

clearstream

DEUTSCHE BÖRSE
GROUP

Clearstream Snapshot



Clearstream – a trusted global name

Clearstream is a global leader in post-trade securities services with around EUR 14 trillion in assets under custody, making it one of the world's largest settlement and custody firms for domestic and international securities.

In its role as international central securities depository (ICSD) headquartered in Luxembourg, Clearstream provides the post-trade infrastructure for the Eurobond market and services for securities from around 60 domestic markets worldwide.

As a central securities depository (CSD) based in Frankfurt, Clearstream provides the post-trade infrastructure for the German securities industry as well as CSD services for a large number of domestic markets across Europe and beyond. Clearstream also serves the Luxembourgish market via LuxCSD jointly operated by Clearstream and the Banque centrale du Luxembourg (BCL).

Drivers of innovation

A changing market and regulatory environment combined with a strong focus on leveraging new technologies – such as DLT, APIs and AI – to deliver

customised client solutions, drive Clearstream's innovative business development. Tokenisation of securities and assets constitutes the next evolutionary step of financial infrastructures into the digital asset space.

An integral part of Deutsche Börse Group

Being part of Deutsche Börse Group is a major strength. It allows Clearstream to leverage the combined value chain of the different Group entities, including a central counterparty, to create innovative products covering the entire lifecycle of securities: listing > trading > issuance > clearing > settlement > custody > collateral management > asset servicing.

In partnership with HQLAx, Deutsche Börse Group is building a custody-agnostic securities lending solution on the R3 Corda blockchain. This digital ledger will be a closed system to which market participants will connect using their existing ecosystem, allowing them to step into the DLT world at their own pace.

A reliable infrastructure to protect your assets

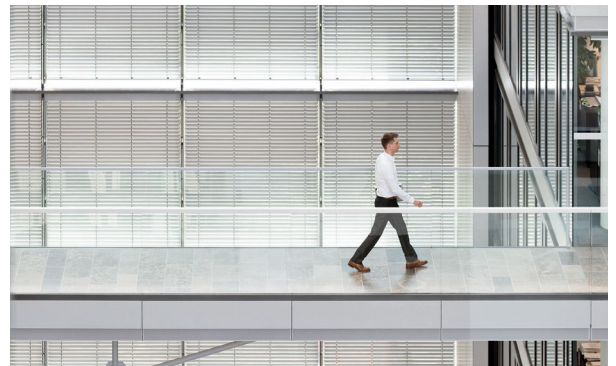
As an integral market infrastructure, Clearstream is a key contributor to the stability and resilience of international financial markets and ensures the highest standards of safety for customer assets, including asset segregation and DVP settlement.

Clearstream holds strong, long-term AA ratings from major international rating agencies, which reflect Clearstream's focus on risk management and operational efficiency as well as the strict regulatory framework within which it operates as both an International Central Securities Depository (ICSD) and a Securities Settlement System (SSS). Clearstream's processes are subject to the rules of the respective national supervisory authority.

As an SSS, Clearstream has to publicly disclose risk management principles in its Pillar III report. Regulators conduct a direct review of all Clearstream services, connections and network links.

Creating secure and efficient markets

The European Central Securities Depositories Regulation (CSDR) is one of the key regulations adopted in the aftermath of the 2008 financial crisis. Clearstream's Central Securities Depositories (CSDs) welcome the objectives of CSDR, namely to increase the safety and efficiency of securities settlement and the settlement infrastructures in the EU and to establish an enhanced level playing field among European CSDs.



Key facts and figures



Assets under custody around **EUR 14 trillion**

170 million settlement transactions processed annually

All major asset classes covered, including bonds, equities, investment funds and structured products

Consistently **awarded AA credit rating** from major rating companies

Access to **57 domestic markets** worldwide, plus the international market

More than **100 currencies** are eligible in our ICSD via our connectivity channels

More than **EUR 400 billion** in Global Securities Financing monthly average outstandings

Around **200,000 investment funds** from **48 jurisdictions** are eligible in Vestima, our cross-border fund processing platform

Over **100 customer service experts** worldwide speaking 19 languages

11 offices around the globe: Cork, Dubai, Frankfurt, Hong Kong, London, Luxembourg, New York, Prague, Singapore, Tokyo, Zug

Making the most of your assets

The introduction of TARGET2-Securities (T2S) has allowed connected CSDs to build an Investor-CSD offering that covers all T2S markets, asset classes and transaction types. Market participants aim to realise the benefits of opting for consolidated, direct market access models allowing customers to pool assets across different European markets in a single Investor CSD.

Fully fledged cross-border Investor CSD solution

With a market share of approximately 80% of the custody and settlement volume of T2S markets available through our Investor CSD model, Clearstream is delivering a true cross-border Investor CSD solution in the T2S era.

Delivering local market requirements

Thanks to partnerships with local agents, Clearstream delivers best-in-class asset servicing for the T2S markets covered in the Investor CSD offering.

Taking collateral mobility to the next level

With the fully fledged Investor CSD offering now running cross-border,

customers benefit from our OneCollateral Management Service (OneCMS) which represents the collateral management arm of Clearstream's T2S offering. Assets held at the CSD can be automatically mobilised for use at the ICSD. In the next phase Clearstream's CSD will offer "ICSD like" collateral management services settling in T2S.

Connectivity solutions for a digital world

To keep pace in a world of digital transformation, ClearstreamXact provides multi-channel connectivity for accessing our full range of services across all covered markets, assets types and business areas – settlement, cash management, asset servicing, collateral management, securities lending and investment fund services.

While our automated access is fully ISO compliant to guarantee maximum straight-through-processing, the Xact Web Portal acts as a single gateway to our complete ICSD and T2S Investor CSD service offering for the full range of eligible asset types and domestic markets in an integrated manner.

A broad range of services

Our customers benefit from an extensive service portfolio that offers innovative solutions for domestic and global security issuance, settlement, custody, asset servicing, investment fund services, liquidity and risk management.

Clearstream's core products are composed of four business lines providing services to targeted markets:

The **Issuer CSD Services** line manages the issuance, settlement and custody of securities issued via our German CSD or LuxCSD. Both institutions provide notary and central maintenance services (as defined under CSDR) to issuers and their participants as well as settlement – internal and cross border in central bank money – and other value added services such as connectivity solutions and asset servicing.

The **Eurobonds Business** line includes the numbering, issuance, settlement and custody of securities issued via Clearstream's ICSD. It provides notary and central maintenance services (as defined under CSDR) to issuers and its participants, as well as settlement – internal, Bridge and cross border in commercial bank money – and asset servicing.

The **European Custody Product** line covers the settlement and custody of securities issued in T2S domestic markets where Clearstream's CSDs and ICSD act as investor CSD. They provide settlement – internal, Bridge and cross border in commercial and central bank money – and other services to their customers, from connectivity solutions to asset servicing.

The **Global Markets** line manages the settlement and custody of securities issued in non-T2S domestic markets where Clearstream's CSDs and ICSD act as investor CSD. They provide settlement – internal, Bridge and cross border in commercial bank money – and additional services to their participants, such as asset servicing.

The **Banking, Funding and Financing** services segment covers:

Our German CSD and ICSD **Banking Services** aim to facilitate securities settlement in commercial bank money thereby ensuring smooth functioning of securities markets. Both, our CSD and ICSD provide ancillary services to optimise cash and liquidity management.

The **Global Securities Financing** offering incorporates triparty collateral management services for repo, securities lending, exchange traded and OTC uncleared and cleared products as well as a number of white-labelled collateral management solutions. The product suite provides a deep pool of liquidity through links to agent banks, trading platforms, clearing houses and other market infrastructures such as CSDs.

Our **Investment Fund Services** play a key role in our product offering:

As a specialised fund custodian, Clearstream delivers state of the art solutions to standardise fund processing on a global scale and to increase efficiency and safety in the investment funds sector.

The **Vestima** One-stop shop for funds provides a single access point to investment funds of all types - from mutual funds to exchange-traded funds (ETFs) and hedge funds - offering order routing, DVP settlement, safekeeping and asset servicing.

With the new **Fund Desk** offering, Clearstream complements its Vestima One-stop shop for funds to include distribution intermediation services and to provide direct access to a fund research solution. Clearstream Fund Desk delivers a new range of services in the fund distribution space for both fund distributors and asset managers alike.



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