



Euroclear Bank

Extra information: Collateral management

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Benefits for collateral takers

Reduced risk

Triparty greatly reduces:

- counterparty and market risk by collateralising your exposures according to tailored risk-related criteria
- operational risk by outsourcing and automating the operational burden related to collateral management

Enhanced returns

Collateralising your exposures frees up your capital, which in turn enhances your returns within a highly competitive pricing structure

Increased counterparty opportunities

Gain access to a wide range of counterparties across products, all within Euroclear Bank, and diversify your investment opportunities

Reduced back-office work

Let Euroclear Bank perform verification and eligibility checks, daily mark-to-market, movement of securities, and custody monitoring on your behalf

Transfer of ownership or pledge

You can choose to secure your exposure by transferring ownership of, or by pledging, collateral

Custody services

Euroclear Bank offers the following services for securities used as collateral in order to simplify the management of custody operations and the administration of income payments and redemptions:

- all income distributions on securities used as collateral are automatically transferred from the Collateral Taker to the Collateral Giver
- substitutions are systematically attempted in AutoSelect mode for securities that are subject to certain types of corporate actions (e.g. income subject to tax and the distribution of redemption rights)
- extensive reports keep the Collateral Giver and Collateral Taker informed of all forthcoming deadlines and corporate actions, allowing for timely action