



**HAIRCUTS APPLICABLE TO GUARANTEES DEPOSITED WITH
OMICLEAR**

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In accordance to OMIClear Instruction A06/2014 - Management and Evaluation of Guarantees, OMIClear defines in this document the Haircuts applicable to Guarantees deposited by means of:

- a) Financial Instruments;
- b) Guarantees issued by Credit Institutions (CIG).

Guarantees by means of Financial Instruments

1. The Haircuts are established by the product of two factors:
 - a) H1 – related to the price volatility of the assets, and
 - b) H2 - based on the assets liquidity and on the quantity deposited by the Participant.
2. The total Haircut results from the product of both factors, and rounded up to the next 50 basis points:

$$\text{Haircut} = \text{H1} \times \text{H2}$$

3. Regarding H1, OMIClear applies the values referred in Table 1 for each issued Public Debt security, depending on the respective Remaining Maturity (RM):

Public Debt Securities	1 < RM ≤ 3	3 < RM ≤ 5	5 < RM ≤ 7	7 < RM ≤ 10	10 < RM ≤ 15
Portuguese Public Debt	11,0%	16,0%	17,0%	17,5%	18,0%
Spanish Public Debt	7,0%	9,0%	10,0%	11,5%	13,0%
German Public Debt	2,0%	2,5%	3,0%	4,0%	6,5%

Table 1 - Haircut (H1) related to Price Volatility of the Public Debt Securities

4. “Bilhetes de Tesouro” (Portuguese Government) are subject to a H1 factor of 1%
5. The H2 factor depends on the reference trading volume and the quantity of securities deposited by the Participant, according to the following table:

Ratio: Market Value of Deposited Securities excluding accrued interest / Reference Trading Volume	Portuguese and Spanish Public Debt Securities	German Public Debt Securities
[0 ; 1,0]	1,00	1,00
]1,0 ; 1,5]	1,20	1,00
]1,5 ; 2,0]	1,50	1,00
]2,0 ; 3,0]	2,00	1,00

Table 2 - Haircut (H2) based on the Liquidity of the Public Debt Securities

6. When calculating the ratio that is mentioned in Table 2 OMIClear takes into account the set of public debt securities with remaining maturities included in the same class.
7. The reference trading volume currently considered by OMIClear for the Spanish Public Debt securities is 100 million euro and for the Portuguese Public Debt securities is 20 million euro.

Guarantees Issued by Credit Institutions

8. Besides the possible reductions that might result from the implementation of concentration limits on the Guarantees issued by Credit Institutions, already mentioned in Instruction A06/2014 - Management and Evaluation of Guarantees, OMIClear does not apply Haircuts on this type of asset.