

Clearstream

Global Liquidity Hub – Agency Securities Lending

Product information

Flexible strategic securities lending services

Key benefits

Flexible service

Tailored to each lender's individual needs

Full portfolio use

All assets eligible, including equities

New business opportunities

Lenders can react quickly to the market

Full risk control for borrowers

ALD-compliant service

No operational burden

Agency structure for lending and collateral management

Easy setup

Leverage existing securities lending and collateral management services

Customers wishing to enhance their yield can benefit from a full suite of strategic securities lending services under the Global Liquidity Hub. Agency lending is particularly attractive for lenders wishing to be in full control of their risk levels. The flexible service supports fixed income and equities and structured trades such as term contracts.



Agency lending enables customers to maximise the use of their securities through strategic lending. Lenders are in full control of the risk – they are free to select their counterparties and impose tailored credit limits. They also set collateral eligibility criteria as well as haircuts and concentration limits.

Enhanced revenue opportunities

The agency lending service gives lenders the opportunity to carry out more structured trades compared to principal lending services which are subject to certain concentration and duration limits. For example, all types

of term and equity trades are eligible under the agency lending service. This means that lenders can maximise their revenue opportunities by reacting quickly to evolving market demand.

The risk for lenders is further reduced as all loans are fully collateralised with a transfer of title on the collateral to the lenders. Clearstream handles all collateral management aspects, both the loans and the collateral are marked to market daily. In addition, lenders benefit from a more attractive fee split for agency lending compared to principal lending.

Comprehensive agency service

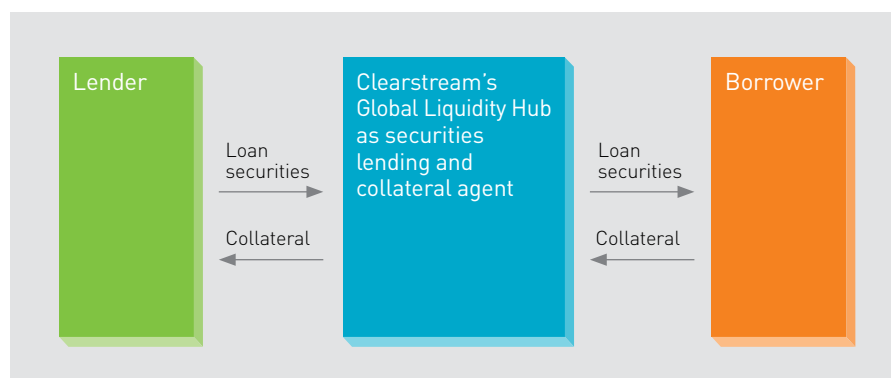
Clearstream arranges the loans between the borrower and the lender as a neutral agent. Lenders are only in contact with Clearstream, they are not in contact with the borrowers directly. Clearstream offers the securities to the community of borrowers from its principal programme and also

distributes them via a securities lending platform to help lenders make the most of their assets. An experienced distribution team negotiates the best possible rates with all borrowers to ensure attractive lending conditions.

Clearstream is an ALD (Agency Lending Disclosure)-compliant agent lender. This means that borrowers can rest assured that the approval process of the underlying principal lenders and the daily calculation of regulatory capital requirements comply with industry standards.

Operational outsourcing

Once the trade has been agreed upon, Clearstream performs all necessary administrative and operational steps including account movements, recalls, returns, rerates, income events, corporate actions and reporting. In other words, Clearstream manages the assets that were lent out as well as the assets posted as collateral as a neutral agent. This process is highly automated with no cost on the lender side.



Benefits for lenders and borrowers

The service is not only attractive for lenders but also for borrowers as it provides them with an additional source of liquidity and increased possibilities of collateral use.

The setup is easy: borrowers of our principal securities lending programme can leverage their existing procedures and merely need to sign an annex to

also benefit from the agency lending service. By signing a single umbrella agency agreement, lenders authorise Clearstream to negotiate contracts with all borrowers, thereby removing the need for cumbersome bilateral negotiations with each borrower. The possibility of term trades also creates new business opportunities for both borrowers and lenders.

The agency lending service is part of an entire suite of strategic securities lending services offered by Clearstream under the Global Liquidity Hub. In addition to the principal lending service, customers can also benefit from a centrally cleared agency lending service which Clearstream offers in cooperation with its Deutsche Börse sister company Eurex Clearing.

Contact information

For further information on our Global Liquidity Hub services, please contact our dedicated GSF team.

gsf@clearstream.com
www.clearstream.com

Luxembourg +352-243-36868
Frankfurt +49-[0]69-211-12292
London +44-[0]20-7862-7626
Singapore +65-6597-1621
Hong Kong +852-2530-7404
Dubai +971-4-427-8900
New York +1-212-309-8880