

# Product Information

## ASL

## Optimise Settlement Efficiency And Enhance Trading Opportunities

With just one contract, borrowers gain access to a large pool of undisclosed lenders offering fast access to securities from counterparties.

### Benefit from full automation

Automated Securities Lending and Borrowing (ASL) is a unique service, which only an International or Central Securities Depository can offer because of the complexities of the highly integrated settlement process. It acts as a lender of last resort, which through automated loans, prevents failures and enhances settlement efficiency for the borrower. The ASL Guarantee reduces the counterparty risk.

### Enjoy complete control

In addition to fully automated services, Clearstream can also provide case-by-case securities lending and borrowing. This gives the customers complete control to lend and borrow in accordance with their own risk profile and strategies.

### Key benefits

**Lenders: realise the full potential of your portfolio**

- Minimise cost: no custody fees on lent positions
- Benefit from securities recallable on demand
- Obtain close-to-market cash rates
- Ability for lender to control securities on a number of different levels.

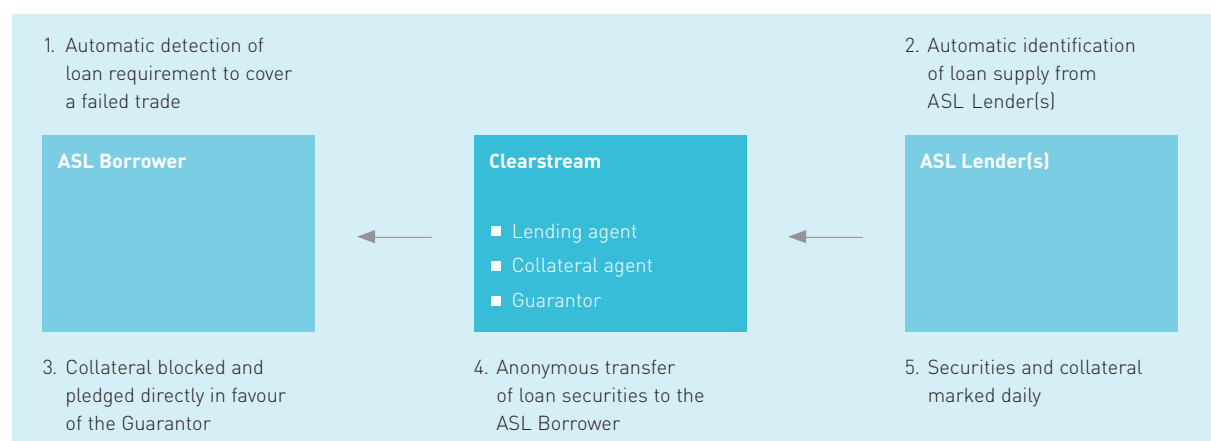
**Borrowers: significantly reduce the risk of failure**

- Reduce the risk of damage to your reputation due to failed trades
- Enhance settlement efficiency and receive cash proceeds on settlement
- Maintain anonymity: Clearstream is a neutral provider and all borrowers are undisclosed
- Decrease the number of recalls due to a large pool of assets allowing lender substitutions.

**ASL is an established Fails Lending product that has been fully integrated in Clearstream's settlement engine for more than 30 years.**

### Automated Securities Lending

Loan opening



## Key features of ASL

### Fails integrated into settlement engine of Clearstream

- Lending and borrowing activities fully supported by existing Clearstream reporting structures:
  - Undisclosed, i.e. no direct relationship between lender and borrower.
  - Clearstream as an agent for the programme.

### Risk Guaranteed

- Collateralised borrowing issued by Clearstream.
  - Collateral securities are pledged by the borrower to Clearstream under a Luxembourg law pledge. Collateral quality and sufficiency are monitored by Clearstream on a daily basis.
  - Second ranking pledge on collateral – in the unlikely event of a simultaneous default by Clearstream and the borrower, the right to the collateral passes to the lender.
- Uncollateralised borrowing issued by Citibank NA London.

## ASL and ASLplus: The ultimate partnership

ASL's sister product (ASLplus) offers optimisation for night and daytime borrowing and when the two are combined, income for a lending portfolio and securities coverage for borrowing is maximised.

- ASLplus lends securities for a longer period and with a strategic purpose rather than fails demand, so there is no cross over or reduction in Lender revenues.
- As there is no need for multiple legal agreements and credit lines for each borrower: it is a simple case of one contract.
- Numerous distribution agencies, thereby maximising lending and minimising risk.
- One work flow will support the relationship for both systems between Clearstream and the customer.

## Automated Securities Lending and Borrowing services reduce settlement failure and enhance trading opportunities.

## Contact

If you are interested in further information about any of our products within Global Securities Financing, please contact our dedicated GSF team

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