

Clearstream

Collateral Management – Securities Lending

Product information

Efficient loan and collateral management for securities lending

Key benefits

Fully integrated solution

- Triparty loan and collateral services for uncleared trades
- Triparty collateral service fully integrated with the unique Eurex Clearing Lending CCP
- Safekeeping, monitoring and settlement
- Collateral pledge or transfer of title

Efficiency gains

Customers save time and resources as operational tasks are delegated to a team of experts

Optimised asset allocation

Optimal (re-)use of collateral (cash, bonds, equities and funds) across products, counterparties and locations

Risk mitigation

Clearstream acts as a neutral and independent agent ensuring robust, secure and automated processes

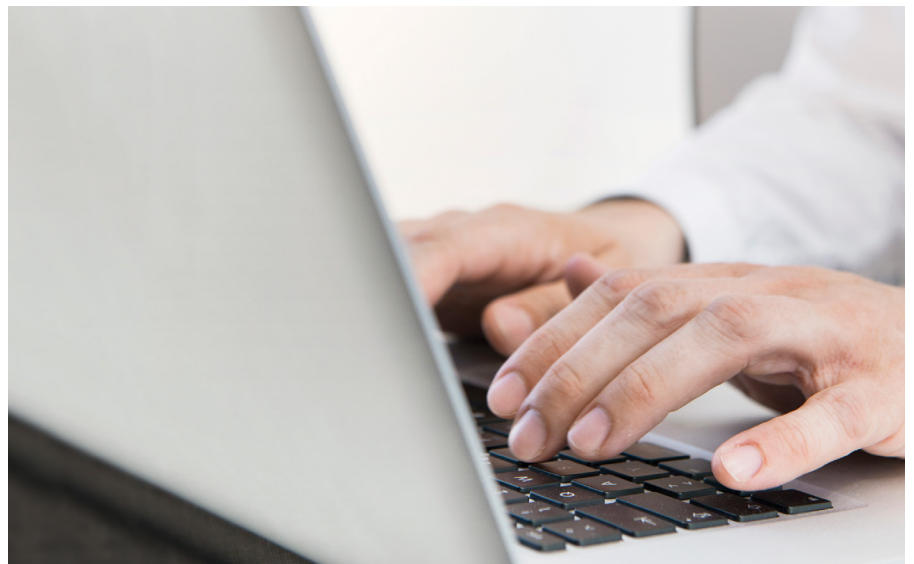
Secure and transparent

- Automated real-time reports and tools available to customers facilitate oversight and controls
- Unique (sub-)fund reporting e.g. for Asset Managers

Leveraged by custodians

- Borrowers, agent and principal lenders use our services
- Clearstream also helps custodians set-up a modular and flexible triparty offering for their custody customers

Securities lending can place great challenges on systems and operations for both lenders and borrowers. Clearstream's triparty services manage the post-trade complexities for cleared and uncleared securities lending. Acting as neutral agent, Clearstream offers modular triparty loan and collateral management services supporting our customers to manage risks and liquidity more efficiently.



Clearstream's triparty securities lending services are part of a comprehensive offering for collateral management.

As market leader in the banking, funding and financing space, Clearstream manages collateral to cover all types of exposures in real-time, across currencies, asset classes and time zones while offering cash re-investment and collateral transformation services. This helps our customers to overcome fragmentation and manage their collateral from a single pool across

cleared and uncleared repo, securities lending, derivatives and central bank activities amongst others. In addition, Clearstream also arranges loans for our customers through Automated Securities Lending (ASL) to prevent settlement failures and actively-managed strategic securities lending.

Being part of Deutsche Börse Group is a major strength enabling Clearstream to fully leverage its triparty collateral services with our sister company Eurex Clearing and their Lending CCP.

Collateralising uncleared securities lending

Clearstream offers proven triparty collateral management features complemented by loan book valuation and settlement.

Services tailored to your needs

Model 1: Loan valuation and settlement coupled with collateral management

Model 2: Loan valuation coupled with collateral management

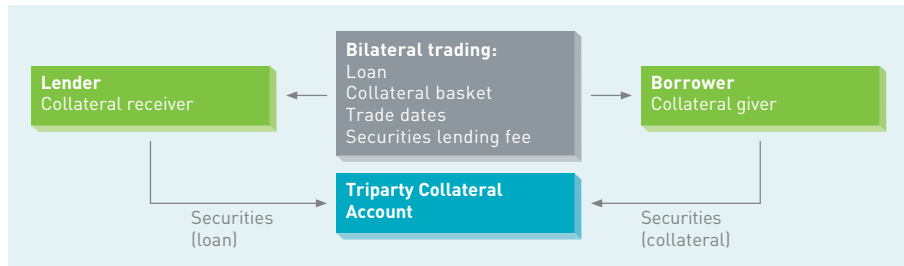
Model 3: Collateral management service only

Clearstream takes care of all administrative functions to collateralise the customers loan book.

Features and benefits

- Economies of scale through outsourced loan and collateral functions
- Elimination of valuation disputes by using a well-respected third party agent
- Efficient and precise daily exposure valuation reports

- Centralised collateralisation allows borrowing from counterparties at different locations
- Efficient collateral optimisation across products, asset classes, counterparties and locations

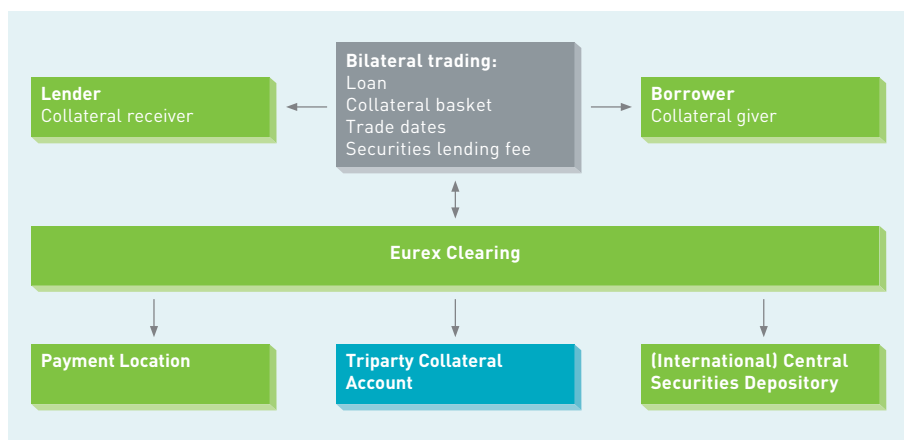


Collateralising cleared securities lending

Clearstream customers can access Eurex Clearing's unique central counterparty (CCP) services for the securities lending market where counterparty risk and credit exposures are minimised for individual participants.

Eurex Clearing offers integrated services for securities financing in combination with their derivative, bond and equity products.

The solution services multiple trading venues and flow providers from bilateral/OTC to electronically traded transactions while clearing is offered across asset classes and markets.



Features and benefits

- Access to an additional source of liquidity
- Minimised credit and systemic risk as the CCP is the counterparty
- CCP-cleared loans subject to much lower capital requirements
- Increased yield for lenders as borrowers tend to pay more for lower capital costs
- Specific Lender License supports the existing Agent Lender/Beneficial Owner relationship

- Maximum efficiency from clearing to collateral management
- Collateral can be re-used by the lender towards multiple exposures within Clearstream's triparty environment (i.e. Triparty Repo, GC Pooling and others)
- Efficient collateral optimisation across products, asset classes, counterparties and locations

Contact

For further information, please contact your Relationship Manager or our Collateral Management team.

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