



## An industrial revolution in funding and financing

Clearstream's Banu Apers and James Cherry underline the centrality of collateral management, lending solutions and liquidity to financial market stability, and discuss how a technology revolution is reshaping financial services

After several years of geopolitical uncertainty, major central bank liquidity interventions and questions about the future direction of monetary policy, one lesson has become clear. Efficient collateral management has become more important than ever in safeguarding the stability of financial markets.

Liquidity and collateral truly sit at the heart of financial markets, says James Cherry, head of business development for collateral, lending,

and liquidity solutions at Clearstream. This is integral to the smooth functioning of a financial ecosystem designed to provide a secure and efficient framework through which companies can raise capital, innovate, and promote economic growth.

Faced with growing uncertainty, a focus for many financial sector firms has been on business resilience. While continuing to strive for efficiency gains and opportunities to boost revenue and profit margins,

firms are fundamentally committed to the need for resilience in volatile and uncertain markets. Efficient management of liquidity and collateral is fundamental to delivering this resilience.

A parallel strand that permeates nearly every business conversation is a focus on technological change. We are in the midst of a new industrial revolution, one that is transforming information management and reshaping how companies produce and deliver goods and services. Financial services firms like Clearstream, part of Deutsche Börse Group, are embracing this change and are at the forefront of harnessing the opportunities that this creates.

By that fact, Deutsche Börse Group positions itself as being the engineers of the capital markets, applying technology, AI, data, and market expertise to deliver efficiency, stability, and innovation.

Banu Apers, head of securities lending and borrowing at Clearstream, explains that, as a leading provider of global financial market infrastructure, Clearstream continues to innovate and drive product enhancements that help clients to negotiate a constantly-evolving regulatory environment, including a smooth transition to T+1 settlement in the EU and UK. It is also helping clients to take advantage of this technology revolution through AI-driven and digital solutions.

Projecting these strategic messages to the funding and financing markets, Apers concludes that in the face of heightened volatility and geopolitical uncertainty, the securities lending market has demonstrated robust performance, fuelled by stronger loan demand for specific asset classes, particularly exchange traded funds (ETFs) and Asia Pacific fixed income securities.

The relatively abundant liquidity and fears of potential collateral shortages that prevailed three to four years ago — subsequent to central bank liquidity support during the Covid pandemic — have given way to relative collateral abundance and liquidity markets where cash is both fragmented and in limited supply. This shift has prompted

cash takers to seek alternative sources of liquidity and to become increasingly creative in how they access their cash requirements.

### **Expanding the pool of lendable assets**

In securities lending markets, pressure on spreads, and pressure on banks to optimise every unit of balance sheet, is pushing lending intermediaries to look for new ways that they can generate value. Clearstream has continued to expand the pool of lendable assets available through its securities lending programme, bringing on board new lender and borrower counterparties, extending coverage across new locations, and supporting rising activity from firms already active in the programme with new asset classes.

This has included the extension of ETF lending across all of its lending solutions and continued outreach to buy side clients, such as collective investment funds, pension funds, and insurance firms.

More generally, a convergence of market forces — including margin pressures, shifting interest rate environments, and the move towards accelerated settlement cycles in the EU and UK — is increasing the demand for sophisticated intraday funding and liquidity tools.

### **Platform solutions across the value chain**

Clearstream has expanded buy side access to funding and secured financing markets through platform solutions. Clients of Clearstream and SimCorp, the investment management platform solutions provider acquired by Deutsche Börse Group in 2023, can now manage their cleared and uncleared repo activity and instruct their triparty repo lifecycle positions via the SimCorp One front end. This integration enables joint clients to execute GC Pooling transactions on the Eurex F7 platform and to manage the lifecycle within Clearstream's triparty platform.

The solution delivers automated, fully straight-through processing

(STP) support across the triparty repo transaction lifecycle, offering users a consolidated view of the collateral in one place while removing the need for multiple bilateral legal agreements with each lender or borrower counterparty.

The SimCorp front end is being implemented through a phased approach, starting with cleared and uncleared repo. Clearstream's strategic lending solution is scheduled to be integrated into the SimCorp environment during 2027.

In Europe, this solution is attracting interest from asset owners and asset managers, including large pension funds. In Canada, Clearstream has partnered with TMX Group to implement a full-service domestic triparty environment for the Canadian market. The Canadian Central Bank is scheduled to join this programme in early 2027 such that all of the central bank's securities finance, repo, and central bank pledge programmes will be managed through this Canadian Collateral Management System (CCMS).



## **T+1 accelerated settlement cycle**

With the EU and UK transition to T+1 settlement scheduled to take place on 11 October 2027, and with market-wide testing due to commence in early 2027, Clearstream has recently published its T+1 implementation guide, offering step-by-step guidance on how to manage the transition and where clients need to give particular attention.

As a provider of settlement liquidity through our fails coverage programme across the international central securities depository (ICSD) and CSD/T2S, Clearstream plays an important role in mitigating systemic fails risks through timely delivery of securities in demand and management of the trading chain lifecycle.

Clearstream already supports T+0 settlement for a major share of interdealer financing activity executed through triparty repo. This may provide an incentive for more firms to migrate financing activity from bilateral relationships to triparty repo as they prepare for T+1 transition.

*“Clearstream continues to innovate and drive product enhancements that help clients to negotiate a constantly-evolving regulatory environment”*

### **Banu Apers**

**Head of securities lending and borrowing  
Clearstream**

For cross-border customers, a key challenge in next-day settlement adoption lies in the potential settlement gap between securities settlement (settling T+1) and FX settlement (settling T+2 for many spot FX transactions).

“The industry is managing the transition to T+1 well, but a reliance on processes still designed for T+2 introduces structural friction points,” says Cherry. The impact of misalignment becomes particularly acute during periods of high market volatility. FX spreads tend to widen during stress periods, liquidity becomes less predictable, and execution timing becomes more critical. The underlying issue is not new, but it is accentuated within the tighter time schedule imposed by T+1 settlement.

Consequently, global FX liquidity patterns are evolving in preparation for T+1. FX execution is moving to earlier in the lifecycle and becoming more closely tied to settlement events. There is a drive toward more real-time, automated, and integrated processing. However, the broader ecosystem, including infrastructure and market practices, still operates according to batch-based models.

*“We do see some interest in cryptoassets, with stablecoins potentially playing a more significant role in collateral markets”*

**James Cherry**

Head of business development for collateral,  
lending and liquidity solutions  
**Clearstream**

### **Toolkit of solutions**

To facilitate this transition, Clearstream offers a toolkit of solutions that will add value in a T+1 environment. In March 2026, Clearstream launched an intraday repo product that brings intraday liquidity to the market. For FX, its Automated FX service mitigates the potential FX exposure resulting from this settlement gap. This is complemented by its suite of predictive analytics tools — namely CollateralNext, LiquidityNext, SettlementNext, and LendingNext — designed to mitigate risk and to speed up decision making through ex-ante predictive insights.

This integrated package of solutions, dovetailing with user dashboards and reporting tools, enables users to monitor the probability of trade fails and to take pre-emptive action. If it identifies a potential inventory shortfall, for example, a firm may source the required securities via Clearstream’s strategic securities lending desk. If a shortage of securities is identified close to the settlement deadline, it may draw on emergency liquidity on settlement day through the ASL and ASLplus Autoborrow facilities.

