

For immediate release  
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## Euroclear France secures local market liquidity with collateral

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Paris, 23 November 2011 – Euroclear France, the French central securities depository (CSD), is launching today its first triparty collateral management service for the French market. In cooperation with the Banque de France, the new service will collateralise exposures arising from domestic credit operations conducted by the French central bank. Now, for the first time, more than EUR 2 trillion of securities held in Euroclear France can be used for this purpose.

With the new Euroclear France service, all the collateral management tasks associated with these credit operations will occur in a fully automated manner. The CSD will also reduce the challenges of delivering and monitoring the precise amounts of collateral required to access central bank credit.

Banque de France supports this initiative, which will provide the financial community with an additional tool to access liquidity within an operational framework. It has been adapted to meet the new risk management and automated processing needs triggered by the crisis. Furthermore, the service will reinforce the role of Paris as a leading financial centre in the Euro area.

Valérie Urbain, Chief Executive Officer of Euroclear France, Euroclear Belgium and Euroclear Nederland, stated: “Our arrangement with the Banque de France heralds a new era for euro-zone collateral management efficiency, particularly for central banks and institutions that rely on such credit. We pay tribute to the Banque de France for having the foresight to ease the use of securities collateral held within the French CSD for monetary policy purposes.”

Early 2012, Euroclear France will extend this service to the French banking community to automate the processing of collateral movements associated with interbank repos and other securities financing transactions using securities held in the French CSD as collateral.

These new services are also expected to be offered to the entire ESES (Euroclear Settlement of Euronext-zone Securities) community. As a result, all interbank repos and securities financing transactions in Belgium, France and the Netherlands will settle in central bank money, supported by the same collateral management system and procedures.

*(continued)*



## **Media Release**

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Jo Van de Velde, Managing Director and Head of Product Management at Euroclear, added: “We look forward to fully extending our triparty services across the group and to other markets from Europe and beyond. Our triparty collateral management services are sufficiently flexible to allow for the mobilisation of collateral wherever it is held, even outside the Euroclear group, to mitigate any credit exposure, including those relating to derivative transactions. Discussions are already taking place with potential partners.”

The Euroclear group’s overarching strategy is to achieve efficient collateral management in securities finance, liquidity and credit operations for both commercial and monetary policy purposes. Euroclear Bank’s triparty collateral management services have served central banks, commercial banks and many other financial institutions since 1993. A new term collateral management service was launched in July 2011, with the Bank of England, for clients of Euroclear UK & Ireland. Today, the Euroclear group manages more than EUR 800 billion of collateral on behalf of clients every day.

## **Note to Editors**

### **About Euroclear**

Euroclear is the world’s largest provider of domestic and cross-border settlement and related services for bond, equity, derivatives and fund transactions. User owned and user governed, the Euroclear group comprises the international central securities depository Euroclear Bank, based in Brussels, as well as the national central securities depositories Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden and Euroclear UK & Ireland. Euroclear also owns Xtrakter, operator of the TRAX trade matching and reporting system.

In 2010, the Euroclear group settled more than EUR 526 trillion in securities transactions, representing 150 million domestic and cross-border transactions, and held more than EUR 22 trillion in assets for clients. Euroclear Bank is rated AA+ by Standard & Poor’s and Fitch Ratings.