

Clearstream Global Securities Financing

The Global Liquidity Hub Excellence in collateral management



Award-winning service

The Global Liquidity Hub regularly receives top marks in industry surveys such as the Global Custodian Triparty Securities Financing Survey and the Global Investor/ISF Triparty Survey.

Clearstream is always particularly commended for its outstanding collateral management services and its efficient customer service.

Clearstream's world-leading Global Liquidity Hub encompasses a pioneering, comprehensive and flexible suite of products which deliver advanced collateral management and securities lending and borrowing for both financial and non-financial institutions worldwide.

We've turned a vision into reality

The Global Liquidity Hub was launched in 2009 but is built on Clearstream's long-standing experience in post-trade services. Indeed, we were the first supplier to launch triparty repo in Europe in 1992. Today, Clearstream's award-winning Global Liquidity Hub

offers a comprehensive collateral management and securities financing environment. Our highly sophisticated systems enable customers to manage their collateral efficiently in real-time, regardless of asset class, location or timezone.

A global priority

New regulations adopted in the wake of the financial crisis require systemic changes for many financial institutions and corporate treasuries. The current regulatory focus on risk management has a major impact on the way institutions around the world securitise their exposures. In a nutshell, the whole market will need to optimise collateral to make the most of their assets.

Right here, right now

Clearstream took the decision some years ago to invest significantly in developing its cutting-edge Global Liquidity Hub, at the heart of which lies the most sophisticated and robust collateral management system in the world. The Global Liquidity Hub enables unlimited security substitution and re-use, in multiple pieces and in a variety of currencies for bonds, cash, equities and funds as collateral – and all this with real-time allocation and built-in optimisation.

Clearstream customers gain the benefit of automated collateral movements with leading central counterparties such as Eurex Clearing, LCH.Clearnet, CME Clearing Europe, ICE Clear Europe and LME Clear. In addition, customers can pledge collateral to selected central banks (Bundesbank, Federal Reserve Bank of New York and the Banque Centrale du Luxembourg).

Today, Global Liquidity Hub users benefit from a collateral pool which is both wide and deep (more than EUR 600 billion outstanding), a network of more than 550 active counterparties and an entire suite of products which can facilitate flexible collateral management agreements.

Customers particularly appreciate our two flagship products: ASLplus, a securities lending service in which Clearstream absorbs risk by acting as the principal, and GC Pooling®, a collaboration between Clearstream, Eurex Repo and Eurex Clearing which provides a liquid market for secured funding in EUR and USD via a range of collateral baskets.

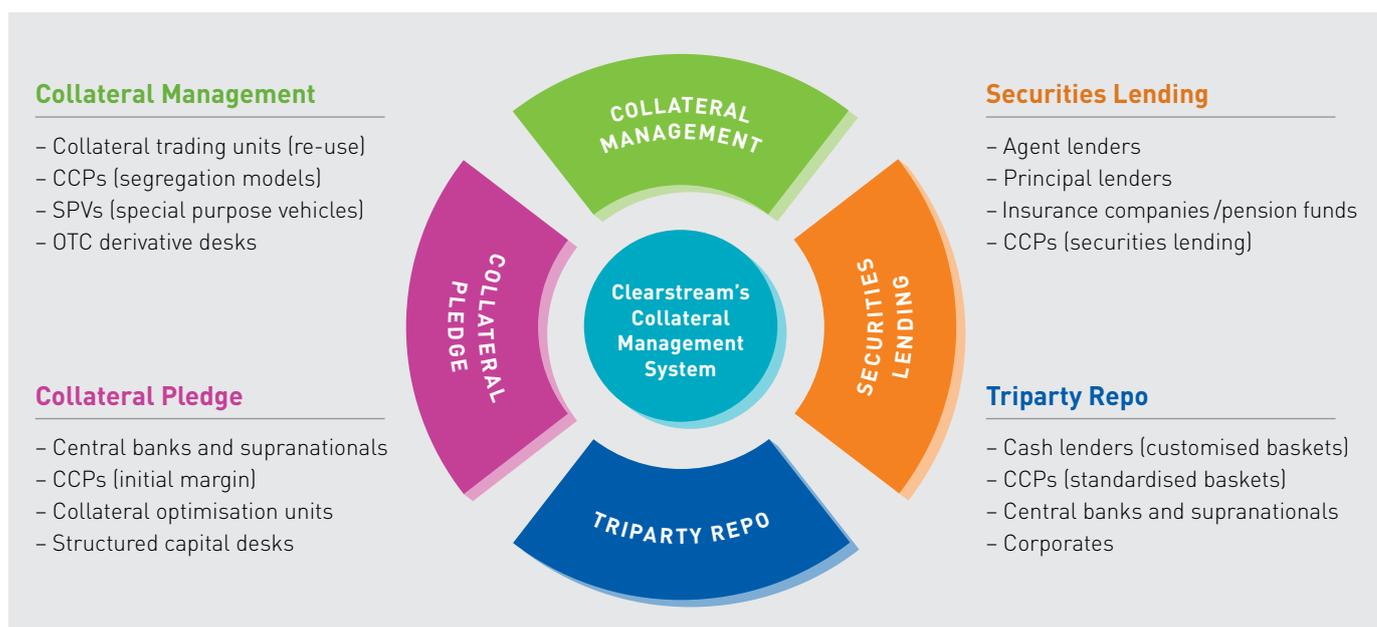
How the Global Liquidity Hub works for you

The Global Liquidity Hub's open architecture maximises opportunities for customers. Additionally, Clearstream's situation within the Deutsche Börse Group provides customers with easy access to Eurex Clearing, a central counterparty, and Eurex Repo.

The participants in the Global Liquidity Hub come from all corners of the globe and we have offices with dedicated specialist staff in Luxembourg, Frankfurt, London, New York, Hong Kong, Dubai and Singapore who can guide customers through the collateral management and securities lending options.

The Global Liquidity Hub enables customers to optimise their collateral and source liquidity. Clearstream facilitates the injection of much-needed liquidity into the market. The system works 24/7, handles trillions of Euros in volumes and is very robust.

Global Liquidity Hub products and user groups



Collateral management partnerships

The Global Liquidity Hub's unique open architecture enables market participants to connect to our collateral management engine, thereby also granting their underlying clients access to Clearstream's award-winning triparty collateral management services.

Clearstream has established four separate Liquidity Hub partnership streams for different types of market participants. These strategic partnerships greatly extend the reach of the Global Liquidity Hub and enable the buy-side (for example corporates, pension funds and asset managers) as well as customers of market infrastructures, agent banks and electronic platforms to benefit from Clearstream's collateral management solution.

Liquidity Hub GO

Outsourced collateral management solutions for market infrastructures

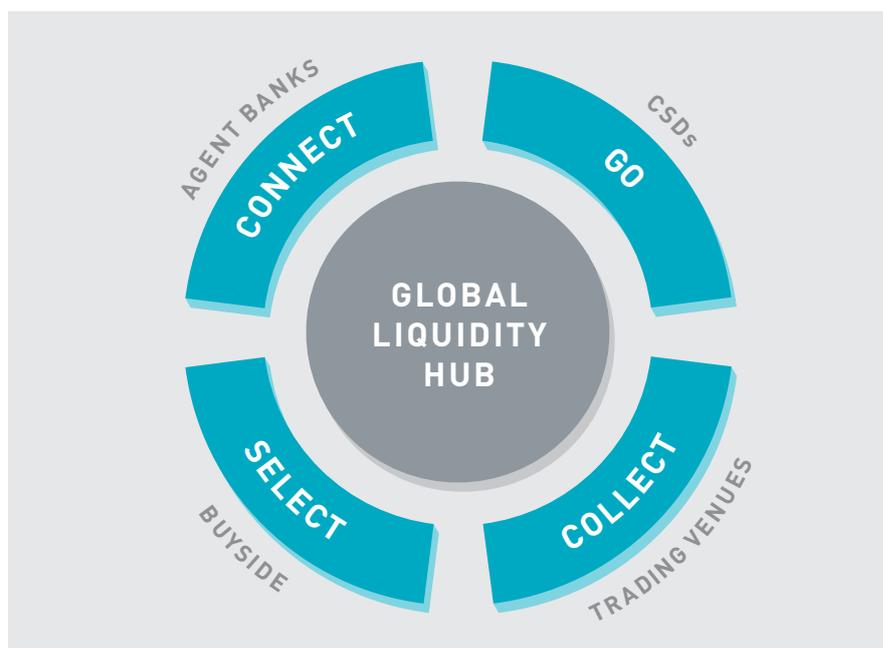
Liquidity Hub GO (Global Outsourcing) provides domestic market infrastructures such as central securities depositories (CSDs) with a fast and efficient way to develop customised collateral management services.

A unique feature of the service is that the underlying assets remain in their domestic jurisdiction. Clearstream initially developed the service for ASX (Australia), Cetip (Brazil), Strate (South Africa) and Iberclear (Spain) and is currently in talks about developing GO with other infrastructure providers around the world.

Liquidity Hub Connect

Triparty collateral management solutions for agent banks

Liquidity Hub Connect gives mutual customers of Clearstream and agent banks access to the full service suite of the Global Liquidity Hub while the agent banks remain the local custodians. Customers can



consolidate their assets held at both institutions into one single pool to perform collateral management transactions with any Clearstream collateral receiver.

A unique feature of the service is that this collateral allocation is performed in real time and only up to the required amount. Liquidity Hub Connect is particularly attractive for customers looking for a collateral management solution which fully combines local trading activity with fully automated collateral mobilisation.

Liquidity Hub Select

Collateral management solutions for buy-side customers

Liquidity Hub Select bundles the Global Liquidity Hub services aimed at buy-side companies who are looking for secure alternatives in the money market.

Triparty repo is an excellent solution for corporates who wish to act as cash providers and then earn additional revenue by re-using the securities they receive as collateral from their counterparty, for example to cover OTC derivative exposures.

In cooperation with Eurex, buy-side treasuries can rely on Clearstream's full post-trade support for all their triparty repo and OTC derivative transactions, be they cleared or uncleared.

GC Pooling Select gives buy-side customers access to secure cash lending options within GC Pooling's central bank money environment.

Liquidity Hub Collect

Triparty repo solutions for electronic platforms

Our partnerships with trading venues and electronic platforms, such as Newedge/ACM and 360T enable customers to trade in a more efficient, secure and automated way with 100% straight-through processing. In addition, buy-side customers can validate a trade directly from the Bloomberg Professional service before the transaction information is transmitted to Clearstream.

Liquidity Hub Collect is attracting new types of customers into the Global Liquidity Hub which creates a more diversified trading network of counterparties.

Customer service is our specialty

Some of our customers are very active in the repo market or frequently avail of a wide range of our products but others are not as experienced.

Clearstream's collateral management engine is very sophisticated and our products can carry out very complex tasks but we make it easy for our customers.

We pride ourselves on making sure all our customers receive a high quality of service and we foster a good working relationship to ensure you make the most of your assets and feel secure through all your transactions.

Trust and integrity

Trust is paramount in any working relationship and especially in the financial services sector. A key characteristic in the banking crisis of 2008 was the sudden change in atmosphere: banks lost their confidence in each other.

Clearstream played an important role at the time by facilitating the movement of liquidity and the Global Liquidity Hub continues to provide a secure environment for the industry to come together. We are playing our part in restoring trust to the industry.

We believe that the Global Liquidity Hub and its multiple secured collateral solutions and settlement locations, open architecture and state-of-the-art collateral engine are now paving the way for a safer and more transparent financial world.

A history of creating opportunities for our customers

Key developments



Contact information

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

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