



DEUTSCHE BÖRSE
GROUP

www.deutsche-boerse.com

Deutsche Börse Group: Global Funding and Financing (GFF) Financing solution: Securities Lending

Centrally cleared securities lending services provide both the sell- and the buy-side with a fully integrated straight-through processing chain from trading to clearing all the way to settlement and collateral management. Participants may route their transactions via Flow Providers to Eurex Clearing or trade bilateral transactions on the electronic SecLend Market of Eurex Repo. Eurex Clearing takes over the transaction as Central Counterparty (CCP) directly after the trade conclusion. Triparty agents manage the collateral transfer between lenders and borrowers.

Participants have the choice of using Flow Providers to route their bilaterally negotiated transactions to the Lending CCP or may trade electronically in their own name or via an agent lender on the SecLend Market of Eurex Repo. Although trading remains bilateral, the Lending CCP becomes involved in the transaction directly after it has been concluded. With the CCP as counterparty, credit lines will be released allowing all our participants to increase their business.

Principal lenders or borrowers may apply for a full Eurex Clearing Securities Lending License or Specific Lender License with simplified access requirements. The Specific Lender License is customized for buy-side or supranational clients.

Lenders, who would like to trade anonymously, can benefit from Clearstream's strategic lending service. Clearstream arranges the loans between the borrower and lender as a neutral agent and distributes them anonymously via the electronic marketplace of Eurex

Repo. This agency lending service via the Lending CCP provides low credit and systemic risks and the advantage of secure lending at low capital cost as regulations are more capital efficient centrally cleared than for bilateral loans.

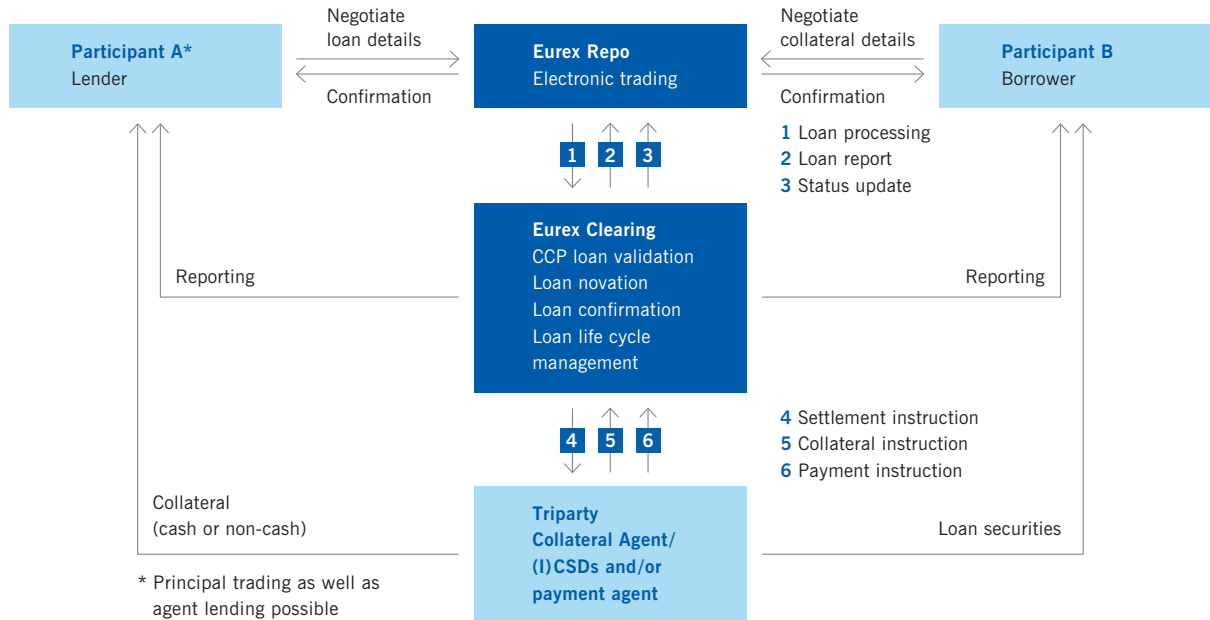
Participants can select the centrally cleared services for more than 20,000 loan securities comprising European equities, ETFs and international government, corporate and covered bonds. Borrowers may use principal collateral in cash (USD/EUR) or more than 22,000 international equities, fixed income securities or ETFs.

Centrally cleared securities lending services – key characteristics and benefits

- Electronic marketplace for securities lending & borrowing transactions with the benefits of Eurex Clearing's Lending CCP
- Bilateral trading using individual collateral schedules (IOIs, addressed offers, quotes)
- Routing facilities to the Lending CCP offered by different Flow Providers
- Standardized trading with four collateral baskets aligned with the GC Pooling baskets or cash collateral (EUR/USD)
- Efficient trading and best execution due to transparent trading prices for bonds, equities and ETFs
- State-of-the-art trading functionalities of the web-based system F7
- No bilateral GMSLAs (Global Master Securities Lending Agreement) needed nor bilateral volume or settlement limits

Trading concept of the electronic marketplace

The centrally cleared securities lending services of Deutsche Börse Group ensure fully integrated straight-through processing.



CCP for securities lending

Eurex Clearing's Lending CCP delivers lower capital costs and greater efficiency:

- Simplifies your multiple counterparty credit structure to a single CCP relation for all novated loans
- Offers transparent and standardized risk management & default procedures
- Helps to considerably reduce regulatory capital requirements and therefore delivers capital efficiencies
- Profit from operational efficiencies by CCP-managed post trade services
- Automatic invoicing and comprehensive reporting
- Specific Lender License supports the existing Agent Lender/Beneficial Owner relationship
- Based on Eurex Clearing's established systems and industry leading risk management standards

Contact

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