



euroclear

Post-trade made easy

Streamlined real-time settlement

Euroclear UK & Ireland's CREST system

Euroclear UK & Ireland is the Central Securities Depository (CSD) of the United Kingdom, Ireland, Jersey, Guernsey and the Isle of Man. Our CREST system provides advanced, Straight-Through Processing (STP) settlement and related services for a wide range of corporate and government securities.

Brokers, international banks, custodians and investment houses connect directly to the CREST system. These institutions provide access for other retail investors (including private individuals) and companies that wish to hold and settle securities electronically, but do not wish to maintain a direct connection.

Efficient and low-risk settlement

Wherever financial institutions strike a trade in a security, a key moment is when the payment and the asset are exchanged. We settle these transactions by arranging the change of ownership and the transfer of securities and cash on behalf of each side.

The CREST system's advanced features enable you to take advantage of:

- **real-time settlement** (on trade date if required), allowing you to monitor and manage your transactions in real time throughout the day
- **Delivery Versus Payment** (DVP model 1) in GBP and EUR central bank money, ensuring the simultaneous transfer of securities to the buyer and payment to the seller. This eliminates the risk of paying a counterparty and not receiving the asset being bought

- **transfer of full legal title** at the point of settlement for all UK uncertificated registered securities, including government bonds, through a direct holding model and transparency of name on the legal register
- **securities borrowing/lending and collateral management** facilities to support funding and liquidity management, with real-time trading and settlement of collateral management operations
- full participation in **corporate actions** through a direct relationship with the issuer or agent

Which securities are eligible?

The CREST system settles exchange-traded and Over-The-Counter (OTC) securities transactions, with services for:

- UK, Irish, Jersey, Guernsey and Isle of Man equities, warrants and covered warrants
- UK government bonds and money market instruments
- investment funds, including ETFs

We also settle transactions in a wide range of international securities from the US, Canada and Europe. These include equities, eurobonds and international covered warrants.

Solid cash management

We support multiple currencies – GBP, EUR and USD. When you join the CREST system, you need to choose a payment bank to provide intra-day credit for your settlement activity. The CREST system maintains a cash memorandum account for you. This shows the net balance of payments you have made and received at any time during the course of the settlement day.

Payment takes place between the payment banks across the books of the Bank of England (for GBP) and TARGET2 (for EUR).

Comprehensive corporate actions processing

We have successfully striven to create paperless corporate actions processing, and many of our initiatives in this field now form industry standards. Issuers and their agents

can use the CREST system for all corporate actions. Registrars can deliver securities and/or cash directly to CREST members. Members can accept elective events by delivering securities and/or cash to a registrar.

A special feature of the system is that you can receive automated dividend and interest payments directly into your cash memorandum accounts, as well as electronic tax vouchers. You can also make dividend elections electronically.

You can access additional value-added services that automate the replacement or correction of open transactions affected by corporate actions. We also offer proxy voting event and stamp duty/SDRT processing.

CREST system key facts

- 1.7 million gross transactions processed every day
- Over 16,000 eligible securities
- Daily settlement value in excess of £1 trillion
- Approximately 88% of UK equities by value held in electronic form

Flexible collateral management and securities lending

You can make the most of your portfolio via a range of collateral management and securities lending functions.

Collateral management facilities are available through our Delivery By Value (DBV) service. This enables you to give and receive packages of securities as collateral against the creation of a cash payment. You can issue DBVs with maturities of up to two years. Enhanced features include intra-day mark-to-market and substitutions functionality.

We also offer you the ability to borrow and lend securities using stock loans. We process and update loan valuations on a daily basis, saving you the operational effort. Since the CREST system handles same-day settlement, you can arrange, execute and settle your borrowing needs within a matter of minutes.

Transaction reporting

Euroclear UK & Ireland is an Approved Reporting Mechanism (ARM), offering transaction reporting to the UK Financial Services Authority (FSA) through the CREST system. Our tailored services enable you meet your reporting responsibilities in a flexible and cost-effective manner.

End-to-end funds processing solution

Euroclear UK & Ireland's funds service is the first integrated electronic order routing and settlement solution for UK investment fund transactions. Orders placed with fund managers are notionally settled through the CREST system on a T+4 basis. Orders placed via the EMX Message System can be routed into the CREST system and transactions created by direct input.

Want to know more?

More information about the CREST system and how to become a client is available on www.euroclear.com.

You can also contact our Account & Client Relationship Management team at eui-crm@euroclear.com.



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