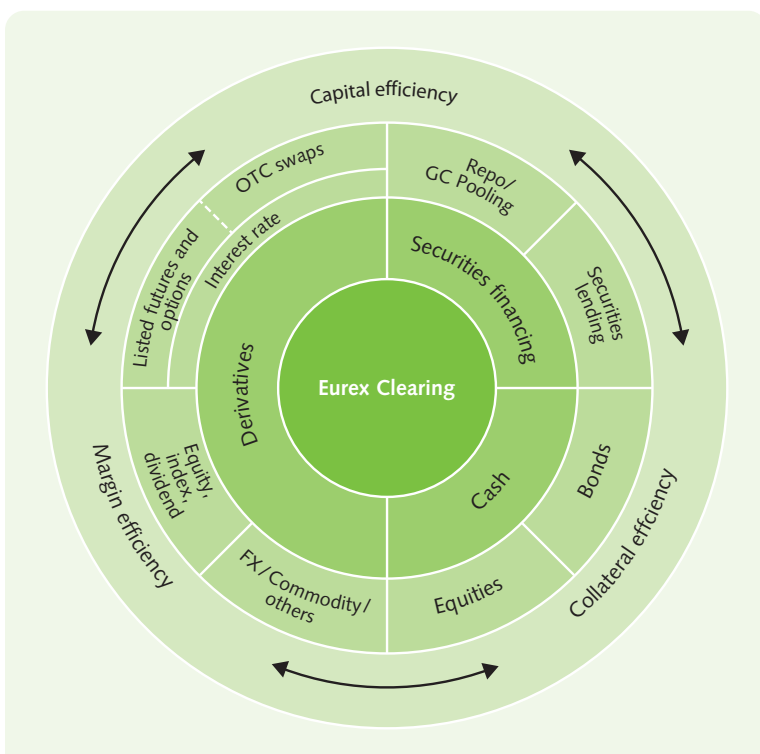


Eurex Clearing securities financing

Derivatives and securities financing transactions are coming under increased regulatory pressure, substantially increasing costs for participants in bilateral derivatives and securities financing transactions as well as for client clearing. Sell and buy side participants alike need to address collateral efficiency in the face of regulatory burden.



Significant capital, margin and collateral efficiencies can be gained by all market participants by shifting bilateral trades to central clearing, reducing capital charges – resulting in lower costs.

Eurex Clearing – as an integrated CCP – is uniquely positioned to offer services for securities financing, enabling buy and sell side participants to maximize capital, margin and collateral efficiencies from derivatives to cash to securities financing.

Our solution

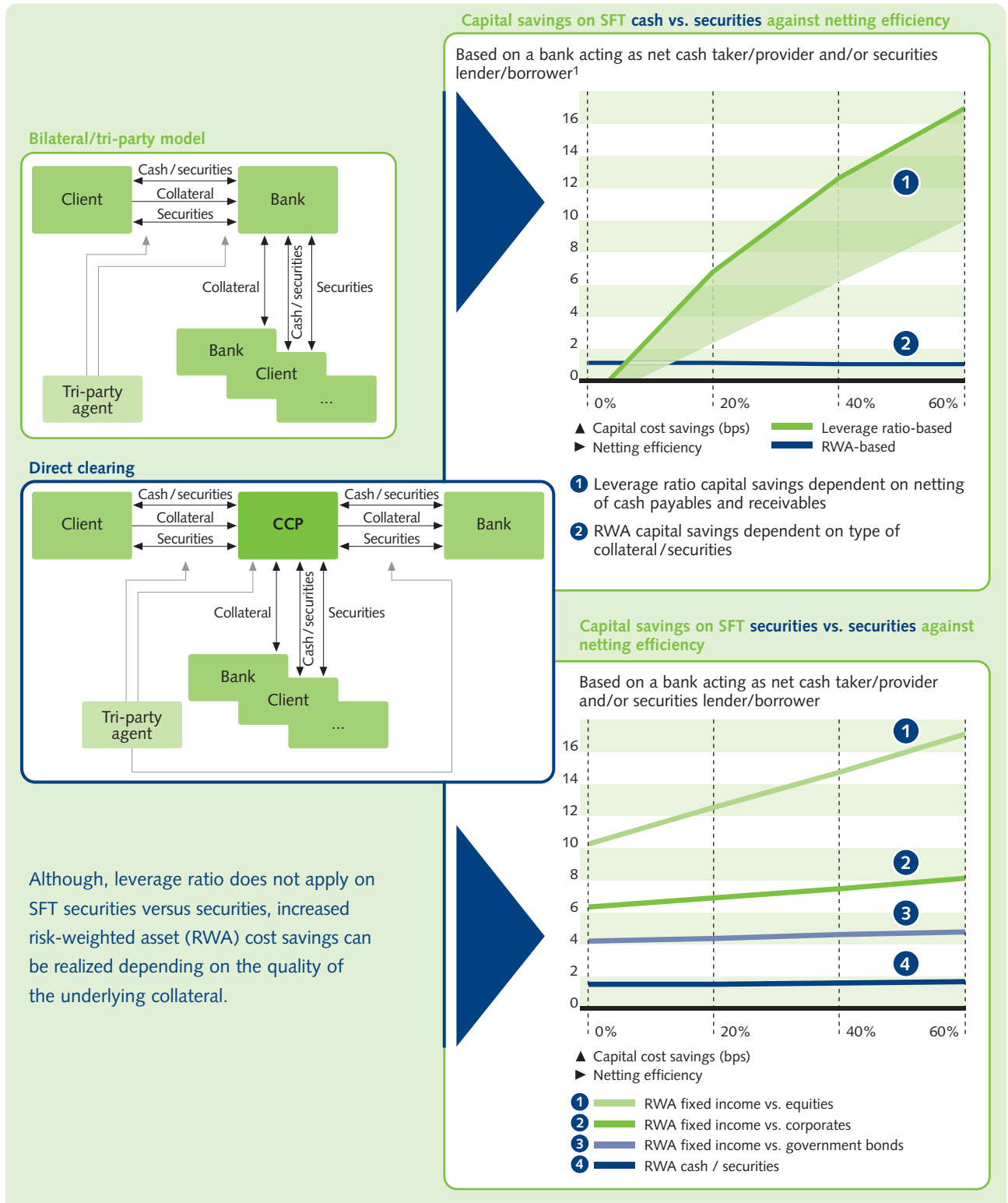
Increasing capital and collateral requirements across the derivatives and securities financing business keep raising costs for market participants, sell side and buy side alike. At Eurex Clearing, we provide innovative and integrated solutions across exchange-traded and OTC derivatives as well as securities financing.

Our solutions are geared to improve your economics and help you tap into new opportunities arising from the new regulatory framework.

Unlock the full benefits of a CCP – leverage our superior solutions and services to maximize your capital, margin and collateral efficiencies.

CCP Clearing for securities financing transactions (SFTs) improves economics for all market participants.

Annual capital cost savings for banks on securities financing transactions



Benefits

Reduction of capital requirements for banks

- 2% counterparty risk weight for RWA
- Multilateral netting for balance sheet, RWA and leverage ratio

Improved transaction terms

- Reduction in capital requirements vs. bilateral business allows banks to offer better terms for clearing vs. bilateral transactions
- Our prudent risk management standards potentially allow Beneficial Owners to accept equity or corporate bond collateral instead of government bond collateral

New business opportunities

- With the CCP as counterparty, credit lines will be released allowing all our participants to increase their business
- Business with new counterparts might be acceptable now given the CCP intermediation

Combining the regulatory capital cost savings through centrally cleared SFTs with the prudent risk management standards of a CCP offers the possibility to all participants to improve the terms and rates of SFTs.

Our securities financing services

Our integrated securities financing solution offers innovative products and services to increase the availability and mobility of collateral for our Members and their clients.

Our clearing service for securities lending was launched in 2013 as an extension of our secured funding and financing services, allowing OTC transactions to be executed bilaterally and electronically via the Eurex Repo SecLend Market.

Eurex Repo is a leading marketplace with around 136 participants and more than 1,200 users. It offers an integrated market for electronic trading, clearing, settlement and collateral management of repo and securities lending transactions.

The transaction between the lenders and the borrowers is managed by Clearstream as the agent lender and tri-party collateral agent via the Global Liquidity Hub.

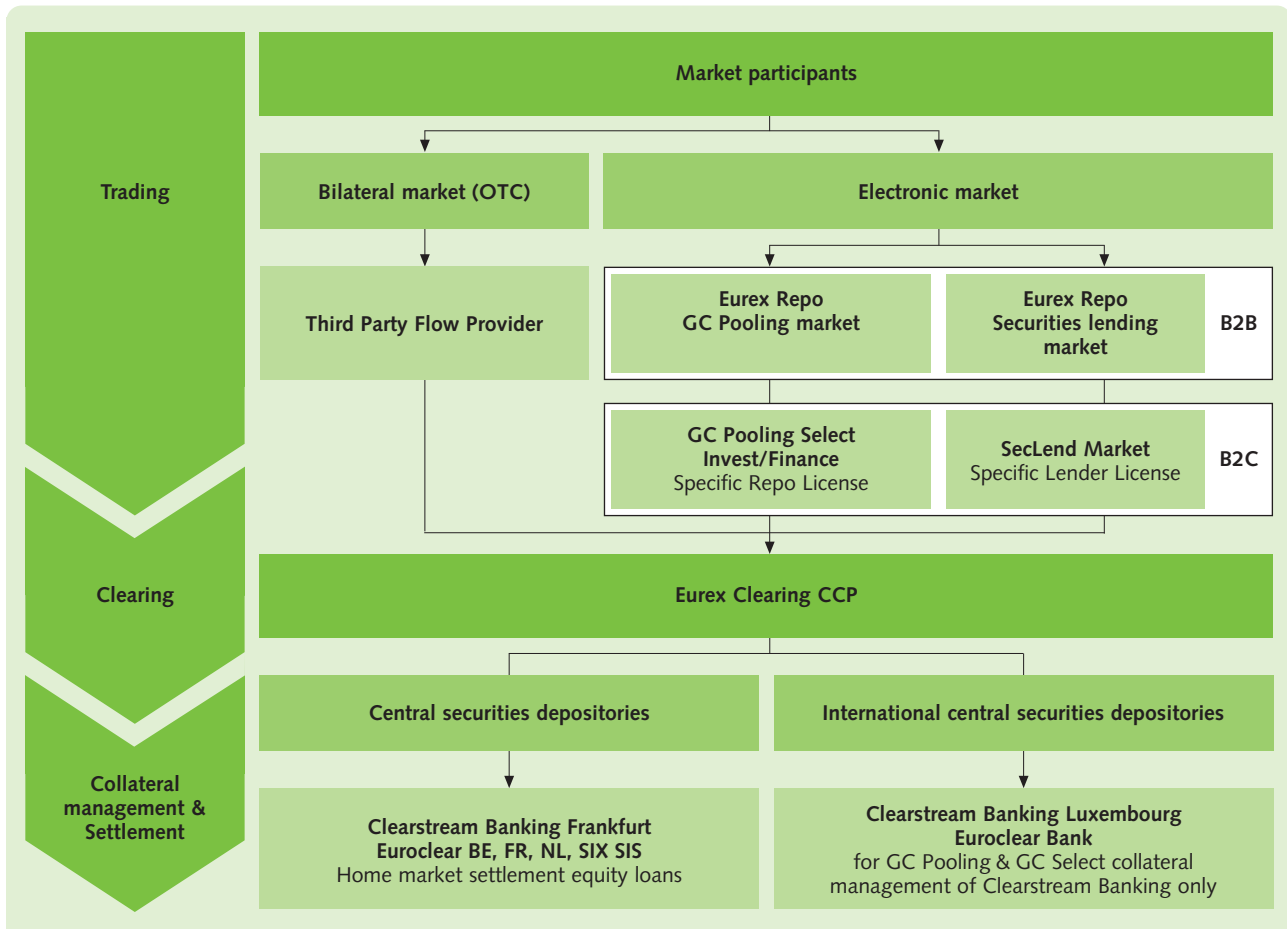
We jointly provide both the sell and the buy side with a fully integrated straight-through processing chain comprising all layers from trading to clearing all the way to settlement and custody.

Multiple options to access our Lending CCP

Our securities lending market (Lending CCP) offering, servicing multiple trading venues, gives market participants greater choice. Both, bilaterally negotiated transactions (OTC) and transactions concluded on electronic trading platforms are supported. Overall, the Lending CCP offers clearing services for loans in equities, ETFs and fixed income securities, initially covering European markets. Participants can trade in their own name as well as on behalf of customers (agent lending).

Bilateral transactions (OTC) are supported by various Third Party Flow Providers while Eurex Repo offers an electronic securities lending marketplace. Existing Eurex Repo participants have the advantage that they can use the same, current technical infrastructure e.g. used for the secured funding market GC Pooling. Although trading remains bilateral, Eurex Clearing becomes involved in the transaction as the CCP directly after it has been concluded.

Our securities lending and repo model



Eurex Repo's additional upcoming anonymous securities lending segment with standardized baskets aligned with the GC Pooling baskets generates a liquid securities lending market. This new segment allows the re-use of collateral between both markets and on top of this the Eurex Clearing margining process.

Direct access for the buy side

Direct CCP clearing models are the catalyst to eliminate exposure between client and bank in existing bilateral and tri-party models. As an integrated CCP, Eurex Clearing offers tailored clearing licenses for buy side customers to gain direct access to the repo and securities lending CCP markets.

Product	Direct and specific Clearing Member types
Repo/ GC Pooling	Specific Direct Membership for Repo ("GC Pooling Select Invest") as direct participation model for non-banks to place cash on a secured and centrally cleared basis to banks
Securities lending	Specific Direct Member for Lending as direct participation model for beneficial owners to interact with banks on a centrally cleared basis

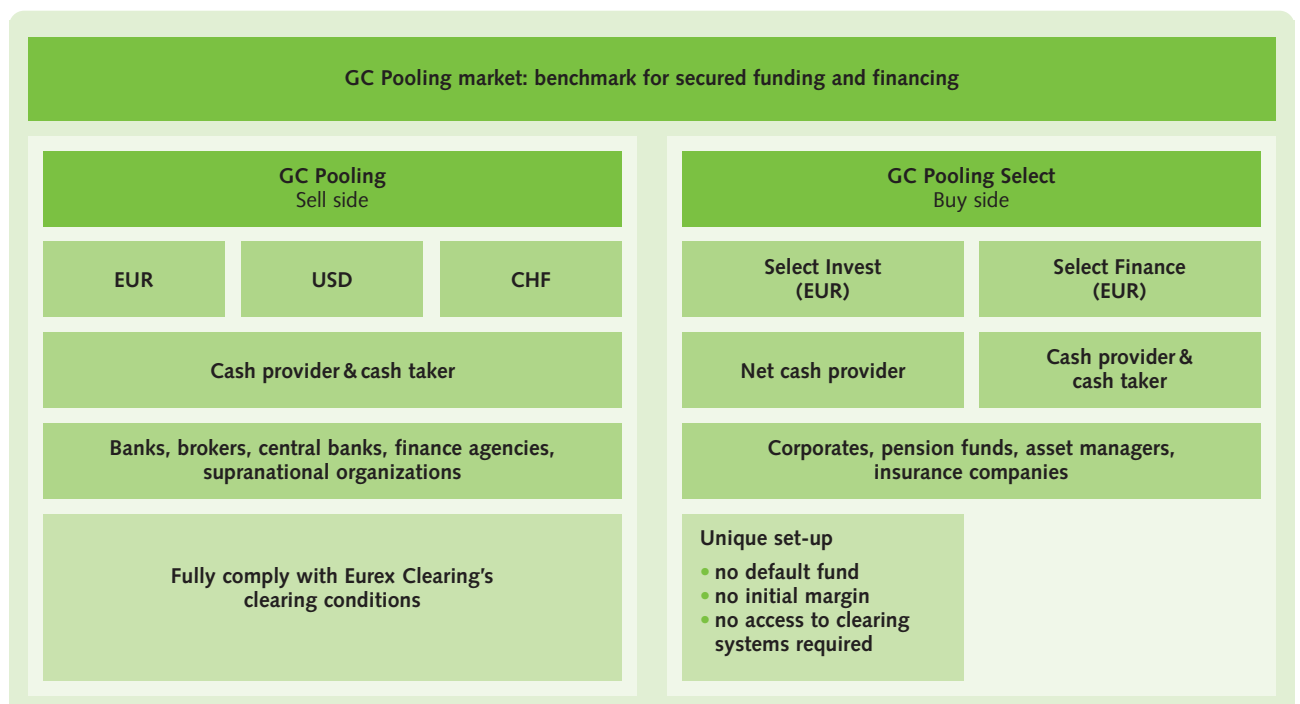
The **GC Pooling Select Invest** service is available for non-banks, such as corporates or insurance companies, wishing to invest cash on a secured basis with a CCP.

GC Pooling Select Finance is designed to accommodate buy side needs, specifically those of pension funds and asset managers, for variation margin funding. By leveraging proven GC Pooling infrastructure buy side clients are enabled to perform collateral transformation for cash margin coverage for both repo and reverse repo transactions.

Our **Lending CCP Specific Lender License** benefits both Agent Lenders and their Beneficial Owners. It allows for greater participation by the buy side, offering tiered membership, thus increasing the liquidity available to clients.

As Beneficial Owners, buy side customers such as insurance companies and asset managers can easily lend loan securities to banks, utilizing a clearing model specifically designed for them using the Specific Lender License. This allows participants to benefit from the advantages of the Lending CCP such as minimized counterparty risk, credit exposure and reduced post-trade complexity without necessarily committing to full clearing membership requirements such as having to make a contribution to the Clearing Fund or provide margin collateral.

Overview of GC Pooling market



Eurex Clearing's integrated securities financing service to enable collateral availability, liquidity and fluidity

By continuously providing smart solutions for your securities finance business, we are keeping you **clear to trade**.

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