



ICE CDS Margin Calculator ICE Link GUI

March 2012

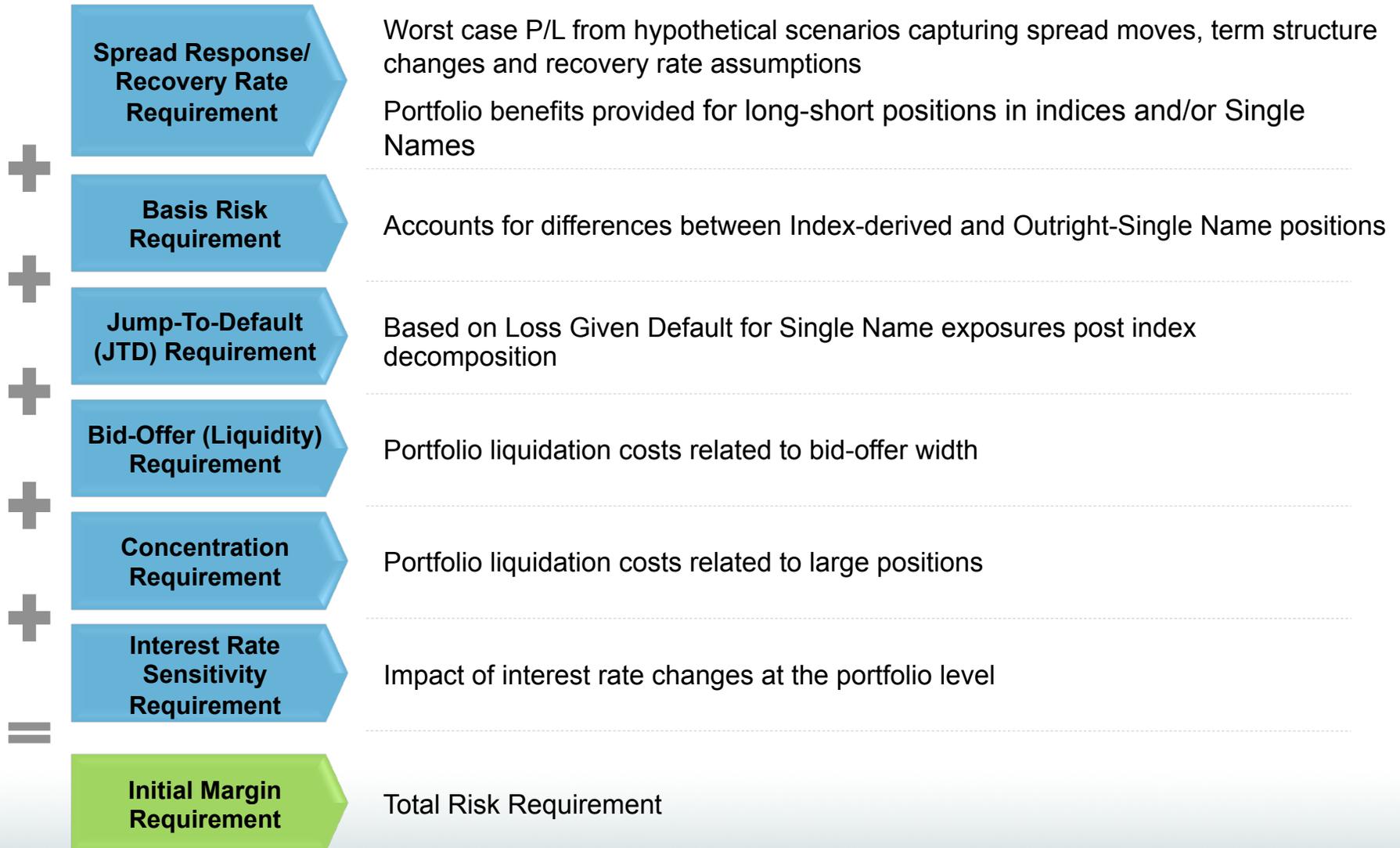
ICE CDS Margin Simulation Calculator

Summary

- Buy-side firms can access the Margin Simulation Calculator to simulate margin requirements via the ICE Link GUI
- Simply point and click on positions in the positions blotter to calculate margin as ICE Link already syncs all Buy-side positions with the Trade Information Warehouse
- Upload sample portfolios, via direct GUI entry or spreadsheet upload, to run “what-if” scenarios
- Margin simulation calculations can be run on portfolios consisting of all current clearing eligible instruments (indices and single names)
- Provides users an analysis of the margin results for deeper transparency of the ICE margin methodology

Portfolio-Level Initial Margin Requirement

Index Decomposition Methodology - Current Summary of IM Components



Margin Simulation GUI

1. Select Positions in a few clicks

The screenshot displays the ICE Link Investment Advisor interface. The main window shows a table of positions with columns for My Position ID, Trade Date, Description, Term, EPS, Notional(MM), Buyer, FCM, Seller, and Orig. EB. A dialog box titled 'Margin Calculation Criteria' is open, showing options for Clearing House (ICE Clear Credit LLC), FCM Institution, and FCM Legal Entity. Below the dialog, there are checkboxes for 'Include Cleared Trades from Previous Day's Close' and 'Include Cleared Trades from Today's activity', and an 'Upload' button for 'Upload Hypothetical Trades via Spreadsheet'. At the bottom, a 'Position' detail panel shows 'Trade Ticket' information for CDX.NA.IG.14, including Buyer, Seller, Free1, Free2, Strategy, Notional(MM), Traded Spread, Fixed Spread, Price, Index Factor, Trade, Effective, and Maturity. A 'Projected Notional' table is also visible.

My Position ID	Trade Date	Description	Term	EPS	Notional(MM)	Buyer	FCM	Seller	Orig. EB
New Trade1	15-Jul-2010	CDX-NAIGS14V1-SY	Jun 15		1 USD aae_hf1			aa6_dl1	
New Trade2	15-Jul-2010	CDX-NAIGS14V1-SY	Jun 15		1 USD aae_hf1			aa6_dl1	
Index.13	22-Nov-2010	CDX-NAIGHVOLS							
Index.14	22-Nov-2010	CDX-NAIGHVOLS							
Index.15	22-Nov-2010	CDX-NAIGS15V1-							
Index.16	22-Nov-2010	CDX-NAIGS14V1-							
Index.17	22-Nov-2010	CDX-NAIGS15V1-							
Index.18	22-Nov-2010	CDX-NAIGS14V1-							
US.1	22-Mar-2011	CDX-NAHYS14V1							
US.2	22-Mar-2011	CDX-NAHYS14V1							
US.3	22-Mar-2011	CDX-NAIGS9V4-S							
US.6	22-Mar-2011	CDX-NAHYS14V1							
US.8	22-Mar-2011	CDX-NAHYS14V1							
IG INDEX	05-Apr-2011	CDX-NAIGS15V1-							
1234	17-Aug-2011	CDX-NAIGHVOLS							
1235	17-Aug-2011	CDX-NAIGHVOLS							
sell1234A	17-Aug-2011	CDX-NAIGHVOLS							
sell1245A	17-Aug-2011	CDX-NAIGHVOLS							
HSBC9854	09-Sep-2011	CDX-NAIGS14V1-							
CDX-HVol-OTR-S...	09-Sep-2011	CDX-NAIGS14V1-							
CDX.16 Test	15-Sep-2011	CDX-NAIGS16V1-							
GE_Test1	23-Sep-2011	CDX-NAIGS16V1-							
38197372	11-Oct-2011	CDX-NAIGS16V1-							

Trade Date	Notional (MM)	Activity	State
15-Jul-2010			
22-Mar-2010			
20-Jun-2015			

1. Filter for clearing eligible positions
2. Select All (or) Specific Positions
3. Click the Margin button and select a potential FCM.
4. Select OK

Note:

- A. In ICE Link production, all client DTCC warehouse positions will already be displayed in the Positions Blotter
- B. Additional positions may be manually entered or uploaded via spreadsheet to the blotter or uploaded for one time calculations without saving to the positions blotter. (see slide #7 and #8)
- C. Clients may use a demo or production environment

Margin Simulation GUI

2. View Simulated Margin Results

ICE Margin Calculator

Margin Calculator

Margin Calculation Date/Time: 09-Jan-2012 13:26:29

ICE Portfolio Margin: Summary

Portfolio			Initial Margin		Initial Margin Requirement Components								
My Acct Name	Cpty Acct Name	Net Notional	Gross Notional	Total Requirement	IM % of Gross	Spread Response (SR)			Basis Risk	Portfolio Jump to Default	Liquidity	Concentration	Interest Rate Sensitivity
						SR With Decomp Benefits	SR with Decomp and Hedge Benefits	Final SR					
aa6_hf1	aa6_dl1	(100,000,000)	100,000,000	1,750,838	1.75%	(1,513,508)	(1,513,508)	(1,513,508)	0	(112,376)	(116,662)	0	(8,292)
aa6_hf1_11	aa6_dl1	1,000,000	1,000,000	18,317	1.83%	(15,090)	(15,090)	(15,090)	0	0	(3,203)	0	(25)
aa6_hf1_12	aa6_dl1	1,000,000	1,000,000	15,103	1.51%	(11,852)	(11,852)	(11,852)	0	0	(3,244)	0	(7)
aa6_hf1_1	aa6_dl1	1,000,000	1,000,000	13,596	1.36%	(10,490)	(10,490)	(10,490)	0	0	(3,025)	0	(81)
aa6_hf1_13	aa6_dl1	1,000,000	1,000,000	9,121	0.91%	(6,208)	(6,208)	(6,208)	0	0	(2,744)	0	(169)
aa6_hf1_14	aa6_dl1	1,000,000	1,000,000	8,732	0.87%	(5,825)	(5,825)	(5,825)	0	0	(2,700)	0	(207)

Note -

1. Including All Existing Cleared Trades : To include all previous days AND today's cleared trade activity in the hypothetical initial margin calculation, please check BOTH options to include Previous Day's and Today's Activity
2. Isolated IM Trade Level Calculation: To calculate the hypothetical initial margin for a single trade (and not at the portfolio level), uncheck BOTH options to exclude Previous Day's and Today's Activity
3. IM Results are a Estimation Only: The initial margin calculator is intended to simulate hypothetical results and not the actual initial margin requirements which are provided in the end-of-day clearing reports
4. Eligible Contract Instruments: Please view the Eligible Instruments File in the Clearing Reports tab to view a list of clearing eligible instruments to use with the calculator
5. Clearing Houses: The initial margin calculator is only intended for hypothetical analysis for clearing with ICE Clear Credit LLC and ICE Clear Europe

[Click Here for ICE Link Clearing Margin Simulation Guide](#)
[Margin Calculator Position Upload File Format](#)

Export Email Close

1. View all portfolios with summary margin information per portfolio (6 key risk components: Spread, Basis, JTD, Liquidity, Concentration and Interest Rate)
2. Access Margin Simulation Guides in the results screen
3. Easily share margin results via email with one click.

Margin Simulation GUI

3. Uploading Portfolios to the Positions Blotter: Spreadsheet

Upload Positions

File Name: C:\UploadTest.csv

Validate ISDA Transaction Type:

(49 out of 50) Uploaded Successfully; 1590121 Trade Missing 'Sch.Term Date'

Buttons: Spreadsheet Upload, Close

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	Buyer Deal Id	Buyer	Seller Deal Id	Seller	Product Type	Scheduled Termination Date	Amount	Fixed Rate	Seniority	Red Id	Entity Id	ISIN	Restructuring	Margin Test
2	BUY101-1A	fund1		bank1	CIX	2015-12-20	10			2165BYCK9				Y
3	BUY101-1B	fund1		bank1	CIX	2015-12-20	10			21666VAU9				Y
4	BUY101-5	fund1		bank1	CSN	2015-09-20	10	100	SNR		9HC533	US984121BW26	N	Y
5	BUY101-6	fund1		bank1	CSN	2015-09-20	10	100	SNR		3D233R	US30212PAB13	N	Y

Trade Ticket (Standard)
HALLIBURTON COMPANY SNR
8.750% of 21 US406216AH42

Margin Payer: Pay Freq: 3 MTH

Position Id: 4720782 Upfront Fee: 196,843.11 USD
RED Id: 4E6837AD6 Upfront Fee Date: 10-Sep-2010
ISIN: US406216AH42 Fee Payer: pm_pbso

Trans Type: StandardNorthAmericanCorporate

Additional Provisions:

ICE Clear Europe - OPEN
ICE Trust U.S. - OPEN

Buttons: Counterparty Contacts, Need Training?, Help Documents

1. Trade positions may be uploaded to the Positions Blotter via spreadsheet (CSV file) for margin testing
2. After selecting the 'Spreadsheet Upload' option in the menu, users select the file name of the spreadsheet to upload
3. Users select Spreadsheet upload to insert the positions into the blotter
4. For the spreadsheet upload format, select the positions upload document in the Help Documents screen

Note: To delete or update demo positions, right click on a selected position in the Position Blotter and select 'Delete'; or 'Update' position

Margin Simulation GUI

4. Uploading Portfolios without saving to the Positions Blotter: Spreadsheet

Margin Calculation Criteria

Select Margin Calculation Criteria

Clearing House: [Dropdown]

FCM Institution: [Dropdown]

FCM Legal Entity: [Dropdown]

Simulation:

Include Cleared Trades from Previous Day's Close:

Include Cleared Trades from Today's activity:

Upload Hypothetical Trades via Spreadsheet:

File Name: [Text Field]

Upload

OK Cancel

Note -

1. Including All Existing Cleared Trades : To include all previous days AND today's cleared trade activity in the hypothetical initial margin calculation, please check BOTH options to include Previous Day's and Today's Activity
2. Isolated IM Trade Level Calculation: To calculate the hypothetical initial margin for a single trade (and not at the portfolio level), uncheck BOTH options to exclude Previous Day's and Today's Activity
3. IM Results are a Estimation Only: The initial margin calculator is intended to simulate hypothetical results and not the actual initial margin requirements which are provided in the end-of-day clearing reports
4. Eligible Contract Instruments: Please view the Eligible Instruments File in the Clearing Reports tab to view a list of clearing eligible instruments to use with the calculator
5. Clearing Houses: The initial margin calculator is only intended for hypothetical analysis for clearing with ICE Clear Credit LLC and ICE Clear Europe

[Click Here for ICE Link Clearing Margin Simulation Guide](#)
[Margin Calculator Position Upload File Format](#)

1. Trade positions may be uploaded directly to the Margin Calculator via spreadsheet (CSV file) for testing. The upload template is available in the Help Documents.
2. After selecting the 'Margin' option in the menu, select 'Upload' in the Margin Calculation Criteria screen.
3. Select the Clearing House the hypothetical portfolio will be cleared to.
4. Select OK.

Note: ICE Clear Credit and ICE Clear Europe trades have to be uploaded separately when uploading in this manner.

Margin Simulation Calculator GUI

5. Uploading Portfolios: Manual Entry

1. To manually upload a portfolio (position/trade level) for margin testing, select the *New Deal-Single Name* or *Index* option in the GUI menu
2. In the trade entry screen, select a counterparty (an Executing Broker) and a clearing eligible credit, and select OK when finished.
3. To calculate margin on a single entity/index, simply select the 'View Projected Margin' button in the manual trade upload screen without the need to upload the trade

Note: A list of clearing eligible credits and simulation only credits are available in the Clearing, Clearing Reports tab in the Clearing Eligible Instruments file

The screenshot displays the IceLink Investment Advisor interface. The main window shows a table of positions with columns for Clearing Status, Sync, My Position ID, Trade Date, and HAL. A 'Position' tab is active, showing details for a trade ticket (Standard) for Cisco Systems, Inc. SNR. Overlaid on this is the 'Upload Deal: Single Name' dialog box. The dialog has a title bar with a close button. It contains several sections: 'Trade Type' (Corp/Sov/Muni), 'Trade Direction' (Buy Protection, Sell Protection), 'My Institution is the SELLER' (radio button), 'My Trans Ref Id' (TESTPOSITION1234), 'My Legal Entity' (Buyside Fund1), 'Counterparty' (Product Management Dealer 1), 'Cpty. Institution' (Product Management Dealer 1), 'Cpty. Legal Entity' (Product Management Dealer 1), 'PB IA Ref ID', 'Cpty. Trans Ref Id', 'Reference Entity' (Standard), 'Entity Name' (MARRIOTT INTERNATIONAL, INC.), 'Entity Ticker' (MAR), 'Debt' (SNR), 'Ref Ob' (5.81% of '15 US\$71900AZ26), 'Restructuring' (MR), 'Trade Details' (Notional: 10 USD, Spread: 100, Traded Spread: 105, Upfront Points: %, Upfront Fee: 17,711.85 USD, Upfront Fee Payer: Cpty Inst, Upfront Fee Date: 16-Jul-2010, Quotation Style: Traded Fixed Rate, ISDA Calc Model: Calc Fee, Calculator), 'Trade Date' (13-Jul-2010), 'Effective Date' (14-Jul-2010), 'Sched Term Date' (20-Sep-2015), 'First Pay Date' (20-Sep-2010), 'First Accrual Start Date' (21-Jun-2010), 'Pay Freq' (3), 'Initial Margin %', 'Margin Payer', and 'View Proj. Margin' button. A blue circle highlights the 'View Proj. Margin' button. Another blue circle highlights the 'My Institution is the SELLER' radio button. A third blue circle highlights the 'New Deal - Single Name' option in the menu.

ICE Contacts

North America

ICE Link Client Services

Icelinkclientservices@theice.com

+1 770 738 2101

OTC Sales – Financial

Joseph Miller

Joseph.Miller@theice.com

+1 212 323 6023

Niels Pennings

Niels.Pennings@theice.com

+1 212 323 6024

Corry Bazley

Corry.Bazley@theice.com

+1 212 323 6022

Europe

ICE Link Client Services

Icelinkclientservices@theice.com

+44 (0)20 7488 5100

OTC Sales – Financial

Ben Foufa

Ben.Foufa@theice.com

+ 44 (0)20 7429 4611

Rajeev Kumar

Rajeev.Kumar@theice.com

+ 44 (0)20 7429 4612