



ICE CDS Margin Calculator ICE Link GUI

March 2012

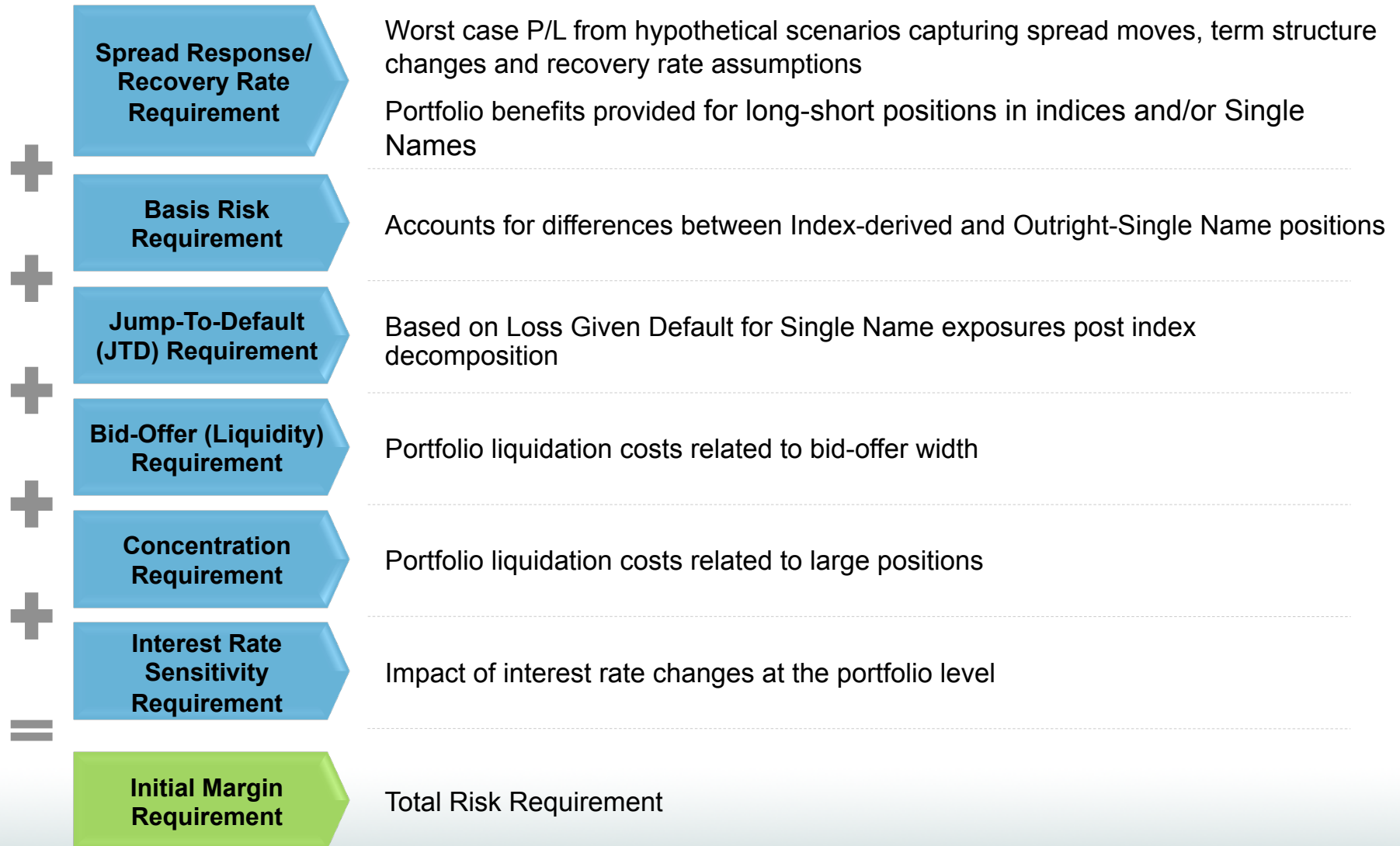
ICE CDS Margin Simulation Calculator

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 Margin Simulation GUI. The main window has a menu bar and a toolbar with buttons like 'Novate', 'Terminate', 'Super Block', 'FCM Backload', and 'Margin'. A 'Positions' tab is active, showing a table of trade positions. A 'Margin Calculation Criteria' dialog box is open, allowing selection of clearing house, FCM, and simulation options. Below the table, a 'Trade Ticket' section displays details for a specific position.

Sync	My Position ID	Trade Date	Description	Term	BPS	Notional(MM)	Buyer	FCM	Seller	Orig. EB
<input checked="" type="checkbox"/>	New Trade1	15-Jul-2010	CDX-NAIGS14V1-5Y	Jun 15		1 USD	aa6_hf1		aa6_dl1	
<input checked="" type="checkbox"/>	New Trade2	15-Jul-2010	CDX-NAIGS14V1-5Y	Jun 15		1 USD	aa6_hf1		aa6_dl1	
<input type="checkbox"/>	Index.13	22-Nov-2010	CDX-NAIGHVOLS							
<input type="checkbox"/>	Index.14	22-Nov-2010	CDX-NAIGHVOLS							
<input type="checkbox"/>	Index.15	22-Nov-2010	CDX-NAIGS15V1-							
<input type="checkbox"/>	Index.16	22-Nov-2010	CDX-NAIGS14V1-							
<input type="checkbox"/>	Index.17	22-Nov-2010	CDX-NAIGS15V1-							
<input type="checkbox"/>	Index.18	22-Nov-2010	CDX-NAIGS14V1-							
<input type="checkbox"/>	US.1	22-Mar-2011	CDX-NAHYS14V1							
<input type="checkbox"/>	US.2	22-Mar-2011	CDX-NAHYS14V1							
<input type="checkbox"/>	US.3	22-Mar-2011	CDX-NAIGS9V4-5							
<input type="checkbox"/>	US.6	22-Mar-2011	CDX-NAHYS14V1							
<input type="checkbox"/>	US.8	22-Mar-2011	CDX-NAHYS14V1							
<input type="checkbox"/>	IG INDEX	05-Apr-2011	CDX-NAIGS15V1-							
<input type="checkbox"/>	1234	17-Aug-2011	CDX-NAIGHVOLS							
<input type="checkbox"/>	1235	17-Aug-2011	CDX-NAIGHVOLS							
<input type="checkbox"/>	sell1234A	17-Aug-2011	CDX-NAIGHVOLS							
<input type="checkbox"/>	sell1245A	17-Aug-2011	CDX-NAIGHVOLS							
<input type="checkbox"/>	HSBC9854	09-Sep-2011	CDX-NAIGS14V1-							
<input type="checkbox"/>	CDX-HVol-OTR-5...	09-Sep-2011	CDX-NAIGS14V1-							
<input type="checkbox"/>	CDX.16 Test	15-Sep-2011	CDX-NAIGS16V1-							
<input type="checkbox"/>	GE_Test1	23-Sep-2011	CDX-NAIGS16V1-							
<input type="checkbox"/>	38197372	11-Oct-2011	CDX-NAIGS16V1-							

Margin Calculation Criteria

Select Margin Calculation Criteria

Clearing House: ICE Clear Credit LLC

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:] [Upload]

[OK] [Cancel]

Trade Ticket

CDX.NA.IG.14

Created: 11:25:17 Oct 19 2010

Calculator Confirm Audit Print

Buyer: aa6_hf1 - AA6_HF1 [@ Tue Oct 19 11:25:17 EDT 2010]

Seller: aa6_dl1 - AA6_DL1

Free1:

Free2:

Strategy:

Notional(MM): 1 USD

Traded Spread: N/A

Fixed Spread: 1%

Price: N/A

Index Factor: 100%

Trade: 15-Jul-2010

Effective: 22-Mar-2010

Maturity: 20-Jun-2015

Projected Notional

Trade Date	Notional (MM)	Activity	State

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

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

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
	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
1	BUY101-1A	fund1		bank1	CIX	2015-12-20	10			2i65BYCK9				Y
3	BUY101-1B	fund1		bank1	CIX	2015-12-20	10			2i666VAU9				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

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_pbo

ICE CDS Code: StandardNorthAmericanCorporate

Trans Type: StandardNorthAmericanCorporate

Additional Provisions: StandardNorthAmericanCorporate

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

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

Investment Advisor

Transactions Positions Transaction History Clearing Auto-Affirmation Confirmation Netting

Novate Terminate Super Block FCM Backload Margin

Group By Quick Search US Clearing Eligible

Sync My Position ID Trade Date Description Term BPS Notional(MM) Buyer

New Trade1 15-Jul-2
New Trade2 15-Jul-2
Index.13 22-Nov-
Index.14 22-Nov-
Index.15 22-Nov-
Index.16 22-Nov-
Index.17 22-Nov-
Index.18 22-Nov-
US.1 22-Mar-
US.2 22-Mar-
US.3 22-Mar-
US.6 22-Mar-
US.8 22-Mar-
IG INDEX 05-Apr-
1234 17-Aug-
1235 17-Aug-
sell1234A 17-Aug-
sell1245A 17-Aug-
HSC09854 09-Sep-

Margin Calculation Criteria

Select Margin Calculation Criteria

Clearing House
FCM Institution
FCM Legal Entity
Simulation
Include Cleared Trades from Previous Day's Close
Include Cleared Trades from Today's Activity

Upload Hypothetical Trades via Spreadsheet:

File Name:

Upload

Position

Trade Ticket
CDX.NA.IG.14

Buyer: aa6_hf1 - AA6_HF1 [@ T
Seller: aa6_dl1 - AA6_DL1

Free1:
Free2:
Strategy:

Notional(MM): 1 USD
Traded Spread: N/A
Fixed Spread: 1%
Price: N/A
Index Factor: 100%
Initial Margin: No Margin
Margin Payer:

Position ID: 4789806

Upload errors

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
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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

OK Cancel

Menu

New Deal - Single Name
New Deal - Index
New Deal - Tranche
Upload
Export
FCM Backload
Spreadsheet Upload
Bulk Trade ID Enrich
Counterparty Contacts
Allocation Strategies
Options...
Refresh Daily Margin
Margin
Request Client Service Assistance
Change Password
Change Security Question
Help Documents
About

aa2_dl1
aa6_hf1
aa6_hf1
aa6_hf1
aa6_hf1
aa6_hf1

(CTRL+F) Find in table

Created 11:25:17 Oct 19 2010

Confirm Audit Print

Need Training? Help Documents

Q12J823-6030 E-Mail: ICELinkHelp@theice.com

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

The screenshot displays the Ice Link Investment Advisor interface. The 'Menu' dropdown is open, showing options: 'New Deal - Single Name', 'New Deal - Index', 'New Deal - Tranche', and 'Upload'. The 'Upload Deal: Single Name' dialog box is active, showing various fields for trade entry. A blue circle highlights the 'View Proj. Margin' button at the bottom of the dialog. Another blue circle highlights the 'New Deal - Single Name' option in the menu.

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

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