

X-COM: Eligibility criteria and collateral management parameters

“ECB Euro denominated Basket Repo HQLA”

ISIN code: IT0005146177

As of 26 March 2018

Note: new or changed values are indicated in boldface and blue.

ELIGIBILITY CRITERIA

a. Eligible financial instruments

Government bonds	Suprationals	Corporate bonds	Agencies	Structured bonds
X	X	X	X	-

Financial instruments must be eligible for collateralization at the European Central Bank and for the centralization in the Central Securities Depository System of Monte Titoli.

b. Non eligible financial instruments

Perpetual	Extendible	Certificates	Infungible
Excluded	Excluded	Excluded	Excluded

c. Eligible Issuer Countries for instrument type

Issuer country	Government	Supranational	Corporate	Agency	Structured
Austria	x	x	x	x	-
Belgium	x	x	x	x	-
Finland	x	x	x	x	-
France	x	x	x	x	-
Germany	x	x	x	x	-
Italy	-	-	-	-	-
Ireland	-	-	-	-	-
The Neatherlands	x	x	x	x	-
Spain	-	-	-	-	-

d. Minimum Risk Indicator for instrument type

Securities must have at least one rating (among Fitch and S&P).

For government and supranational bonds reference rating is the issuer rating, while for the other eligible types the issue rating is addressed, where available, otherwise the issuer rating is adopted.

Government	Supranational	Corporate	Agency	Structured
R7	R4	R4	R4	-

e. Currencies of denomination of the securities

Currency
Euro

f. Maximum maturity

Maximum maturity of the securities	30 years
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g. Valuation Price

Market price	Theoretical price
x	X

h. Maximum price quotation age

Maximum Quotation age of market price	5 days
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i. Close link controls

	YES/NO
1) Verification of absence of close link for corporate bonds	YES
2) Eligibility of financial instruments where information needed for close link check are not available	NO

	YES/NO
3) Exception to close link control for CRD compliant covered bonds	YES

CONCENTRATION LIMITS

Corporate and agency bonds guaranteed by the government are considered as Government bonds with regards to the application of the below concentration limits.

- Maximum percentage of each issue (ISIN) over the total amount outstanding
40%
- Maximum percentage of each issue over the total countervalue of the financial instruments allocated as a guarantee
50%
- Maximum percentage for each combination «Security type – Risk Indicator»

Risk Indicator	Gov/Supr	Corp/Agency	Structured
R1	100%	50%	-
R2	100%	50%	-
R3	100%	50%	-
R4	100%	50%	-
R5	100%	-	-
R6	100%	-	-
R7	100%	-	-
R8	100%	-	-
R9	100%	-	-
R10	100%	-	-

- Maximum percentage for each combination «Security type – Issuer Country»

Issuer Country	Gov/Supr	Corp/Agency	Structured
Austria	100%	100%	-
Belgium	100%	100%	-
Finland	100%	100%	-
France	100%	100%	-
Germany	100%	100%	-
Italy	-	-	-
Ireland	-	-	-
The Netherlands	100%	100%	-
Spain	-	-	-

e. Maximum percentage for Issuer Country

Issuer Country	Limit
Austria	100%
Belgium	100%
Finland	100%
France	100%
Germany	100%
Italy	-
Ireland	-
The Netherlands	100%
Spain	-

f. Maximum percentage for Security type

Security type	Limit
Government/supras	100%
Corporate/Agency	50%
Structured	0%

Collateral management parameters

a. Parameters for the mark-to-market procedure

Thresholds for the integration (Margin Call) or return (Excess Margin) of the securities

Parameters for the mark-to-market procedure	Margin call	Margin excess
	0%	0.10%

b. Over-collateralization thresholds

Maximum percentage of exceeding collateral value above the contract value

Over-collateralization thresholds	0.10%
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When changed, new parameters apply also to the open positions.