Clear Futures | 5% | N/A if lodged against margin on an Exchange product denominated in the currency of the cover |
| NZD Cash | | 3% | |
| EUR Cash | | 4% | |
| JPY Cash | | 6% | |
| USD Cash | | 6% | |
| GBP Cash | | 5% | |
| AUD State Government Bonds | <ul style="list-style-type: none"> Minimum maturity: 6 months Minimum holding: AU\$500,000 Issued under the benchmark domestic bond program of the relevant Treasury Corporation or Financing Authority of any of NSW, QLD, VIC or WA | <ul style="list-style-type: none"> Maturity less than or equal to 3 Years: 2% Maturity greater than 3 Years and less than 10 Years: 3% Maturity greater than 10 Years: 4% | |
| AUD Treasury Notes | <ul style="list-style-type: none"> Minimum maturity: 2 weeks Minimum holding: AU\$500,000 | 2% | |
| AUD Treasury Bonds | Minimum maturity: 6 months Minimum holding: AU\$500,000 (Excluding Capital Indexed, Inflation indexed bonds or any other specific series that ASX may exclude). | <ul style="list-style-type: none"> Maturity less than or equal to 3 years: 2% Maturity greater than 3 years and less than 10 Years: 3% Maturity greater than 10 Years: 4% | |
| US Treasury Bills | Minimum maturity: 2 weeks Minimum holding: US\$500,000 <ul style="list-style-type: none"> Minimum transaction: US\$500,000 | 2% (Note: where there is an FX mismatch of collateral to risk, additional FX haircuts will apply) | |
| Additional Initial Margins (AIMs) | | | |
| Pursuant to Clearing Rule 43.1, subject to approval and on such conditions as ASX Clear (Futures) may determine from time to time, the following cover may be provided in respect of stress test induced additional Initial Margins (AIMs): | | | |
| Approved Cover | Cover Requirements | Valuation Haircut | |
| AUD Cash | Nil | N/A | |
| AUD State Government Bonds | <ul style="list-style-type: none"> Minimum maturity: 6 months Minimum holding: AU\$500,000 Issued under the benchmark domestic bond program of the relevant Treasury Corporation or Financing Authority of any of NSW, QLD, VIC or WA | <ul style="list-style-type: none"> Maturity less than or equal to 3 Years: 2% Maturity greater than 3 Years and less than 10 Years: 3% Maturity greater than 10 Years: 4% | |
| AUD Treasury Bonds | <ul style="list-style-type: none"> Minimum maturity: 6 months Minimum holding: AU\$500,000 Fixed rate bond issuance only | <ul style="list-style-type: none"> Maturity less than or equal to 3 Years: 2% Maturity greater than 3 Years and less than 10 Years: 3% Maturity greater than 10 Years: 4% | |

| | | | |
|--|-------------------|---|---------------------------------|
| | | <ul style="list-style-type: none"> (Excluding Capital Indexed, Inflation indexed bonds or any other specific series that ASX may exclude). | |
| | Update Frequency: | When changes made | Last Updated: 30 September 2019 |

| Requirement | | | |
|---|--|-------------------|---------------------------------|
| 5.2 | Assets eligible for pre-funded participant contributions to the default resources, and the respective haircuts applied (if different from 5.1) | | |
| Disclosure | | | |
| ASX Clear (Futures) only accepts cash (Australian dollars) from participants to satisfy their pre-funded contributions. | | | |
| | Update Frequency: | When changes made | Last Updated: 30 September 2019 |

| Requirements | | | |
|--|---|------------------------|---------------------------------|
| 5.3 | <p>Results of testing of haircuts – please state the:</p> <ol style="list-style-type: none"> confidence interval targeted through the calculation of haircuts assumed holding/liquidation period for the assets accepted, look-back period used for testing the haircuts, the number of days during the look-back period on which the fall in value during the assumed holding/liquidation period exceeded the haircut on an asset. <p>[Refer to the explanatory note at the end of this document for additional details]</p> | | |
| Disclosure | | | |
| Back testing of Collateral haircuts is performed on a quarterly basis covering the previous 12 months. | | | |
| | | | |
| Ref | Item | Results - Securities | Results Cash |
| 1 | Confidence Interval Targeted | 99% | 99% |
| 2 | Assumed Holding / Liquidation Period | 3 days business days | 1 days business days |
| 3 | Look-back Period | 262 days business days | 262 days business days |
| 4 | Number of days exceeded the Haircut | 0 | 0 |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

Principle 6 – Margin

Initial Margin

| Requirement | | | | | | | | | | |
|--|---|---------------|-------------------|---------|--------------|-----------|---------|-------------|-----------|--------|
| 6.1 | <p>For each clearing service, total initial margin required, split by house and client (or combined total if not segregated)</p> <p>For each clearing service, state whether initial margin for the positions of indirect participants must be provided for each indirect participant's own position (gross), or for the net position of a group of indirect participants ("net" or "net omnibus")</p> <p>[Refer to the explanatory note at the end of this document for additional details]</p> | | | | | | | | | |
| Disclosure | | | | | | | | | | |
| <p>Each Clearing Participant operates a House account and Client Omnibus account. While ASX Clear (Futures) provides the ability for clients to have their own Individual Client account (ICA) at the time of reporting there were less than 10 clients with their own ICA account.</p> <table border="1"> <thead> <tr> <th>Type</th> <th>AUD (m)</th> <th>NZD (m)</th> </tr> </thead> <tbody> <tr> <td>Client (Net)</td> <td>\$5,793.2</td> <td>\$134.0</td> </tr> <tr> <td>House (Net)</td> <td>\$2,197.2</td> <td>\$48.2</td> </tr> </tbody> </table> | | Type | AUD (m) | NZD (m) | Client (Net) | \$5,793.2 | \$134.0 | House (Net) | \$2,197.2 | \$48.2 |
| Type | AUD (m) | NZD (m) | | | | | | | | |
| Client (Net) | \$5,793.2 | \$134.0 | | | | | | | | |
| House (Net) | \$2,197.2 | \$48.2 | | | | | | | | |
| Update Frequency: | Quarterly | Last Updated: | 30 September 2019 | | | | | | | |

| Requirement | |
|--|---|
| 6.2 | <p>For each clearing service, total initial margin held, split by house and client (if segregated).</p> <p>For each of the overall house and client totals (or for just the overall total posted, if house and client are not segregated), the amounts of:</p> <ul style="list-style-type: none"> • Cash deposited at a central bank of issue of the currency concerned • Cash deposited at other central banks • Secured cash deposited at commercial banks (consisting of Reverse Repos of Australian and State Government bonds only) • Unsecured cash deposited at commercial banks • Non-cash <ul style="list-style-type: none"> • sovereign government bonds <ul style="list-style-type: none"> ○ domestic ○ other • agency bonds • state/municipal bonds • corporate bonds • equities • commodities <ul style="list-style-type: none"> ○ gold ○ other • mutual funds / UCITs • other (please provide explanation of type of asset) <p>Amounts should be reported both pre-haircut (i.e. at market value) and at post-haircut value.</p> <p>[Refer to the explanatory note at the end of this document for additional details]</p> |
| Disclosure | |
| <p>Cash margins and default fund contributions lodged by participants of ASX Clear and ASX Clear (Futures) and the CCPs own funds are combined into one portfolio and invested into various assets through a Trust.</p> <p>As the initial margins cannot be individually assigned to specific asset classes, a general allocation has been made based on the proportion of the initial margin lodged to the total portfolio and this % has been applied to each asset class.</p> <p>This table also includes any excess collateral that has been lodged by any of the clearing participants.</p> | |

| Investments | House | | Client | |
|---|----------------|-----------------|----------------------|-------------------|
| | Pre Haircut(m) | Post Haircut(m) | Pre Haircut(m) | Post Haircut(m) |
| Cash | | | | |
| Cash deposit at central bank of issue of currency | 4.3 | 4.3 | 10.5 | 10.5 |
| Secured cash deposit at commercial banks (Reverse Repos of Government and State bonds only) | 1,106.4 | 1,106.4 | 3,771.4 | 3,771.4 |
| Unsecured cash deposit at commercial banks | 102.7 | 102.7 | 239.1 | 239.1 |
| Non-Cash | | | | |
| Domestic sovereign government bonds | 972.2 | 944.3 | 61.4 | 58.9 |
| Australian State issued securities | - | - | 26.6 | 25.5 |
| Bank issued securities | 801.1 | 801.1 | 2,922.8 | 2,922.8 |
| Total | 2,986.6 | 2,958.8 | 7,031.8 | 7,028.2 |
| Update Frequency: | Quarterly | | Last Updated: | 30 September 2019 |

| Requirement | | | |
|--|---|--|--|
| 6.3 | Initial margin rates on individual contracts, where the CCP sets such rates [Refer to the explanatory note at the end of this document for additional details] | | |
| Disclosure | | | |
| Refer to the link below for the ASX Clear (Futures) initial margin rates and SPAN margin parameters http://www.asx.com.au/regulation/regulatory-compliance/asx-clear-futures.htm | | | |
| Update Frequency: | When changes made | | Last Updated: 30 September 2019 |

| Requirement | | | |
|-------------|--|--|---|
| 6.4 | Type of initial margin model used (e.g. portfolio simulation or risk aggregation) for each clearing service and the key model design parameters for each initial margin model applied to that clearing service – key parameters including, but not limited to: (i) single-tailed confidence level targeted; (ii) sample/data look-back period for calibrating the model; (iii) adjustments or scalars or weighting, if any, applied to historical data (e.g. to reflect changes in volatility); (iv) close-out/holding periods by product (or, if varying, contract type); (v) for risk aggregation models, the margin rate per contract and details of the offsets between different contracts [e.g. for SPAN style models this might include inter-month spread charges and inter-contract spread credits]; (vi) the frequency of parameter reviews. [Refer to the explanatory note at the end of this document for additional details] | | |
| Disclosure | | | |
| Ref | Item | SPAN (Exchange Traded) | HSVAr (OTC) |
| (i) | Single-tailed confidence level targeted | 99.5% | 99.7% |
| (ii) | sample/data look-back period for calibrating the model | 5 Years | From June 2008 |
| (iii) | Adjustments, scalars or weighting | The close out period is dynamic. The minimum close our period is 2-3 days depending on product, however it is also dependent on the ratio between | In calculating margin scenarios, the standard is to: - use unweighted initial margin scenarios |

| | | | |
|-------------------|-------------------------------------|---|---|
| | | the 30 & 252 day simple moving average of traded volume. | <ul style="list-style-type: none"> - calculate the conditional forecast of volatility with the Exponentially Weighted Moving Average (EWMA) and the current lambda parameter for each day in the available history - scale unweighted initial margin scenarios by the current conditional forecast of volatility - apply a minimum scaling factor to ensure that VaR estimates remain risk appropriate (also known as a volatility floor). |
| (iv) | Close-out/holding Periods | 2 or 3 Days | 5 Days |
| (v) | Offsets between different contracts | http://www.asx.com.au/regulation/regulatory-compliance/asx-clear-futures.htm | N/A |
| (vi) | Frequency of reviews | Monthly | Monthly |
| Update Frequency: | | Quarterly | Last Updated: 30 September 2019 |

| Requirement | | | |
|-------------------|--|-------------|---------------------------------|
| 6.5 | <p>Results of back-testing of initial margin. At a minimum, this should include, for each clearing service and each initial margin model applied to that clearing service:</p> <p>(a) Number of times over the past twelve months that margin coverage held against any account fell below the actual marked-to-market exposure of that member account – based on daily back-testing results*</p> <p>(b) Number of observations (i.e. number of accounts multiplied by number of days covered in the back test)</p> <p>(c) Achieved coverage level, i.e. [(b) – (a)]/(b)</p> <p>* Specify if measured intraday/continuously or only once a day. If once a day, specify at what time of day. Where breaches of initial margin coverage (as defined in 6.5(a)) have occurred, report on size of uncovered exposure. [Refer to the explanatory note at the end of this document for additional details]</p> | | |
| Disclosure | | | |
| | Ref | Derivatives | OTC |
| | (a) | 0 | 31 |
| | (b) | 6,819 | 2,230 |
| | (c) | 100.00% | 98.61% |
| | Peak | \$0.0m | \$26.5m |
| | Average | \$0.0m | \$5.5m |
| Update Frequency: | | Quarterly | Last Updated: 30 September 2019 |

Margin Calls

| Requirement | | | |
|-------------------|--|-----------|---------------------------------|
| 6.6 | <p>Average total variation margin paid to the CCP by participants each business day.</p> <p>[Refer to the explanatory note at the end of this document for additional details]</p> | | |
| Disclosure | | | |
| | Average total variation margin paid to the CCP by participants each business day over the quarter. | | \$384.8m |
| Update Frequency: | | Quarterly | Last Updated: 30 September 2019 |

| | | | |
|-------------|--|-----------|---------------------------------|
| Requirement | | | |
| 6.7 | Maximum total variation margin paid to the CCP on any given business day over the period. | | |
| | Disclosure | | |
| | Maximum total variation margin paid to the CCP on any given business day over the quarter. | | \$1,211.9m |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

| | | | |
|-------------|--|-----------|---------------------------------|
| Requirement | | | |
| 6.8 | Maximum initial margin call per clearing participant on any given business day over the period. | | |
| | Disclosure | | |
| | Maximum initial margin call per clearing participant on any given business day over the quarter. | | \$32.5m |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

Principle 7 – Liquidity Risk

| Requirement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|----------------------|-------------------|----------|-------------|--------|--------|---|-----|------|--|--|--|--|---------|------|------|--|-----|--|------|------|------|--|------|---|---------|--|--|--|--|--------------|----------------|--------------|-------------|----------|-------------|
| 7.1 | <p>State whether the clearing service maintains sufficient liquid resources to 'Cover 1' or 'Cover 2'.</p> <p>Size and composition of qualifying liquid resources for each clearing service (or at aggregate CCP level if not managed at clearing service level) – for each relevant currency – split by:</p> <ol style="list-style-type: none"> Cash deposited at a central bank of issue of the currency concerned Cash deposited at other central banks Secured cash deposited at commercial banks (consisting of Reverse Repos of Australian and State Government bonds only) Unsecured cash deposited at commercial banks secured committed lines of credit (i.e. those for which collateral/security will be provided by the CCP if drawn) including committed foreign exchange swaps and committed repos; unsecured committed lines of credit (i.e. which the CCP may draw without providing collateral/security); 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; other (please specify). <p>State whether the CCP has routine access to central bank liquidity or facilities.</p> <p>If, in using qualifying liquid resources the CCP is required or allowed to give priority to meeting certain payment obligations, please provide or reference:</p> <ul style="list-style-type: none"> the schedule of payments or priority for allocating payments, if such exists; any applicable rule, policy, procedure, and governance arrangement around such decision making. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Disclosure | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>As all cash received from both clearing houses together with the CCPs own funds are combined into one portfolio and invested into various assets through a Trust, a general allocation has been made based on the proportion of the portfolio lodged by each clearing house to the total portfolio and this % has been applied to the relevant asset class.</p> <p>ASX Clear (Futures) maintains sufficient liquid resources for Cover 2.</p> <table border="1"> <thead> <tr> <th>Investments</th> <th>AUD(m)</th> <th>NZD(m)</th> <th>JPY(m)</th> <th>USD(m)</th> <th>EUR(m)</th> </tr> </thead> <tbody> <tr> <td>Cash deposited at central bank of issue of the currency</td> <td>1.8</td> <td>13.1</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Secured cash deposited at commercial banks (reverse repo of Government and State bonds only)</td> <td>5,061.1</td> <td>98.2</td> <td>64.2</td> <td></td> <td>7.3</td> </tr> <tr> <td>Unsecured cash deposited at commercial banks</td> <td>72.8</td> <td>61.7</td> <td>33.5</td> <td></td> <td>10.5</td> </tr> <tr> <td>Highly marketable collateral held in custody & investments that are readily available and convertible into cash</td> <td>4,003.1</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>9,138.8</td> <td>173.0</td> <td>97.7</td> <td>-</td> <td>17.8</td> </tr> </tbody> </table> <p>As a matter of policy ASX Clear (Futures) only accept securities as collateral that are on the RBA eligibility list for Repo.</p> <p>ASX Clear (Futures) is not required to give priority in meeting payment obligations</p> | | Investments | AUD(m) | NZD(m) | JPY(m) | USD(m) | EUR(m) | Cash deposited at central bank of issue of the currency | 1.8 | 13.1 | | | | Secured cash deposited at commercial banks (reverse repo of Government and State bonds only) | 5,061.1 | 98.2 | 64.2 | | 7.3 | Unsecured cash deposited at commercial banks | 72.8 | 61.7 | 33.5 | | 10.5 | Highly marketable collateral held in custody & investments that are readily available and convertible into cash | 4,003.1 | | | | | Total | 9,138.8 | 173.0 | 97.7 | - | 17.8 |
| Investments | AUD(m) | NZD(m) | JPY(m) | USD(m) | EUR(m) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash deposited at central bank of issue of the currency | 1.8 | 13.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Secured cash deposited at commercial banks (reverse repo of Government and State bonds only) | 5,061.1 | 98.2 | 64.2 | | 7.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unsecured cash deposited at commercial banks | 72.8 | 61.7 | 33.5 | | 10.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Highly marketable collateral held in custody & investments that are readily available and convertible into cash | 4,003.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 9,138.8 | 173.0 | 97.7 | - | 17.8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Update Frequency: | Quarterly | Last Updated: | 30 September 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Requirement | | | | | |
|--|--|----------------------|-------------------|--|--|
| 7.2 | <p>Size and composition of any supplementary liquidity risk resources for each clearing service above those qualifying liquid resources above.</p> <p>[Refer to the explanatory note at the end of this document for additional details]</p> | | | | |
| Disclosure | | | | | |
| <p>There are no supplementary liquidity risk resources beyond what has been detailed in principle 7.1 for ASX Clear (Futures).</p> | | | | | |
| Update Frequency: | Quarterly | Last Updated: | 30 September 2019 | | |

| Requirement | | | | | | | | | | | | | |
|-------------------|---|---------------|-------------------|----|----------|----|-------------------|----|-----------|----|--|----|--|
| 7.3 | <p>For each clearing service (or at the aggregate CCP level if not managed at clearing service level):</p> <ol style="list-style-type: none"> 1) What is the estimated largest same-day and, where relevant, intraday and multiday payment obligation in total 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? 2) Report the number of business days, if any, on which the above amount exceeded its qualifying liquid resources (identified as in 7.1, and available at the point the breach occurred), and by how much. 3) What is the actual largest intraday and multiday payment obligation of a single participant and its affiliates (including transactions cleared for indirect participants) over the past twelve months? 4) What is the estimated largest same-day and, where relevant, intraday and multiday payment obligation in each relevant currency 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? 5) Report the number of business days, if any, on which the above amounts exceeded its qualifying liquid resources in each relevant currency (as identified in 7.1 and available at the point the breach occurred), and by how much. <p>[Refer to the explanatory note at the end of this document for additional details]</p> | | | | | | | | | | | | |
| Disclosure | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Ref</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>1)</td> <td>\$435.2m</td> </tr> <tr> <td>2)</td> <td>0 days \$0.00m</td> </tr> <tr> <td>3)</td> <td>Peak \$0m</td> </tr> <tr> <td>4)</td> <td>Cover 1: \$435.2m Cover 2: \$604.0m</td> </tr> <tr> <td>5)</td> <td>Cover 1: 0 days Cover 1: \$0.00m Cover 2: 0 days Cover 2: \$0.00m</td> </tr> </tbody> </table> | Ref | Result | 1) | \$435.2m | 2) | 0 days \$0.00m | 3) | Peak \$0m | 4) | Cover 1: \$435.2m Cover 2: \$604.0m | 5) | Cover 1: 0 days Cover 1: \$0.00m Cover 2: 0 days Cover 2: \$0.00m |
| Ref | Result | | | | | | | | | | | | |
| 1) | \$435.2m | | | | | | | | | | | | |
| 2) | 0 days \$0.00m | | | | | | | | | | | | |
| 3) | Peak \$0m | | | | | | | | | | | | |
| 4) | Cover 1: \$435.2m Cover 2: \$604.0m | | | | | | | | | | | | |
| 5) | Cover 1: 0 days Cover 1: \$0.00m Cover 2: 0 days Cover 2: \$0.00m | | | | | | | | | | | | |
| Update Frequency: | Quarterly | Last Updated: | 30 September 2019 | | | | | | | | | | |

Principle 12 – Exchange of Value Settlement System

| Requirement | | | | | | | | | | | |
|-------------|---|-----------|---------------------------------|------|------------|-----|-----|-----|-----|-----|-----|
| 12.1 | Percentage of settlements by value effected using a DvP, DvD or PvP settlement mechanism | | | | | | | | | | |
| | [Refer to the explanatory note at the end of this document for additional details] | | | | | | | | | | |
| Disclosure | | | | | | | | | | | |
| | Exchange Traded products and OTC transactions are settled via the margining process | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Type</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>DvP</td> <td>N/A</td> </tr> <tr> <td>DvD</td> <td>N/A</td> </tr> <tr> <td>PvP</td> <td>N/A</td> </tr> </tbody> </table> | | | Type | Percentage | DvP | N/A | DvD | N/A | PvP | N/A |
| Type | Percentage | | | | | | | | | | |
| DvP | N/A | | | | | | | | | | |
| DvD | N/A | | | | | | | | | | |
| PvP | N/A | | | | | | | | | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 | | | | | | | | |

| Requirement | | | | | | | | | | | |
|-------------|---|-----------|---------------------------------|------|------------|-----|-----|-----|-----|-----|-----|
| 12.2 | Percentage of settlements by volume effected using a DvP, DvD or PvP settlement mechanism | | | | | | | | | | |
| | [Refer to the explanatory note at the end of this document for additional details] | | | | | | | | | | |
| Disclosure | | | | | | | | | | | |
| | Exchange Traded products and OTC transactions are settled via the margining process | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Type</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>DvP</td> <td>N/A</td> </tr> <tr> <td>DvD</td> <td>N/A</td> </tr> <tr> <td>PvP</td> <td>N/A</td> </tr> </tbody> </table> | | | Type | Percentage | DvP | N/A | DvD | N/A | PvP | N/A |
| Type | Percentage | | | | | | | | | | |
| DvP | N/A | | | | | | | | | | |
| DvD | N/A | | | | | | | | | | |
| PvP | N/A | | | | | | | | | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 | | | | | | | | |

Principle 13 – Default Rules and Procedures

| Requirement | | | |
|-------------|---|--------|---------------------------------|
| 13.1 | <p>CCPs are encouraged, subject to legal constraints on timing and content, to disclose as soon as practicable quantitative information related to defaults, such as:</p> <ul style="list-style-type: none"> • Amount of loss versus amount of initial margin • Amount of other financial resources used to cover losses • Proportion of client positions closed-out/ported <p>Appropriate references to other published material related to the defaults may also be helpful.</p> | | |
| Disclosure | | | |
| | <p>There were no ASX Clear (Futures) Clearing Participant defaults in the reporting period.</p> <p>Refer to the following link for an overview on default management:</p> <p>https://www.asx.com.au/services/default-management.htm</p> | | |
| | Update Frequency: | Ad Hoc | Last Updated: 30 September 2019 |

Principle 14 – Segregation and Portability

| Requirement | | | | | | | | | | | | | |
|-------------|--|-----------|---------------------------------|-----|--------|-----|---|-----|------|-----|---|-----|---|
| 14.1 | <p>Split, by clearing service, of total client positions held in:</p> <ul style="list-style-type: none"> (a) individually segregated accounts; (b) omnibus client-only accounts, other than LSOC accounts (see below); (c) legally segregated but operationally comingled (LSOC) accounts; (d) comingled house and client accounts; <p>as a share of notional values cleared or of the settlement value of securities transactions. [Refer to the explanatory note at the end of this document for additional details]</p> | | | | | | | | | | | | |
| Disclosure | | | | | | | | | | | | | |
| | Each clearing participant operates a House and Client omnibus account | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Ref</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>0</td> </tr> <tr> <td>(b)</td> <td>100%</td> </tr> <tr> <td>(c)</td> <td>0</td> </tr> <tr> <td>(d)</td> <td>0</td> </tr> </tbody> </table> | | | Ref | Result | (a) | 0 | (b) | 100% | (c) | 0 | (d) | 0 |
| Ref | Result | | | | | | | | | | | | |
| (a) | 0 | | | | | | | | | | | | |
| (b) | 100% | | | | | | | | | | | | |
| (c) | 0 | | | | | | | | | | | | |
| (d) | 0 | | | | | | | | | | | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 | | | | | | | | | | |

Principle 15 – General Business Risk

| Requirement | | | |
|-------------|--|--------|----------------------------|
| 15.1 | (a) Value of liquid net assets funded by equity (b) Six months of current operating expenses [Refer to the explanatory note at the end of this document for additional details] | | |
| Disclosure | | | |
| | (a) Capital to cover General Business Risk is held at the holdings company level and not the individual clearing house. \$71m is assigned for ASX Clear (Futures) business risk. (b) \$109.5m * *Disclosures are based on amounts for ASX Limited and its subsidiaries (the group), which includes ASX Clear and ASX Clear (Futures), for the financial year ended 28 June 2019. | | |
| | Update Frequency: | Annual | Last Updated: 28 June 2019 |

| Requirement | | | | | | | | | | | |
|------------------------|---|---------------|----------------------------|-------------------|-------------|------------------------|----------|-----------------------|----------|--|--|
| 15.2 | Financial disclosures: including, but not limited to, <ul style="list-style-type: none"> total revenue, total expenditure, profits, total assets, total liabilities. <p>Explain if collateral posted by clearing participants is held on or off the CCP's balance sheet.</p> | | | | | | | | | | |
| Disclosure | | | | | | | | | | | |
| | ASX Clear (Futures) has entered into an arrangement with a related entity for the provision of operational services and assets in exchange for the assignment of clearing fees. Accordingly ASX Clear (Futures) does not have any meaningful revenues or expenses within the entity itself. | | | | | | | | | | |
| | The disclosures below are based on amounts for ASX Limited and its subsidiaries (the group), which includes ASX Clear and ASX Clear (Futures), for the financial year ended 28 June 2019. | | | | | | | | | | |
| | <table> <tr> <td>Total Revenue</td> <td>\$1,089.4m</td> </tr> <tr> <td>Total Expenditure</td> <td>\$384.3m</td> </tr> <tr> <td>Net Profits before Tax</td> <td>\$705.1m</td> </tr> <tr> <td>Net Profits after Tax</td> <td>\$492.0m</td> </tr> </table> | Total Revenue | \$1,089.4m | Total Expenditure | \$384.3m | Net Profits before Tax | \$705.1m | Net Profits after Tax | \$492.0m | | |
| Total Revenue | \$1,089.4m | | | | | | | | | | |
| Total Expenditure | \$384.3m | | | | | | | | | | |
| Net Profits before Tax | \$705.1m | | | | | | | | | | |
| Net Profits after Tax | \$492.0m | | | | | | | | | | |
| | <table> <tr> <td>Total Assets</td> <td>\$15,285.0m</td> </tr> <tr> <td>Total Liabilities</td> <td>\$11,368.6m</td> </tr> </table> | Total Assets | \$15,285.0m | Total Liabilities | \$11,368.6m | | | | | | |
| Total Assets | \$15,285.0m | | | | | | | | | | |
| Total Liabilities | \$11,368.6m | | | | | | | | | | |
| | Collateral posted by participants to cover ASX Clear (Futures) margin obligations are held on the balance sheet. | | | | | | | | | | |
| | Update Frequency: | Annual | Last Updated: 28 June 2019 | | | | | | | | |

| Requirement | | | |
|-------------|--|--|--|
| 15.3 | Income breakdowns: <ul style="list-style-type: none"> percentage of total income that comes from fees related to provision of clearing services; percentage of total income that comes from the reinvestment (or rehypothecation) of assets provided by clearing participants. | | |
| Disclosure | | | |
| | (a) % of total income from fees related to provision of clearing services: 18% (1) | | |
| | (b) % of total income from the reinvestment of cash margins: 15% (2) | | |

| | | | |
|--|---|--------|----------------------------|
| | <p>(1) Clearing fees for derivatives are bundled with trading and settlement fees. A portion of the total fees charged for trading, clearing and settlement has been allocated to clearing activities based on estimates by management.</p> <p>(2) The % of total income from reinvestment of cash margins disclosures are based on amounts for ASX Limited and its subsidiaries (the group), which includes ASX Clear and ASX Clear (Futures), for the financial year ended 28 June 2019. Re-hypothecation of collateral is not permitted.</p> | | |
| | Update Frequency: | Annual | Last Updated: 28 June 2019 |

Principle 16 – Custody and Investment Risk

| Requirement | |
|----------------------------|--|
| 16.1 | Total cash (but not securities) received from participants, regardless of the form in which it is held, deposited or invested, split by whether it was received as initial margin or default fund contribution |
| Disclosure | |
| Initial Margin | \$8,529.2m |
| Default Fund Contributions | \$200.0m |
| Update Frequency: | Quarterly |
| Last Updated: | 30 September 2019 |

| Requirement | |
|-------------|--|
| 16.2 | <p>How the total cash received from participants (i.e. the combined total of initial margin and default fund contributions in 16.1) is held/deposited/invested, including:</p> <ul style="list-style-type: none"> • percentage of this total participant cash held as cash deposits (consisting of Reverse Repos of Australian and State Government bonds only); further split into: <ul style="list-style-type: none"> • percentage held: <ul style="list-style-type: none"> ○ as cash deposits at central banks of issue of the currency deposited; ○ as cash deposits at other central banks; ○ as cash deposits at commercial banks; of which: <ul style="list-style-type: none"> ○ percentage secured (consisting of Reverse Repos of Australian and State Government bonds only); ○ percentage unsecured; ○ in money market funds; ○ in other forms (please specify). • percentage split by currency of these cash deposits (consisting of Reverse Repos of Australian and State Government bonds only) and money market funds - local currency, USD, EUR, other <p>Also:</p> <ul style="list-style-type: none"> • weighted average maturity of these cash deposits (consisting of Reverse Repos of Australian and State Government bonds only) and money market funds <ul style="list-style-type: none"> • percentage of this total participant cash invested in securities; further split into: <ul style="list-style-type: none"> • percentage invested in <ul style="list-style-type: none"> ○ sovereign government bonds; of which: <ul style="list-style-type: none"> ○ domestic; ○ other; ○ agency bonds; ○ state/municipal bonds; ○ other instruments (please describe); • percentage split by currency of these securities - local currency, USD, EUR, other. <p>Also:</p> <ul style="list-style-type: none"> • weighted average maturity of these securities <p>Provide an estimate of the risk on the investment portfolio (excluding central bank and commercial bank deposits) (99% one-day VaR, or equivalent)</p> <p>State if the CCP investment policy sets a limit on the proportion of the investment portfolio that may be allocated to a single counterparty, and the size of that limit.</p> |

State the number of times over the previous quarter in which this limit has been exceeded.

Disclosure

Margins and default funding lodged by participants of ASX Clear and ASX Clear (Futures) and the CCPs own funds are combined into one portfolio and invested into various assets.

As the total cash received from Participants cannot be individually assigned to specific asset classes, a general allocation has been made based on the proportion of the cash received from Participants to the total portfolio and this % has been applied to each asset class.

The below disclosures include excess cash received from participants over and above their initial margin requirement.

| Investment | AUD % | NZD % | USD % | JPY% | EUR% |
|---|---------------|----------------|--------------|----------------|----------------|
| Central bank of issue of the currency deposited | 0.02% | 7.57% | 0.00% | 0.00% | 0.00% |
| Secured cash deposits at commercial banks (reverse repo of Government and State bonds only) | 54.31% | 56.75% | 0.00% | 65.74% | 40.96% |
| Unsecured cash deposits at commercial banks | 2.72% | 35.68% | 0.00% | 34.26% | 59.04% |
| % of total participant cash held as cash deposits (incl. reverse repo): | 57.05% | 100.00% | 0.00% | 100.00% | 100.00% |

| | | | | | |
|--|---------------|--------------|--------------|--------------|--------------|
| Domestic Sovereign Government Bonds | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Australian State issued securities | 42.95% | 0.00% | 0.00% | 0.00% | 0.00% |
| % of total participant cash invested in securities: | 42.95% | 0.00% | 0.00% | 0.00% | 0.00% |

Weighted average maturity of these securities (WAM) 60.63 days

Estimated risk on the Investment portfolio (VaR = 2 day holding period calculated at 99% confidence) \$404.6K

| Counterparty | Limit (AUD) per Counterparty |
|---|------------------------------|
| Australian Government | Unlimited |
| State Government | \$1,000m |
| New Zealand Government | NZD\$250m |
| New Zealand Deposit-taking Institution | NZD\$100m |
| Major Australian Deposit-taking Institution | \$75m |
| Other Australian Deposit-taking Institution (A1+) | \$75m |
| Other Australian Deposit-taking Institution (A1) | \$75m |

Update Frequency:

Quarterly

Last Updated:

30 September 2019

Requirement

16.3 Rehypothecation of participant assets (i.e. non-cash) by the CCP where allowed, split by initial margin and default fund:

- total value of participant non-cash rehypothecated;
- maturities (overnight/one day; over one day and up to one week; over one week and up to one month; over one month and up to one year; over one year and up to two years; over two years);

Disclosure

The value of participants' non-cash collateral re-hypothecated as at quarter end was nil as re-hypothecation of collateral is not permitted.

| | | | | |
|--|-------------------|-----------|---------------|-------------------|
| | Update Frequency: | Quarterly | Last Updated: | 30 September 2019 |
|--|-------------------|-----------|---------------|-------------------|

Principle 17 – Operational Risk

| Requirement | | | | | | | | | | | | | | | | |
|--|---|-----------|---------------|-------------------|------------------------------------|--|--------|---------------------|--------------------|--------|-------------------|--------|---------------------|--------|------------------|--------|
| 17.1 | Operational availability target for the core system(s) involved in clearing (whether or not outsourced) over specified period for the system (e.g. 99.99% over a twelve-month period) [Refer to the explanatory note at the end of this document for additional details] | | | | | | | | | | | | | | | |
| Disclosure | | | | | | | | | | | | | | | | |
| ASX Clear (Futures) has four core systems for the settlement and margining of products. | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Calypso for clearing OTC; • Genium for clearing Exchange Traded Derivatives (Futures); • Calypso for the margining of OTC and cross margined Futures; and • SPAN for the margining of Futures | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th colspan="2">ASX Clear (Futures) – Core Systems</th> </tr> <tr> <th>System</th> <th>Availability Target</th> </tr> </thead> <tbody> <tr> <td>Calypso (Clearing)</td> <td>99.80%</td> </tr> <tr> <td>Genium (Clearing)</td> <td>99.80%</td> </tr> <tr> <td>Calypso (Margining)</td> <td>99.80%</td> </tr> <tr> <td>SPAN (Margining)</td> <td>99.80%</td> </tr> </tbody> </table> | | | | | ASX Clear (Futures) – Core Systems | | System | Availability Target | Calypso (Clearing) | 99.80% | Genium (Clearing) | 99.80% | Calypso (Margining) | 99.80% | SPAN (Margining) | 99.80% |
| ASX Clear (Futures) – Core Systems | | | | | | | | | | | | | | | | |
| System | Availability Target | | | | | | | | | | | | | | | |
| Calypso (Clearing) | 99.80% | | | | | | | | | | | | | | | |
| Genium (Clearing) | 99.80% | | | | | | | | | | | | | | | |
| Calypso (Margining) | 99.80% | | | | | | | | | | | | | | | |
| SPAN (Margining) | 99.80% | | | | | | | | | | | | | | | |
| | Update Frequency: | Quarterly | Last Updated: | 30 September 2019 | | | | | | | | | | | | |

| Requirement | | | | | | | | | | | | | | | | |
|---|--|-----------|---------------|-------------------|------------------------------------|--|--------|--------------|--------------------|---------|-------------------|---------|---------------------|---------|------------------|---------|
| 17.2 | Actual availability of the core system(s) over the previous twelve month period. | | | | | | | | | | | | | | | |
| Disclosure | | | | | | | | | | | | | | | | |
| All ASX Clear (Futures) core systems have had 100% availability over the last 12 months | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th colspan="2">ASX Clear (Futures) – Core Systems</th> </tr> <tr> <th>System</th> <th>Availability</th> </tr> </thead> <tbody> <tr> <td>Calypso (Clearing)</td> <td>100.00%</td> </tr> <tr> <td>Genium (Clearing)</td> <td>100.00%</td> </tr> <tr> <td>Calypso (Margining)</td> <td>100.00%</td> </tr> <tr> <td>SPAN (Margining)</td> <td>100.00%</td> </tr> </tbody> </table> | | | | | ASX Clear (Futures) – Core Systems | | System | Availability | Calypso (Clearing) | 100.00% | Genium (Clearing) | 100.00% | Calypso (Margining) | 100.00% | SPAN (Margining) | 100.00% |
| ASX Clear (Futures) – Core Systems | | | | | | | | | | | | | | | | |
| System | Availability | | | | | | | | | | | | | | | |
| Calypso (Clearing) | 100.00% | | | | | | | | | | | | | | | |
| Genium (Clearing) | 100.00% | | | | | | | | | | | | | | | |
| Calypso (Margining) | 100.00% | | | | | | | | | | | | | | | |
| SPAN (Margining) | 100.00% | | | | | | | | | | | | | | | |
| | Update Frequency: | Quarterly | Last Updated: | 30 September 2019 | | | | | | | | | | | | |

| Requirement | | | | |
|--|---|--|--|--|
| 17.3 | Total number and duration of failures affecting the core system(s) involved in clearing over the previous twelve month period | | | |
| Disclosure | | | | |
| There have been no failures with the ASX Clear (Futures) core systems for the last 12 months | | | | |

| ASX Clear (Futures) – Core Systems | | | |
|------------------------------------|--------------------|----------------------|-------------------|
| System | Number of Failures | Duration (Mins) | |
| Calypso (Clearing) | 0 | 0 | |
| Genium (Clearing) | 0 | 0 | |
| Calypso (Margining) | 0 | 0 | |
| SPAN (Margining) | 0 | 0 | |
| Update Frequency: | Quarterly | Last Updated: | 30 September 2019 |

| Requirement | | | | | | | | | | | | | | | |
|--|--|----------------------|-------------------|------------------------------------|--|--------|-------------------------|--------------------|---------|-------------------|---------|---------------------|---------|------------------|---------|
| 17.4 | Recovery time objective(s) (e.g. within two hours) | | | | | | | | | | | | | | |
| Disclosure | | | | | | | | | | | | | | | |
| All ASX Clear (Futures) core systems are subject to a 2 hour recovery time objective. | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th colspan="2">ASX Clear (Futures) – Core Systems</th> </tr> <tr> <th>System</th> <th>Recovery Time Objective</th> </tr> </thead> <tbody> <tr> <td>Calypso (Clearing)</td> <td>2 Hours</td> </tr> <tr> <td>Genium (Clearing)</td> <td>2 Hours</td> </tr> <tr> <td>Calypso (Margining)</td> <td>2 Hours</td> </tr> <tr> <td>SPAN (Margining)</td> <td>2 Hours</td> </tr> </tbody> </table> | | | | ASX Clear (Futures) – Core Systems | | System | Recovery Time Objective | Calypso (Clearing) | 2 Hours | Genium (Clearing) | 2 Hours | Calypso (Margining) | 2 Hours | SPAN (Margining) | 2 Hours |
| ASX Clear (Futures) – Core Systems | | | | | | | | | | | | | | | |
| System | Recovery Time Objective | | | | | | | | | | | | | | |
| Calypso (Clearing) | 2 Hours | | | | | | | | | | | | | | |
| Genium (Clearing) | 2 Hours | | | | | | | | | | | | | | |
| Calypso (Margining) | 2 Hours | | | | | | | | | | | | | | |
| SPAN (Margining) | 2 Hours | | | | | | | | | | | | | | |
| Update Frequency: | Quarterly | Last Updated: | 30 September 2019 | | | | | | | | | | | | |

Principle 18 – Access and Participation requirements

| Requirements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-----------|---------------------------------|------------------------|---------------------|----------|---------|---------|------|---|---|---------|-----------------|---|---|---------|-----------------|---|---|---------|--------|---|---|-----|------|---|---|---------------|------|---|---|---------------|-----------------|---|---|--------------|--|-----------|----------|
| 18.1 | <p>Number of clearing members, by clearing service, split by:</p> <ul style="list-style-type: none"> category of membership (e.g. direct clearing member, general clearing member); type of participant (central bank, CCP, bank, other); and domestic or foreign participants. <p>[Refer to the explanatory note at the end of this document for additional details]</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Disclosure | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>On ASX Clear (Futures) there are two categories of Clearing Participants:</p> <p>“Futures Participant” A Clearing Participant who has been authorised to participate in the clearing of Futures Contracts through ASX Clear (Futures).</p> <p>“OTC Participant” A Clearing Participant who has been authorised to participate in the clearing of OTC Transactions through ASX Clear (Futures).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Category of Membership</th> <th>Type of Participant</th> <th>Domestic</th> <th>Foreign</th> </tr> </thead> <tbody> <tr> <td>Futures</td> <td>Bank</td> <td>2</td> <td>2</td> </tr> <tr> <td>Futures</td> <td>Bank Subsidiary</td> <td>2</td> <td>0</td> </tr> <tr> <td>Futures</td> <td>Investment Bank</td> <td>3</td> <td>0</td> </tr> <tr> <td>Futures</td> <td>Other*</td> <td>2</td> <td>1</td> </tr> <tr> <td>OTC</td> <td>Bank</td> <td>4</td> <td>0</td> </tr> <tr> <td>Futures & OTC</td> <td>Bank</td> <td>0</td> <td>2</td> </tr> <tr> <td>Futures & OTC</td> <td>Investment Bank</td> <td>2</td> <td>0</td> </tr> <tr> <td colspan="2" style="text-align: right;">Total</td> <td>15</td> <td>5</td> </tr> </tbody> </table> | | | | Category of Membership | Type of Participant | Domestic | Foreign | Futures | Bank | 2 | 2 | Futures | Bank Subsidiary | 2 | 0 | Futures | Investment Bank | 3 | 0 | Futures | Other* | 2 | 1 | OTC | Bank | 4 | 0 | Futures & OTC | Bank | 0 | 2 | Futures & OTC | Investment Bank | 2 | 0 | Total | | 15 | 5 |
| Category of Membership | Type of Participant | Domestic | Foreign | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures | Bank | 2 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures | Bank Subsidiary | 2 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures | Investment Bank | 3 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures | Other* | 2 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| OTC | Bank | 4 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures & OTC | Bank | 0 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures & OTC | Investment Bank | 2 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | 15 | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *Other Type includes 2 Domestic and 1 International | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Update Frequency: | | Quarterly | Last Updated: 30 September 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Requirement | | | | | | | | | |
|--|---|-----------|---------------------------------|--|----------------------------------|-------------------|--------|---------------------------|--------|
| 18.2 | <p>For each clearing service with ten or more members, but fewer than 25 members:</p> <ul style="list-style-type: none"> Percentage of the top five clearing members by open positions held, including both house and client, in aggregate <p>For each clearing service with 25 or more members:</p> <ul style="list-style-type: none"> Percentage of the top five and ten clearing members by open positions held, including both house and client, in aggregate <p>[Refer to the explanatory note at the end of this document for additional details]</p> | | | | | | | | |
| Disclosure | | | | | | | | | |
| <p>As detailed in 18.1 at the time of the update ASX Clear (Futures) had 20 Clearing Participants. Percentage of top five clearing participants by open positions held were:</p> | | | | | | | | | |
| <table border="1"> <thead> <tr> <th></th> <th>Largest 5 Clearing Participants*</th> </tr> </thead> <tbody> <tr> <td>Futures - Average</td> <td>68.18%</td> </tr> <tr> <td>Futures - Peak end of day</td> <td>71.77%</td> </tr> </tbody> </table> | | | | | Largest 5 Clearing Participants* | Futures - Average | 68.18% | Futures - Peak end of day | 71.77% |
| | Largest 5 Clearing Participants* | | | | | | | | |
| Futures - Average | 68.18% | | | | | | | | |
| Futures - Peak end of day | 71.77% | | | | | | | | |
| *Excludes OTC clearing service members as the number of participants is less than 10. | | | | | | | | | |
| Update Frequency: | | Quarterly | Last Updated: 30 September 2019 | | | | | | |

Requirement

| 18.3 | <p>For each clearing service with ten or more members, but fewer than 25 members:</p> <ul style="list-style-type: none"> - Percentage of the top five clearing members by the largest initial margin, including both house and client, in aggregate <p>For each clearing service with 25 or more members:</p> <ul style="list-style-type: none"> - Percentage of the top five and ten clearing members by the largest initial margin, including both house and client, in aggregate <p>[Refer to the explanatory note at the end of this document for additional details]</p> | | | | | | |
|--|---|--|---------------------------------|-------------------|--------|---------------------------|--------|
| Disclosure | | | | | | | |
| <p>As detailed in 18.1 at the time of the update ASX Clear (Futures) had 20 Clearing Participants. Percentage of the top five clearing participants by initial margin held were:</p> | | | | | | | |
| <table border="1" style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: center;">Largest 5 Clearing Participants</th> </tr> </thead> <tbody> <tr> <td>Futures - Average</td> <td style="text-align: center;">69.72%</td> </tr> <tr> <td>Futures - Peak end of day</td> <td style="text-align: center;">71.28%</td> </tr> </tbody> </table> | | | Largest 5 Clearing Participants | Futures - Average | 69.72% | Futures - Peak end of day | 71.28% |
| | Largest 5 Clearing Participants | | | | | | |
| Futures - Average | 69.72% | | | | | | |
| Futures - Peak end of day | 71.28% | | | | | | |
| <p><i>*Excludes OTC clearing service members as the number of participants is less than 10.</i></p> | | | | | | | |
| Update Frequency: | Quarterly | | | | | | |
| Last Updated: | 30 September 2019 | | | | | | |

| Requirement | | | | | |
|--|---|--|----------------------------------|----------------------------|--------|
| 18.4 | <p>For each segregated default fund with ten or more members, but fewer than 25 members:</p> <ul style="list-style-type: none"> - Percentage of participant contributions to the default fund contributed by largest five clearing members in aggregate <p>For each segregated default fund with 25 or more members:</p> <ul style="list-style-type: none"> - Percentage of participant contributions to the default fund contributed by largest five and ten clearing members in aggregate <p>[Refer to the explanatory note at the end of this document for additional details]</p> | | | | |
| Disclosure | | | | | |
| <p>As detailed in 18.1 at the time of the update ASX Clear (Futures) had 20 Clearing Participants. Percentage of default funds contributed by the largest five clearing participants were:</p> | | | | | |
| <table border="1" style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: center;">Largest 5 Clearing Participants*</th> </tr> </thead> <tbody> <tr> <td>Default Fund contributions</td> <td style="text-align: center;">37.16%</td> </tr> </tbody> </table> | | | Largest 5 Clearing Participants* | Default Fund contributions | 37.16% |
| | Largest 5 Clearing Participants* | | | | |
| Default Fund contributions | 37.16% | | | | |
| <p><i>*Comprise contributions from both Futures and OTC clearing members.</i></p> | | | | | |
| Update Frequency: | Quarterly | | | | |
| Last Updated: | 30 September 2019 | | | | |

Principle 19 – Tiered Participation arrangements

| Requirement | | | | | | | | | |
|-------------------|--|-----|--------|----|--|----|--------------------------------------|----|---------------|
| 19.1 | <p>Measures of concentration of client clearing:</p> <ol style="list-style-type: none"> 1. Number of clients (if known) 2. Number of direct members that clear for clients 3. Percent of client transactions by clearing service (by total gross notional for derivatives or total cleared value of securities transactions or similar) attributable to the top five clearing members (if the CCP has ten or more clearing members) and top ten clearing members (if the CCP has 25 or more clearing members) <p>[Refer to the explanatory note at the end of this document for additional details]</p> | | | | | | | | |
| Disclosure | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Ref</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>31 Futures Trading Participants that clear through a direct member</td> </tr> <tr> <td>2.</td> <td>6 Direct members clear for the above</td> </tr> <tr> <td>3.</td> <td>Not Available</td> </tr> </tbody> </table> | Ref | Result | 1. | 31 Futures Trading Participants that clear through a direct member | 2. | 6 Direct members clear for the above | 3. | Not Available |
| Ref | Result | | | | | | | | |
| 1. | 31 Futures Trading Participants that clear through a direct member | | | | | | | | |
| 2. | 6 Direct members clear for the above | | | | | | | | |
| 3. | Not Available | | | | | | | | |
| Update Frequency: | Quarterly | | | | | | | | |
| Last Updated: | 30 September 2019 | | | | | | | | |

Principle 20 – FMI Links

Interoperability

| Requirement | | | |
|--|---|-----------|---------------------------------|
| 20.1 | Value of trades cleared through each link, by clearing service – as a share of total trade values/total notional values cleared in that service [Refer to the explanatory note at the end of this document for additional details] | | |
| Disclosure | | | |
| ASX Clear (Futures) has the following FMI Links: | | | |
| <ul style="list-style-type: none"> • Austraclear Limited; and • NZ Clear | | | |
| ASX Clear (Futures) does not transact through either of these FMI Links. | | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

| Requirement | | | |
|----------------|--|-----------|---------------------------------|
| 20.2 | Initial margin or equivalent financial resources provided to each linked CCP by the CCP to cover the potential future exposure of the linked CCP on contracts cleared across link | | |
| Disclosure | | | |
| Not Applicable | | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

| Requirement | | | |
|----------------|---|-----------|---------------------------------|
| 20.3 | Initial margin or equivalent financial resources collected from each linked CCP to cover potential future exposure to the linked CCP on contracts cleared across link (at market value and post-haircut) | | |
| Disclosure | | | |
| Not Applicable | | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

| Requirement | | | |
|--|--|-----------|---------------------------------|
| 20.4 | Results of back-testing of coverage of initial margin or equivalent financial resources on trades cleared through each link. At a minimum this should include: | | |
| (a) Number of times over the past twelve months that coverage provided by margin and equivalent financial resources held against each linked CCP fell below the actual marked-to-market exposure to that linked CCP – based on daily back testing results* | | | |
| (b) Number of observations (i.e. number of accounts multiplied by number of days covered in the back test) | | | |
| (c) Achieved coverage level i.e. [(b) – (a)]/(b) *specify if measured intraday/continuously or only once a day. If once a day, specify at what time of day. | | | |
| Disclosure | | | |
| Not Applicable | | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

| Requirement | | | |
|----------------|--|-----------|---------------------------------|
| 20.5 | Additional pre-funded financial resources (if any) beyond initial margin and equivalent financial resources provided to each linked CCP, that are available to the linked CCP to cover exposures to the CCP and whether part of, additional to, or separate from the standard default fund (please specify) | | |
| Disclosure | | | |
| Not Applicable | | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

| Requirement | | | |
|----------------|---|-----------|---------------------------------|
| 20.6 | Additional pre-funded financial resources (if any) beyond initial margin and equivalent financial resources collected from each linked CCP, that are available to the CCP to cover exposures to the linked CCP and whether part of, additional to, or separate from the standard default fund (please specify) | | |
| Disclosure | | | |
| Not Applicable | | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

Cross Margining

| Requirement | | | |
|----------------|--|-----------|---------------------------------|
| 20.7 | (a) Value of trades subject to cross margining, by clearing service, as a percentage of total trade values/total notional values cleared (b) Reduction in total initial margin held by the CCP as a result of cross margining, as a percentage of total initial margin that would otherwise have been held. | | |
| Disclosure | | | |
| Not Applicable | | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

Principle 23 – Disclosure of Rules, Key Procedures and Market Data

| Requirement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|--|-----------------|---------------------------------|----------------------------|--------------|-----------------|------------------------------|--------|--------|----------------------------------|-----|--------------------------|---------|---------|----------------------------------|-------|-----------------------|-------|-----|-------------------------------|-----|-----------------------------|-------|-------|-------------------------------------|---|--------------------------|-----|----|----------------------------------|----|-----------------------|----------------|----------------|
| 23.1 | Average daily volumes and notional values of new trades cleared, by instrument/asset class, by currency, and split by OTC or exchange-traded | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | [Refer to the explanatory note at the end of this document for additional details] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Disclosure | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Exchange-Traded Instrument</th> <th>Daily Volume</th> <th>Daily Value (m)</th> </tr> </thead> <tbody> <tr> <td>Futures - Equity Indices</td> <td>65,145</td> <td rowspan="2">10,554</td> </tr> <tr> <td>Futures - Equity Indices Options</td> <td>157</td> </tr> <tr> <td>Futures - Interest Rates</td> <td>599,928</td> <td rowspan="2">218,090</td> </tr> <tr> <td>Futures - Interest Rates Options</td> <td>4,942</td> </tr> <tr> <td>Futures - Commodities</td> <td>1,156</td> <td rowspan="2">232</td> </tr> <tr> <td>Futures - Commodities Options</td> <td>225</td> </tr> <tr> <td>NZ Futures - Interest Rates</td> <td>8,809</td> <td rowspan="2">8,809</td> </tr> <tr> <td>NZ Futures - Interest Rates Options</td> <td>0</td> </tr> <tr> <td>NZ Futures - Commodities</td> <td>736</td> <td rowspan="2">10</td> </tr> <tr> <td>NZ Futures - Commodities Options</td> <td>30</td> </tr> <tr> <td>Total Exchange</td> <td>681,781</td> <td>237,694</td> </tr> </tbody> </table> | | | Exchange-Traded Instrument | Daily Volume | Daily Value (m) | Futures - Equity Indices | 65,145 | 10,554 | Futures - Equity Indices Options | 157 | Futures - Interest Rates | 599,928 | 218,090 | Futures - Interest Rates Options | 4,942 | Futures - Commodities | 1,156 | 232 | Futures - Commodities Options | 225 | NZ Futures - Interest Rates | 8,809 | 8,809 | NZ Futures - Interest Rates Options | 0 | NZ Futures - Commodities | 736 | 10 | NZ Futures - Commodities Options | 30 | Total Exchange | 681,781 | 237,694 |
| Exchange-Traded Instrument | Daily Volume | Daily Value (m) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures - Equity Indices | 65,145 | 10,554 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures - Equity Indices Options | 157 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures - Interest Rates | 599,928 | 218,090 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures - Interest Rates Options | 4,942 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures - Commodities | 1,156 | 232 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Futures - Commodities Options | 225 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NZ Futures - Interest Rates | 8,809 | 8,809 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NZ Futures - Interest Rates Options | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NZ Futures - Commodities | 736 | 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NZ Futures - Commodities Options | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Exchange | 681,781 | 237,694 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>OTC Market</th> <th>Daily Volume</th> <th>Daily Value (m)</th> </tr> </thead> <tbody> <tr> <td>Total notional cleared value</td> <td>77.1</td> <td>59,117</td> </tr> </tbody> </table> | | | OTC Market | Daily Volume | Daily Value (m) | Total notional cleared value | 77.1 | 59,117 | | | | | | | | | | | | | | | | | | | | | | | | | |
| OTC Market | Daily Volume | Daily Value (m) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Requirement | | | |
|-------------|--|-----------|---------------------------------|
| 23.2 | Gross notional outstanding/total settlement value of novated but not-yet settled securities transactions per instrument/asset class and currency and split by OTC or exchange-traded | | |
| | [Refer to the explanatory note at the end of this document for additional details] | | |
| Disclosure | | | |
| | All transactions are settled via the margining process | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

| Requirement | | | | | | | | | |
|--------------------|---|---|--|--------------------|--|---|-------------|---------|---------|
| 23.3 | Average daily volumes and notional contract values submitted by each execution facility or matching/confirmation venue | | | | | | | | |
| Disclosure | | | | | | | | | |
| | All Exchange-Traded transactions are executed on ASX Trade24. | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Execution Facility</th> <th>Futures & Options Average Daily Volume</th> <th>Futures & Options Average Daily Value (m)</th> </tr> </thead> <tbody> <tr> <td>ASX Trade24</td> <td>681,781</td> <td>237,694</td> </tr> </tbody> </table> | | | Execution Facility | Futures & Options Average Daily Volume | Futures & Options Average Daily Value (m) | ASX Trade24 | 681,781 | 237,694 |
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| ASX Trade24 | 681,781 | 237,694 | | | | | | | |

| | | | |
|--|--|-----------|---------------------------------|
| | [Refer to the explanatory note at the end of this document for additional details] | | |
| | Update Frequency: | Quarterly | Last Updated: 30 September 2019 |

Principle by Principle Notes

Below are the principle by principle notes provided as part of the Public Quantitative Disclosure Standards for Central Counterparties

Principle 4: Credit risk

Item 4.1: This item seeks disclosure of default resources that are available to cover a member default should the margin or equivalent (for example sums paid in by participants to cover their options liabilities) paid by participants to cover their own liabilities to the CCP prove insufficient.

4.1(a)(i) should be identical to DFCCP as defined in BCBS 282.4 Where the CCP's own capital forms part of the default waterfall and potentially covers multiple clearing services with separate segregated default funds, the CCP will have to allocate its capital contribution to each of the segregated funds in proportion to the respective product-specific exposure at default in line with BCBS 282.

4.1(a)(ii) should be identical to DFCM as defined in BCBS 282.

Where commitments in section 4.1(b) are unlimited, state that these are unlimited. Commitments that are reserved to replenish the CCP's own capital or equity should not be included here, i.e. 4.1(b)(ii) and 4.1(b)(iii) seek disclosure of commitments to replenish the CCP's default fund, not the CCP's own capital or equity. Rules-based agreements to accept variation margin or other gains-based haircuts should not be disclosed as commitments, but CCPs should disclose details of such arrangements in line with the guidance on recovery planning (see CPMI-IOSCO *Recovery of financial market infrastructures*, October 2014).

Item 4.2: For a definition of KCCP, see BCBS 282. KCCP may be reported more frequently than quarterly if a CCP is required, under relevant law, to report it to supervisors of clearing members more frequently than quarterly.

Item 4.3: Disclosures should be based on the form in which default resources are held, not the form in which they were paid to the CCP. This item requests disclosures 'as at quarter end'. If a CCP does not consider the composition of collateral at quarter end to be representative, it is encouraged to provide explanatory notes outlining why this is the case, and to provide additional metrics such as quarterly averages, or maximums, minimums, and interquartile ranges. CCPs are also encouraged to disclose any limits on the amount of collateral of a particular type that the CCP will accept if this will assist in enabling a clear understanding of risks. For CCPs which do not specifically record whether asset holdings correspond to default fund contributions (whether provided by CCP participants or from the CCP's own funds) or to margin provided by participants, the CCP should provide an explanatory note to this effect, and explain its methodology for describing the form in which default fund contributions are held (for example by assuming the proportion of each asset accounted for by default fund is pro-rata to the proportion of total funding that comes from default fund contributions).

Item 4.4: This item is where the results of a CCP's stress-testing of its financial resources are expected to be disclosed. CCPs should specify in their supporting comments to the matrix whether they are subject to a "Cover 1" or "Cover 2" requirement in relation to their total pre-funded default resources, but should report both results so that both Cover 1 and Cover 2 metrics can be compared with actual default resources. These disclosures create no new regulatory obligation for CCPs subject to a Cover 1 requirement to also satisfy a Cover 2 requirement. The disclosures instead aim to support transparency between the CCP and its participants on how safety and efficiency considerations have been balanced in response to different stress scenarios and the decisions that have been made with regard to default fund coverage. Where a CCP is only required to meet a Cover 1 standard, providing disclosure also on its estimated cover 2 requirement may facilitate additional comparisons across CCPs. Nevertheless, because of certain factors, including the size of the market the CCP serves, the CCP's share of that market, and whether a small number of participants account for a disproportionate amount of the CCP's clearing activity, comparison between cover 1 and cover 2 metrics alone will still give an incomplete comparison of relative default fund coverage. Accordingly, CCPs should provide a comparison with default resources – as in item 4.3, market share data – in accordance with part 23 of the matrix,

and other clarifying remarks, as appropriate, alongside their disclosure related to Cover 1 and Cover 2 metrics to further help the reader understand the default fund coverage.

In order to aid clearing members' modelling of their exposures to the CCP, the CCP should consider disclosing further information on its default fund stress-testing methodology (e.g. underlying model parameters and assumptions) insofar as the CCP, in discussion with its participants and regulators, agrees is appropriate without providing confidential information about individual participant positions.

Principle 5: Collateral

Item 5.1: CCPs are encouraged to explain where concentration limits or charges are also applied in addition to normal haircuts. Recognising that the CCP is requested to disclose changes to haircut values as they are applied, where CCPs already publish information on haircuts elsewhere on their public website, a link to the relevant pages will satisfy the disclosure expectation.

Item 5.3: CCPs should consider adding explanatory notes if this would help to understand reasons why the fall in value of assets exceeded haircuts.

Principle 6: Margin

Separate disclosures should be made for each clearing service in respect of items 6.1, 6.2, and 6.5, and each margin model used in that clearing service in respect of 6.3 and 6.4. Disclosures should be on the basis of the form in which the margin is held by the CCP rather than the form in which it was provided by the participants (if different).

Item 6.1: In this item, CCPs should report initial margin **required** – at least at the level of each clearing service. CPMI and IOSCO acknowledge that practices for calculating initial margin requirements vary across CCPs, and propose that CCPs include all types of margin including 'base-line' initial margin; 'add-ons'; and 'retained MTM/VM' (where relevant). Items included under 'add-ons' should reflect any additions to margin required from base-line initial margin and routine scheduled collections – e.g. margin requested to cover specific risks (including, but not limited to liquidity risk, concentration risk, correlation risk, wrong-way risk) where these risks are not covered in the base-line calculation or margin requested on a 'non-routine' basis (e.g. ad-hoc intraday calls). Where add-ons to baseline initial margin are significant and variable, CCPs are encouraged to provide an explanatory note to this effect. CCPs are also encouraged to provide an explanatory note on the expiration period of products they clear where this would help to facilitate interpretation of the margin data, e.g. because margin is returned on or following particular contract expiration dates.

Item 6.2: Disclosures under this item should reflect the total value of initial margin actually **posted** by direct and indirect members and held by the CCP (as opposed to item 6.1, which asks for the total value of initial margin **required**). This should include initial margin provided through a security interest as well as through title transfer. For CCPs which do not specifically record whether asset holdings correspond to margin or default fund contributions fund (whether provided by CCP participants or from the CCP's own funds), the CCP should provide an explanatory note to this effect, and explain its methodology for describing the form in which margin is held (for example by assuming the proportion of each asset accounted for by margin is pro-rata to the proportion of total funding from margin contributions).

Items 6.1 and 6.2: If a CCP does not consider disclosures at quarter end to be representative, it is encouraged to provide explanatory notes outlining why this is the case, and to provide additional metrics such as quarterly averages, or maximums, minimums, and interquartile ranges.

Items 6.3 and 6.4: CPMI and IOSCO recognise that models and approaches to margining may vary across CCPs. In order to help participants understand how they might be affected by margin calls, and/or where the items listed are not specifically relevant for a CCP, other key assumptions and parameters should be disclosed and the items listed should be used as a guide to the types of disclosures and level of details that is expected regarding initial margin assumptions and parameters.

Item 6.5: At a minimum, CCPs are expected to disclose the achieved margin coverage ratio for each clearing service and margin model and the value of any uncovered exposures.

Item 6.6: This disclosure is seeking information on the potential liquidity impact of changes in marked to-market values. It is not seeking to provide information on changes in the level of initial margin that may be related to changes in the volatility of prices. CCPs are expected to disclose the total of variation margin called from participants each day (including for options CCPs, where variation margin is called but not paid out).

Principle 7: Liquidity Risk

‘Relevant currencies’ refers to currencies in which the CCP is obliged to make pay-outs. If the CCP considers disclosures for 7.1 and 7.2 “as at quarter end” to be unrepresentative, it is encouraged to provide explanatory notes outlining why this is the case, and to provide additional metrics such as quarterly averages, or maximums, minimums, and interquartile ranges.

Items 7.1 and 7.2: CCPs should refer to paragraphs 3.7.10 and 3.7.11 of the PFMI for a definition of ‘qualifying liquid resources’ and ‘supplementary liquidity risk resources’. CCPs are not asked to disclose the names of providers of liquidity resources or investment counterparties. CCPs should not double count assets: for example, assets should not be listed as qualifying under 7.1(e) to the extent that they are required to offer to liquidity providers under 7.1(c). CCPs should add explanatory notes to describe how the CCP decides which payment obligations to prioritize if a schedule does not exist or if otherwise this would help to understand the CCP’s procedures.

Item 7.3: This item requests high-level disclosure of the results of a CCP’s stress-testing of its liquid resources, both in aggregate and by currency.

Principle 12: Exchange-of-value settlement systems

Items 12.1 and 12.2: The requested percentages refer only to exchange-of-value settlements to which the CCP is a counterparty, and not, for example, to settlement of variation margin payment obligations, or collection and return of initial margin. Gross and net settlement models may qualify as DvP, Pvp or DvD, providing that the final settlement of one leg of the exchange occurs if and only if the final settlement of the other leg also occurs.

Principle 13: Default rules and procedures

Item 13.1: CCPs should disclose quantitative information related to defaults as soon as is practicable, subject to constraints on disclosure such as ongoing legal cases.

Principle 14: Segregation and portability

Item 14.1: Disclosures under item 14.1 give quantitative data on the degree of segregation of client assets. Although some CCPs may be unable to disclose particular items (e.g. CCPs may not know the number of clients covered by omnibus accounts), CCPs should complete this item with as much information as is available. For clearing services where fewer than five clients have individually segregated accounts, the CCP should not disclose information on individually segregated accounts.

Principle 15: General business risk

A CCP that discloses these items in a publicly available annual report would meet this standard, but should also include the data in the quantitative disclosure report so that it is readily available in a single place. This information may be disclosed at the level of the legal entity for which published accounts are prepared, even if clearing services are only one part of the entity’s activities. The CCP should note the legal entity or activity to which the disclosure relates. The disclosure may be made at the same time as the annual accounts are released.

Item 15.1: The PFMI states that a CCP should hold liquid net assets funded by equity (such as common stock, disclosed reserves, or retained earnings) so that it can continue operations and services as a going concern if it incurs general business losses. Under this item a CCP should disclose the amount of liquid net assets funded by equity which can absorb general business losses. This should, at a minimum, equal at least six months of current operating expenses in accordance with Principle 15. The CCP should not include in its disclosure for 15.1(a) such amount of its own capital as must be allocated or held for other purposes, such as “skin in the game” in the default waterfall, and is not therefore available to cover business risks.

Principle 16: Custody and investment risks

Items 16.1 to 16.3: These items request disclosures ‘as at quarter end’. If a CCP does not consider the composition of its investment portfolio at quarter end to be representative, it is encouraged to provide explanatory notes outlining why this is the case, and to provide additional metrics such as quarterly averages, or maximums, minimums, and interquartile ranges. This disclosure looks at the reinvestment of cash received from participants, and not at how the CCP’s own funds are held. If, however, participant cash is co-mingled with the CCP’s own funds in the investment portfolio, the CCP should clarify how this is reflected in the data published to satisfy this disclosure, for example by specifying the proportion of the investment portfolio that is funded from the CCP’s own funds.

Principle 17: Operational risk

Items 17.1, 17.2, 17.3 and 17.4: Core systems used in clearing are those that enable the acceptance and novation of trades, and enable the calculation of margin and settlement obligations. An incident that results in an interruption to the CCP’s ability to perform its own functions in relation to trade acceptance and novation, or calculation of margin and settlement obligations is considered a loss of availability. An incident that compromises the CCP’s ability to correctly perform the aforementioned functions is also considered a loss of availability, even if there is no actual outage. Successful failover to a back-up site without interruption to services would not count as a loss of availability. CCPs should make clear to which system or systems performance targets apply.

Principle 18: Access and participation

Item 18.1: It is assumed for the purposes of this disclosure that participants would be the legal entities with which the CCP has a counterparty relationship as a clearing member – CCPs should specify if they are using some other basis to define number of participants. Disclosures in this section would not therefore extend to clients. CCPs should report ‘category of membership’ as relevant to their business. Where relevant, CCPs should differentiate between clearing members that clear their own trades through a CCP and also offer access to the CCP to their clients (often referred to as ‘general clearing members’) and clearing members that only clear their own trades (often referred to as ‘direct clearing members’).

Item 18.2: Percentage of net open positions should be the percentage of gross notional for derivatives or the total cleared value for securities transactions or similar.

Items 18.2 to 18.4: For clearing services with fewer than ten members, this report does not make a disclosure recommendation.

Principle 19: Tiered participation arrangements

Item 19.1: For clearing services with fewer than ten members, this report does not make a disclosure recommendation.

Principle 20: FMI links

Items 20.1 to 20.5: These disclosures refer to arrangements in which trades clear over an interoperable link between CCPs, because clearing members are from different CCPs. CCPs should identify each link and cross-

margin arrangement in their supporting comments so that quantitative disclosures can be tied to a specific link.

Items 20.2, 20.3, 20.5, 20.6 and 20.7(b): These items request disclosures ‘as at quarter end’. If a CCP does not consider disclosures at quarter end to be representative, it is encouraged to provide explanatory notes outlining why this is the case, and to provide additional metrics such as quarterly averages, or maximums, minimums, and interquartile ranges.

Principle 23: Disclosure of rules, key procedures, and market data

Item 23.1 and 23.2: This item is intended to capture the daily *flow* of clearing activity, while item 23.2 is intended to capture the stock of novated trades that have not yet been settled.

Item 23.3: This information is to be disclosed to facilitate an understanding of which markets might be affected by a CCP being unable to clear. This information should only be provided where the relevant execution facility is content for the CCP to disclose.

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