Clearstream
Global Liquidity Hub – Collateral portfolio optimisation

Service information

Customised collateral baskets and allocation profiles

In brief

A wide choice of collateral criteria
- Including by asset types, security characteristics, geographical reach, industry sectors and equity indices
- Mix and match criteria to create single asset and mixed collateral baskets
- Enables collateral portfolio and balance sheet optimisation
- In support of funding strategies and regulatory requirements

Benefits for collateral receivers
- Possibility of creating eligibility, haircut and concentration rules

Benefits for collateral givers
- Narrow, bespoke exclusion rules for optimising collateral allocation
- Rules can be set at overall triparty activity, contract, security or exposure level
- Allocation preferences can be set in advance or be adjusted intra-day

Customers benefit from a unique level of flexibility to tailor collateral eligibility baskets and collateral allocation profiles to their business needs for all triparty services under the Global Liquidity Hub.

By freely combining sets of detailed rules, customers can optimise their collateral portfolio in line with the increasingly complex requirements of the current market and regulatory environment.

Collateral receivers can mix and match a wide range of criteria to create both single asset and mixed collateral baskets which include bonds, equities, investment funds and cash. Compared to the static templates traditionally supported by triparty agents, Clearstream provides a unique framework for fine-tuning collateral profiles and accurately reflecting tolerance for market risk.

Collateral givers can either set collateral allocation preferences in advance or dynamically adjust them on an intra-day basis. This optimises portfolio management, in particular in view of stringent regulatory requirements and balance sheet constraints.

A wide choice of collateral criteria
The tables on the following pages list the available criteria that can be freely combined. They can be used by collateral receivers to create eligibility, haircut and concentration rules and by collateral givers to set exclusion rules for optimising collateral allocation. Customers are invited to contact their relationship manager to further fine-tune the criteria to their business needs.

Asset types

Bonds
Bills
Bills of exchange
Certificates of deposit
Commercial papers
Letters of credit
Medium-term notes
Promissory notes
Short-term notes
Straight bonds

Bond risk profiles
Agency/Supranationals
Convertible
Corporate
Sovereign
Structured

Structured bond subtypes
Asset-backed securities
- Auto (ABSA)
- Credit cards (ABSC)
- Home (ABSH)
- Other (ABSO)
Collateralised debt obligations (CDO)
Collateralised loan obligations (CLO)
Collateralised mortgage obligations (CMO)
Commercial mortgage-backed securities (CMBS)
Covered bonds (CVB)
Credit-linked notes (CLN)
Jumbo Pfandbriefe (JUPF)
Mortgage-backed securities (MBS)
Pfandbriefe (PFBR)

Equities
Depository receipts (ADR, GDR, others)
Ordinary shares
Preferred convertible shares
Preferred shares
Rights

Funds
Balanced funds
Bond funds
Cash funds
Convertible security funds
Currency funds
Equity funds
ETF
Fund of funds
Government security funds
Hedge funds
Index tracker funds
Money market funds
Pension funds
Property/Real estate funds
Sector funds

Security characteristics

Bonds
Callable, puttable, sinkable
Credit rating (security and/or issuer)
Evaluated price
Floating rate note
Industry sector
Issuer country
Issuer name
Outstanding amount
Price
Price age
Redemption date
Security currency
Security tranche type REGS, 144A
Subordinated debt
Time from distribution to maturity
Time since distribution
Time to maturity
Underlying security
Unsecured debt
Zero coupons and strips

Equities
Average traded volume
  (1,2,3,5,30,60,90 days)
Industry sector
Issue country
Issuer name
Market capitalisation
Market index
Outstanding issue size
Price
Price age
Price volatility (30, 60 days)
Security currency
Security tranche type REGS, 144A

Funds
Issuer country (country of domicile)
- Austria
- Belgium
- Canada
- Denmark
- France
- Germany
- Ireland
- Luxembourg
- Netherlands
- Switzerland
- UK
- U.S.A.
Issuer name
Market capitalisation
NAV age
NAV frequency
- Daily
- Bi-weekly
- Weekly
- Bi-monthly
- Monthly
- Quarterly
- Semi-annually
- Annually
NAV volatility (30 or 60 days)
Open/closed-ended funds
Security currency
UCITS
Underlying asset location

Geographical reach

Bonds
(eligible markets)

Argentina
Australia
Austria
Belgium
Bulgaria
Canada
Croatia
Cyprus[1]
Czech Republic
Denmark
Dubai (NASDAQ Dubai).
Estonia[1]

Finland[1]
France
Germany
Greece[1]
Hong Kong
Hungary
Iceland
Ireland
Israel (maturity > 13 months)
Italy
Japan
Latvia
Lithuania
Luxembourg

Malaysia
Malta
Mexico
Netherlands
New Zealand[1]
Norway[1]
Philippines
Poland (Government bonds)
Portugal
Romania
Russia
Singapore
Slovakia
Slovenia

South Africa
Spain
Sweden
Switzerland
Thailand
Turkey
United Kingdom
Uruguay
U.S.A.

[1] A holding restriction is in place on national beneficial ownership.

Equities
(eligible markets)

Argentina
Australia
Austria
Belgium
Bulgaria
Canada
Croatia
Cyprus[1]
Czech Republic
Denmark
Dubai (NASDAQ - Dubai[1])

Estonia
Finland[1]
France
Germany
Greece
Hong Kong
Hungary
Iceland
Indonesia
Ireland
Israel
Italy
Japan

Latvia
Lithuania
Luxembourg
Malaysia
Malta
Mexico
Netherlands
New Zealand[1]
Norway[1]
Portugal
Russia
Singapore
Slovak Republic

Spain
Sweden
Switzerland
Thailand
United Kingdom[2]
U.S.A.[1]

[1] Holding restriction on national beneficial ownership

[2] Only between counterparties under the same SDRT regime, 0.5% or 1.5%

Funds
(underlying asset location)

Africa
Argentina
ASEAN countries
Asia and Pacific
Asia and Pacific excl. Japan
Australia
Austria
Belgium
Brazil
Bulgaria
Canada
Cayman Islands
Chile
China
Croatia
Czech Republic
Denmark
Eastern Europe
Europe
Europe excluding UK

European Union
Eurozone
Finland
France
G8 members
Germany
Global[1]
Greece
Guernsey
Hong Kong
Hungary
Iberia
Iceland
India
Indian subcontinent
Indonesia
International[2]
Ireland
Israel
Italy
Japan
Jersey

Korea, Republic of
Kuwait
Latin America
Luxembourg
Malaysia
Mexico
Middle East
NAFTA members
Netherlands
New Zealand
Nordic countries
North America
Norway
Oceania
OECD members
Philippines
Poland
Portugal
Romania
Russia
Singapore
Slovakia

Slovenia
South Africa
Spain
Sweden
Switzerland
Taiwan
Thailand
Tiger
Turkey
U.S.A.
UAE
United Kingdom
Venezuela

[1] Global includes securities from inside and outside the home country of the fund

[2] International solely includes investments outside the home country of the fund

Industry sectors and equity indices

**Bonds and equities
(industry sectors)**

Automotive
Banking
Biotechnology
Chemicals
Commercial services
Commodities/raw materials
Construction/engineering
Consumer goods/services
Energy
Environmental
Financial services
Food and beverage
Healthcare
Industrial
Insurance
Municipality
Pharmaceuticals

Province
Real estate
State
Technology
Telecommunications
Utilities

**Equites
(main indices by market)**

Australia
Austria
Belgium
Canada
Denmark
Finland
France
Germany
Hong Kong
Ireland

Italy
Japan
Luxembourg
Norway
New Zealand
Netherlands
Pan-European
Portugal
Singapore
Spain
Sweden
Switzerland
Thailand
UK
USA

Please contact your relationship manager
for more details

Advanced portfolio management for collateral givers

Collateral givers can define their collateral allocation preferences through precise exclusion rules. The rules can be set at contract level with specific counterparties or across their overall triparty activity. In addition to all the security characteristics listed above, collateral givers can further fine-tune the exclusion rules with the exposure-specific attributes listed to the right.

The flexible date and time parameters enable the dynamic management of collateral allocation preferences on an intra-day, weekly, monthly or year-end basis. This functionality is popular as

a balance sheet optimisation tool as it enables collateral givers to closely monitor the allocation of certain assets, notably High Quality Liquid Assets (HQLA), to triparty trades in accordance with funding strategies and regulatory requirements.

In addition, rules can be set to ensure that less liquid assets in a portfolio are posted to trades with longer maturities. It should be noted that collateral givers can only introduce rules to restrict the eligibility of collateral baskets; it is not possible to extend the eligibility beyond the scope that has been agreed with each counterparty.

Exposure criteria
Customer reference
Exposure currency
Exposure duration and remaining duration
Exposure opening and closing date

Contract criteria
Collateral giver
Collateral receiver
Contract ID
Contract subtype
Source account
Source account type

Date and time
Business date
Date
Month
Time
Weekday

Contact information

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

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