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## Clearstream launches new Securities Lending service

Clearstream announced today the launch of ASLplus, a new service developed with Citigroup Corporate and Investment Banking and UBS that enables lenders of securities to increase the revenues they receive from their portfolios by introducing Clearstream as the principal and single borrower.

ASLplus will be available as early as October and will deliver increased settlement efficiency while providing revenue opportunities for users. Lenders will benefit from increased portfolio yield and waived custody fees on lent positions. They will be able to earn additional income on their portfolio through the introduction of negotiated securities lending rates. Borrowers will have more freedom to pursue their trading strategies by accessing more easily to one of the world's largest pools of fixed income liquidity.

ASLplus offers access to the wholesale fixed income trading market which is driven by demands for strategic lending and will match the high demand in this market with the supply available from lender portfolios. The lenders portfolio will be optimized night and day. Clearstream will act as collateral agent, therefore reducing the risks for users as all loans are fully collateralised and are monitored daily. Clearstream's Triparty Collateral Management Services will automatically select and collateralize all ASLplus loans and further allow multiple substitutions and daily margining. Small size positions will be consolidated to make a larger more lendable size for the market combined with lower rates for fails lending. Furthermore, lenders will only need one agreement to secure credit line against Clearstream thus making it easier to use and to access a new and wider market.

ASLplus is an extension to Clearstream's Automated Securities Lending (ASL) fails lending program. The new service was announced at Clearstream's 10<sup>th</sup> annual Global Securities Financing Summit which is a dedicated industry conference focused on the European Repo market.

Volker Pothoff, Managing Director, Clearstream banking said "This new ASLplus service complements the existing array of services Clearstream delivers in order to bring efficiency, innovation and service excellence to the market. The revenue-enhancing element of ASLplus is of real interest to lending participant."

Tim Douglas, Head of Securities Lending at Global Transaction Services, a division of Citigroup Corporate and Investment Banking, said "this innovative agreement will allow us to demonstrate our ability to distribute effectively across the global market place. It shows how Citigroup works with industry participants to enhance liquidity."

Richard Hochreutiner, Managing Director of UBS Investment Bank and Head of Collateral Trading and Sales stated, "UBS is delighted to be selected by Clearstream as a partner in this new service and we will use our wide distribution capabilities to generate increased revenues for the customers of Clearstream."

**Media contacts: Bruno Rossignol/Yolande Theis +352 2 43 31500  
brossignol.ci@clearstream.com, ytheis.ci@clearstream.com**