

# Clearstream

## Collateral Management – Collateral pledge to central banks

Product information

### Collateral pledge to the Federal Reserve Bank of New York

#### Key benefits for borrowers

##### USD liquidity link

Pledge of USD and non-USD denominated securities in Clearstream to secure USD borrowings at the Federal Reserve Bank of New York

##### Optimised asset allocation

Optimal (re-)use of collateral across products, counterparties and locations to cover your secured borrowings

##### Efficiency gains

Customers save time and resources as operational tasks are delegated to a team of experts

##### Risk mitigation

Clearstream acts as a neutral and independent agent ensuring robust, secure and automated processes

##### Secure and transparent

Automated real-time reports and tools available to customers facilitate oversight and controls

##### Part of an integrated solution

- Triparty collateral services for central bank pledge, securities financing, derivative margin and more
- Value added cash reinvestment, securities lending and collateral transformation services

Acting as a neutral agent and market infrastructure, Clearstream supports our customers in managing risks and liquidity, globally. As part of our triparty collateral management solutions for central bank borrowing, Clearstream provides an efficient and automated link to USD liquidity through the New York Fed's discount window borrowing.



##### A comprehensive solution

As market leader in the banking, funding and financing space, Clearstream manages collateral to cover all types of exposures in real time, across currencies, asset classes, collateral locations and time zones.

This helps our customers to manage their collateral from a single pool and focus on optimal liquidity management.

Customers can leverage Clearstream's triparty collateral management services to secure different discount window borrowings at the Federal Reserve Bank of New York (New York Fed).

The service complements Clearstream's pledge facilities for central bank borrowing in EUR with central banks such as the Banque Centrale du Luxembourg and the Deutsche Bundesbank.

## Optimised liquidity management for USD



In order to benefit from USD credit lines, customers must be deemed eligible by the New York Fed (participant eligibility requirements are available on the New York Fed website) and have an account at the New York Fed through their New York branch.

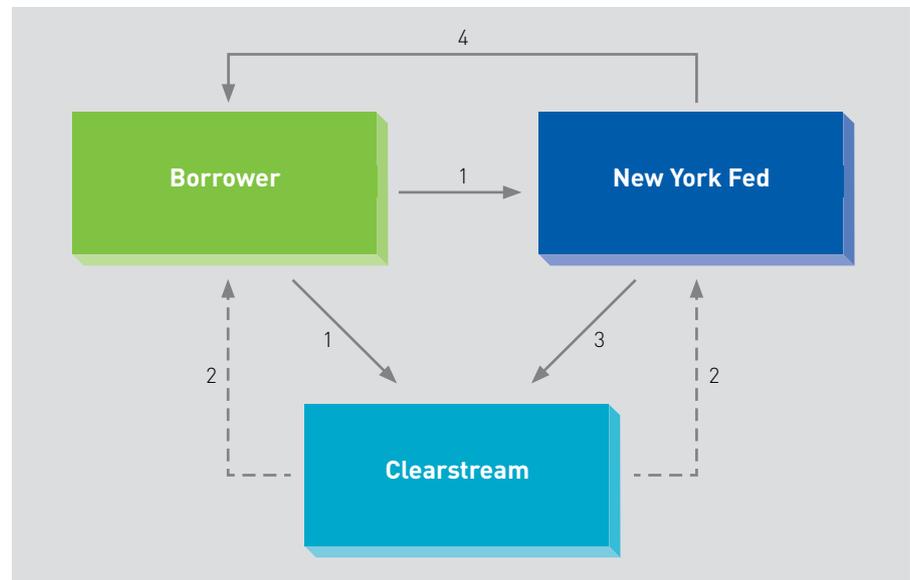
Clearstream's triparty model allows the underlying New York Fed participant to lodge eligible collateral into a segregated collateral account. The relationship between the New York Fed, the borrower and Clearstream is governed by the triparty collateral management service agreement. The New York Fed specifies the collateral schedule, setting the eligibility criteria and haircuts.

## Key features

- Clearstream standardises the process and increases straight through processing (STP)
- A sophisticated collateral engine manages eligibility and margins
- Automated collateral allocations, margin calls and unlimited substitutions
- Collateral mark-to-market on a daily basis
- Dedicated team of experts to support customers

## Clearstream as a collateral agent

1. The borrower advises Clearstream of the amount of collateral to be pledged via the triparty collateral management service.
2. Clearstream credits eligible securities to the collateral account and sends confirmations to both parties.
3. The New York Fed approves the borrower's request (only for collateral reductions).
4. The New York Fed applies its own prices to value the collateral and administers the credit extension.



## Contact information

For further information, please contact your Relationship Manager or the Collateral Management team.

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