

Collateral Management

The expansion of the CSD services and collaboration between CSDs to offer collateral management services in their markets

Stefan Lepp

CEO Clearstream Banking AG

Head of Global Securities Financing



Strengthening local CSDs in the space of collateral management without jeopardising market specific business priorities through innovative partnership models and pioneering IT technology . . .



clearstream | DEUTSCHE BÖRSE
GROUP

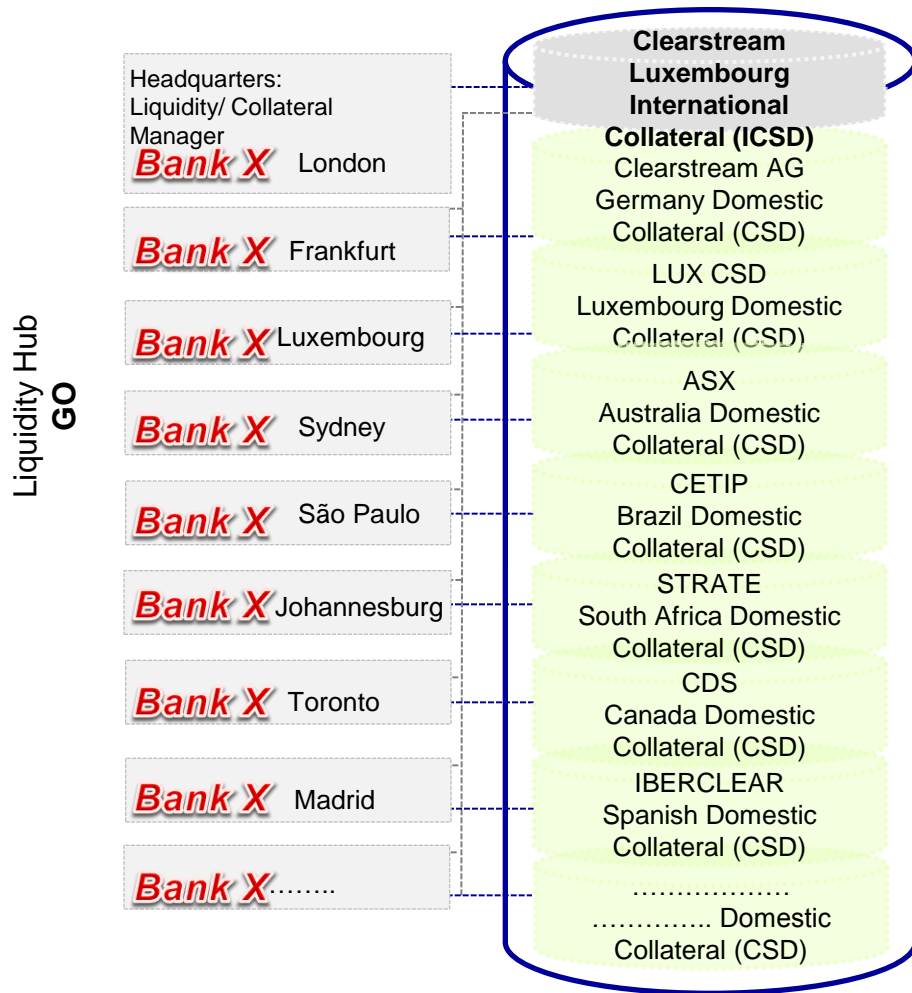
Global Liquidity Hub

New collateral and liquidity management landscape

Drivers and requirements for a new approach in the space of collateral management services offered by infrastructure providers **(CSDs)**

- Collateral management has become a key area around the globe – for financial institutions and for their customers
 - Infrastructures are requested by their customers to provide services in the space of collateral management
 - CSD partnership solutions have to
 - match time-to-market requirement
 - cope with limited budgets (one-off and maintenance)
 - follow the dedicated business priorities of the individual market (CSD)
 - respect local law and market practice
 - avoid a liquidity drain on local assets (asset-outflow)
 - deliver a state-of-the-art service with extension potential
-

New collateral and liquidity management landscape



Liquidity Hub GO (Global Outsourcing)

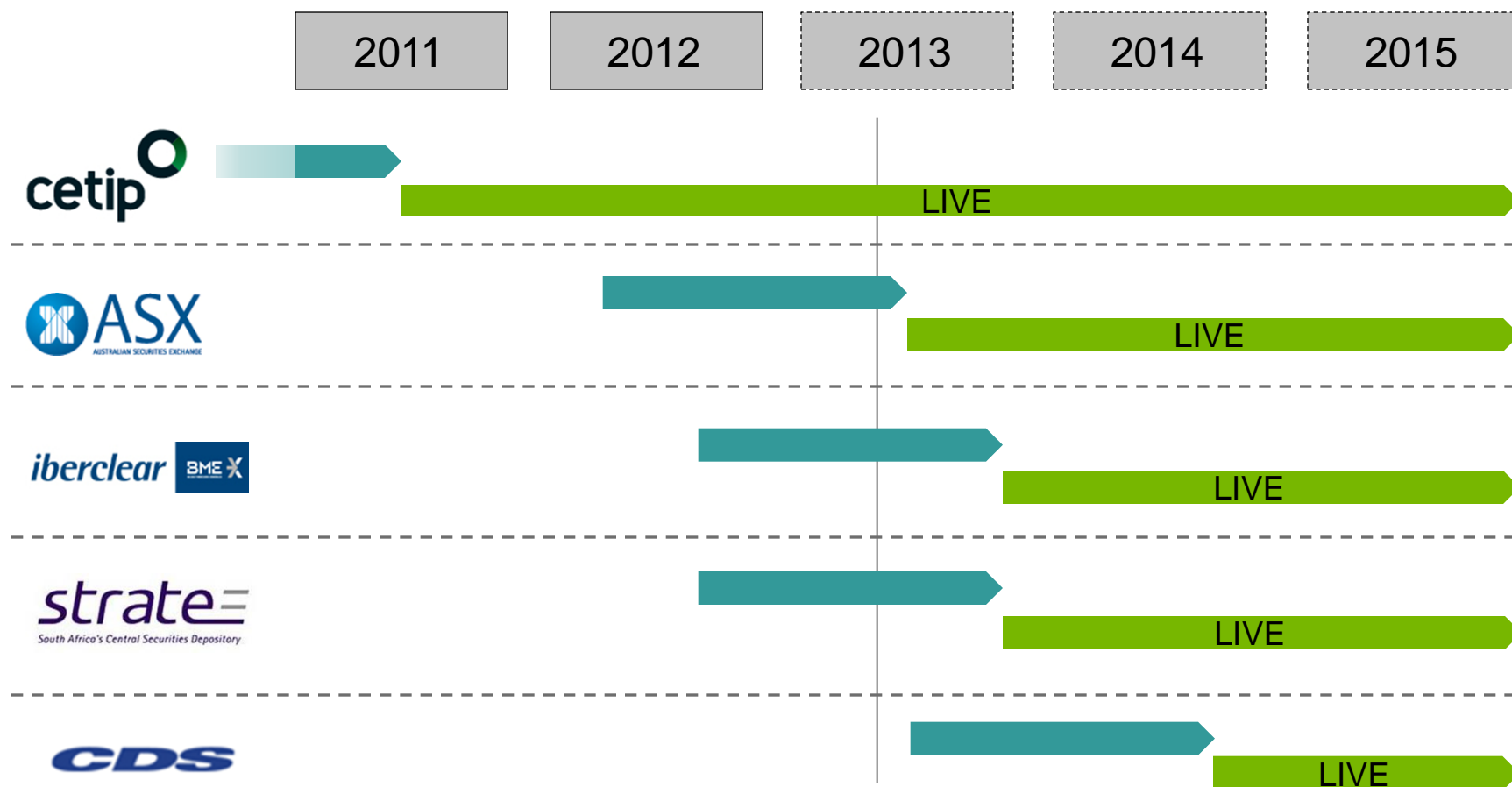
Clearstream's **strategic partnerships with infrastructure providers** supporting the identification / optimisation / allocation of domestic / international collateral

- ✓ No change of account structure at local infrastructure provider
- ✓ No change of legal contracts / jurisdiction / relationship at local CSD
- ✓ 24 hour identification / optimisation / allocation / substitutions guaranteed
- ✓ Fast time-to-market / low cost / strong support from local regulators and CBs

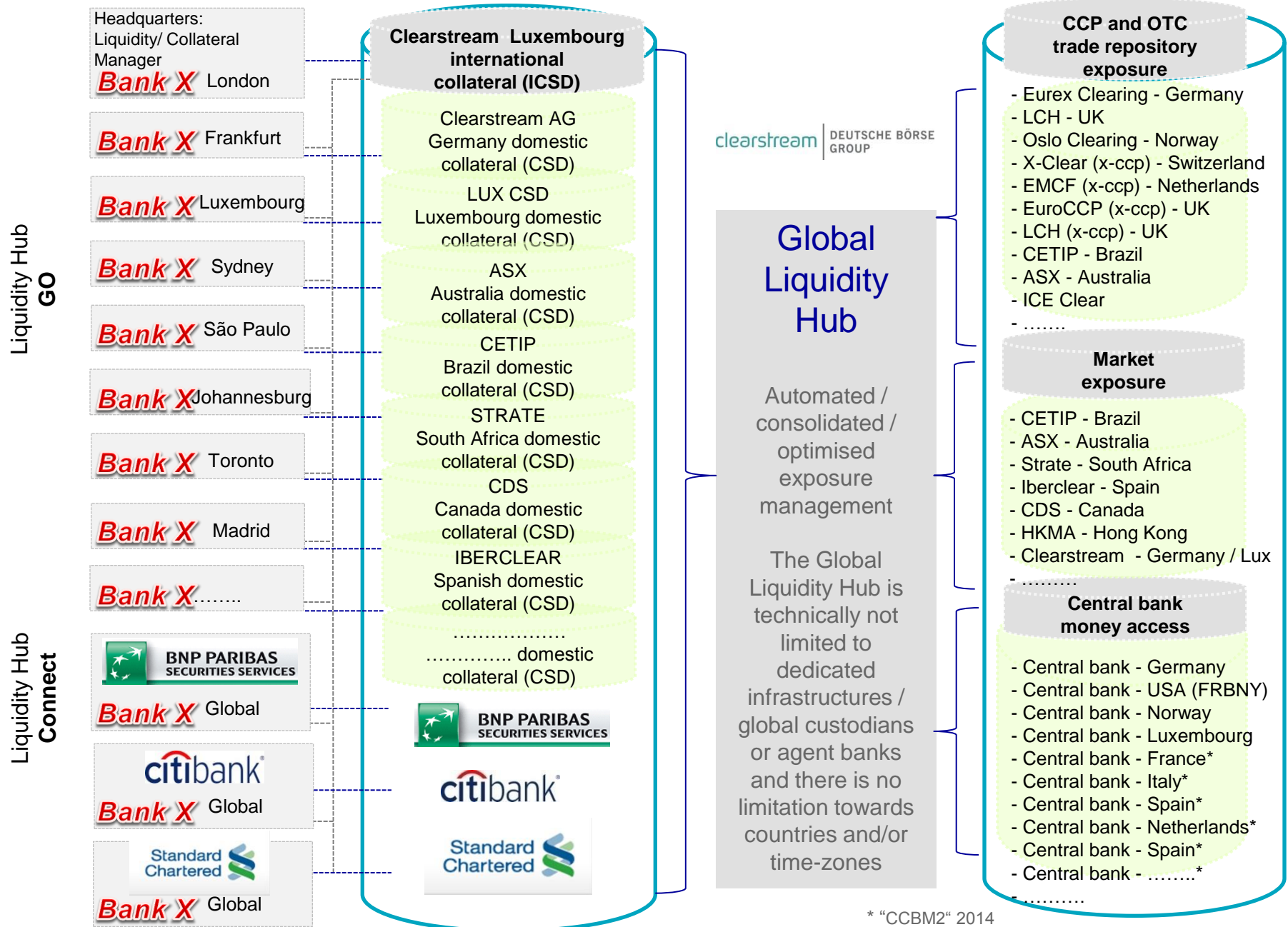
'As a potentially new "best practice" as defined by a CSD, Clearstream's Liquidity Hub GO presents a unique collateral management offering that some CSDs globally have been attracted to'

New collateral and liquidity management landscape

Liquidity Hub GO - Delivery path



New collateral and liquidity management landscape for **Bank X**



New collateral and liquidity management landscape

. . . smart partnerships respecting each other's interests and restrictions combined with pioneering IT technology will help to overcome the global liquidity squeeze



clearstream | DEUTSCHE BÖRSE
GROUP

Global Liquidity Hub

clearstream | DEUTSCHE BÖRSE
GROUP