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Clearstream and Indian Clearing Corporation Limited collaborate on triparty margin collateral management

- Indian Clearing Corporation Limited to be linked to Clearstream's Global Liquidity Hub
- Clearing members/custodians can use the Global Liquidity Hub to manage margin requirements at Indian Clearing Corporation Limited
- Collaboration extends the reach of the Global Liquidity Hub in Asia

The India-based central counterparty Indian Clearing Corporation Limited (ICCL) and the Luxembourg-based international central securities depository Clearstream have agreed to collaborate on collateral management. They have recently signed an agreement on linking ICCL to Clearstream's integrated collateral management engine, the Global Liquidity Hub.

This step enables clearing members to manage their ICCL margin requirements resulting from trades executed on the BSE platform with the Global Liquidity Hub. Collateral can be pooled at the Global Liquidity Hub from assets held at Clearstream and partner agent banks to avoid bottlenecks in the sourcing of the right high-grade collateral to meet the CCP's margin requirements.

This link to the triparty collateral management solution of Clearstream enables foreign investors trading on the BSE platform to deposit and use AAA-rated foreign sovereign bonds as collateral with ICCL towards their margin requirements within a highly automated and efficient triparty collateral environment. This setup is based on the guidelines issued by the local regulators Reserve Bank of India and Securities and Exchange Board of India in this regard. It is in line with their objectives of strengthening the stability of Indian capital markets through the use of high-quality collateral for risk management purposes and of facilitating access for foreign investors to make India a globally competitive market.

"BSE and ICCL customers will benefit from streamlined triparty collateral management through our Global Liquidity Hub," said Stefan Lepp, Head of Global Securities Financing and Member of the Executive Board of Clearstream. "This new partnership is part of our strategy of enabling customers to use the Global Liquidity Hub as a single source of liquidity to collateralise multiple global exposures in a streamlined and optimised manner."

"ICCL is committed to providing enhanced clearing, collateral management and risk management services to help members comply with new regulatory requirements and to bring Indian trading practices in line with the best in the world. Clearstream's triparty collateral solution provides Indian Clearing Corporation Limited members with an additional and efficient way of meeting margin requirements, via one of the best linked



collateral pools globally,” said K. Kumar, Managing Director & CEO, Indian Clearing Corporation Limited.

This collaboration is part of a wider partnership between the Bombay Stock Exchange and Deutsche Börse. In April 2014, BSE launched its equity trading platform on the BOLT Plus trading system which is based on Deutsche Börse’s trading architecture T7. Clearstream is in discussion with market regulators over possible access models for government and corporate bonds which would make it easier for international investors to invest in the Indian market and Clearstream is also closely cooperating with the BSE group of companies on this topic.

Notes to the editor:

Clearstream’s Global Liquidity Hub delivers integrated securities lending, borrowing and collateral management services in cash, fixed-income, equities and investment funds. The sophisticated system allows a high degree of flexibility, enabling the broad range of participants to implement individual service requirements. In June 2015, the monthly average outstanding reached EUR 609.3 billion.

About Clearstream

As an international central securities depository (ICSD) headquartered in Luxembourg, Clearstream - a Deutsche Boerse Group subsidiary - provides the post-trade infrastructure for the Eurobond market and services for securities from 54 domestic markets worldwide. Clearstream’s customers comprise approximately 2,500 financial institutions in more than 110 countries. Its services include the issuance, settlement and custody of securities, as well as investment fund services and global securities financing. With more than 13 trillion Euros in assets under custody, Clearstream is one of the world’s largest settlement and custody firms for domestic and international securities.

Further information:

www.clearstream.com

www.linkedin.com/company/clearstream

www.twitter.com/clearstream

Media contact

Oliver Frischemeier, +352 2 43-3 66 06

oliver.frischemeier@clearstream.com

About Indian Clearing Corporation Limited

ICCL, a wholly owned subsidiary of BSE, has been accorded Qualified Central Counterparty (“QCCP”) status by the Securities and Exchange Board of India (“SEBI”). ICCL carries out the functions of clearing, settlement, collateral management and risk management for various segments of BSE.



ICCL settles trades reported on the Indian Corporate Debt Segment and the Mutual Fund (“StAR MF”) Segment of BSE and clears and settles trades executed on all the other segments of BSE, including Equity Cash, Equity Derivatives, BSE SME, Offer for Sale, Securities Lending & Borrowing, Debt Segment, Interest Rate Futures and the Currency Derivatives Segment.

ICCL is the only clearing corporation in India to have been granted “AAA” rating by two rating agencies, India Ratings Ltd. (Indian arm of Fitch Ratings) and Care Ratings Ltd.

As per the WFE/IOMA Derivatives Market Survey 2013, ICCL ranks 5th in the world for Stock Index Options and 3rd for Currency Options, based on the number of contracts registered. ICCL cleared 142.26 mil derivatives contracts and 115.99 mil cash equity stocks in the quarter ended June 2015.

Further information:

www.icclindia.com

Media contact

Yatin Padia, +91 22 22728516

yatin.padia@bseindia.com