



NOTICE TO MEMBERS

No. 2020 - 178

December 31, 2020

UPDATED HAIRCUTS ON GOVERNMENT SECURITIES DEPOSITED AS COLLATERAL

CDCC revises on a quarterly basis its haircuts applicable on government securities that are eligible for collateral deposit.

Following this review, CDCC has decided to update the haircut values. The updated values will be effective as of January 4th 2021. CDCC is employing its discretion to set haircuts at 150% of corresponding Bank of Canada haircuts for all ISINs.

For any further information, please contact the Risk Management Department at (514) 871-3505.

Anne Fiddes
Vice President, Integrated Operations CDCC

Haircuts

| Form of Margin | Eligible asset | Employed Value | CAD | CAD Real Return | U.S. | U.S. Real Return |
|-----------------------|---|----------------|-------|-----------------|-------|------------------|
| Government Securities | Canadian Treasury bills, Canadian bonds (including real return bonds and excluding Canada Savings Bonds), U.S. Treasury bills, U.S. Treasury bonds (including TIPS), and certain provincial bonds with a maturity of: 1 | | | | | |
| | 1 year or less | Market | 0.75% | 0.75% | 1.50% | 1.50% |
| | 1 - 3 years | Market | 1.50% | 1.50% | 1.50% | 1.50% |
| | 3 - 5 years | Market | 2.25% | 2.25% | 2.25% | 2.25% |
| | 5 - 10 years | Market | 3.00% | 3.00% | 4.50% | 4.50% |
| | 10 - 20 years | Market | 4.50% | 4.50% | 7.50% | 7.50% |
| | 20 years and more | Market | 4.50% | 4.50% | 7.50% | 7.50% |

| Form of Margin | Eligible asset | Employed Value | Province of Ontario | Province of Quebec | Province of British Columbia | Province of Alberta |
|-----------------------|---|----------------|---------------------|--------------------|------------------------------|---------------------|
| Government Securities | Canadian Treasury bills, Canadian bonds (including real return bonds and excluding Canada Savings Bonds), U.S. Treasury bills, U.S. Treasury bonds (including TIPS), and certain provincial bonds with a maturity of: 1 | | | | | |
| | 1 year or less | Market | 2.25% | 2.25% | 2.25% | 2.25% |
| | 1 - 3 years | Market | 3.00% | 3.00% | 3.00% | 3.00% |
| | 3 - 5 years | Market | 3.75% | 3.75% | 3.75% | 3.75% |
| | 5 - 10 years | Market | 4.50% | 4.50% | 4.50% | 4.50% |
| | 10 - 20 years | Market | 6.00% | 6.00% | 6.00% | 6.00% |
| | 20 years and more | Market | 6.00% | 6.00% | 6.00% | 6.00% |

| Form of Margin | Eligible asset | Employed Value | Province of Manitoba |
|-----------------------|---|----------------|----------------------|
| Government Securities | Canadian Treasury bills, Canadian bonds (including real return bonds and excluding Canada Savings Bonds), U.S. Treasury bills, U.S. Treasury bonds (including TIPS), and certain provincial bonds with a maturity of: 1 | | |
| | 1 year or less | Market | 2.25% |
| | 1 - 3 years | Market | 3.00% |
| | 3 - 5 years | Market | 3.75% |
| | 5 - 10 years | Market | 4.50% |
| | 10 - 20 years | Market | 6.00% |
| | 20 years and more | Market | 6.00% |