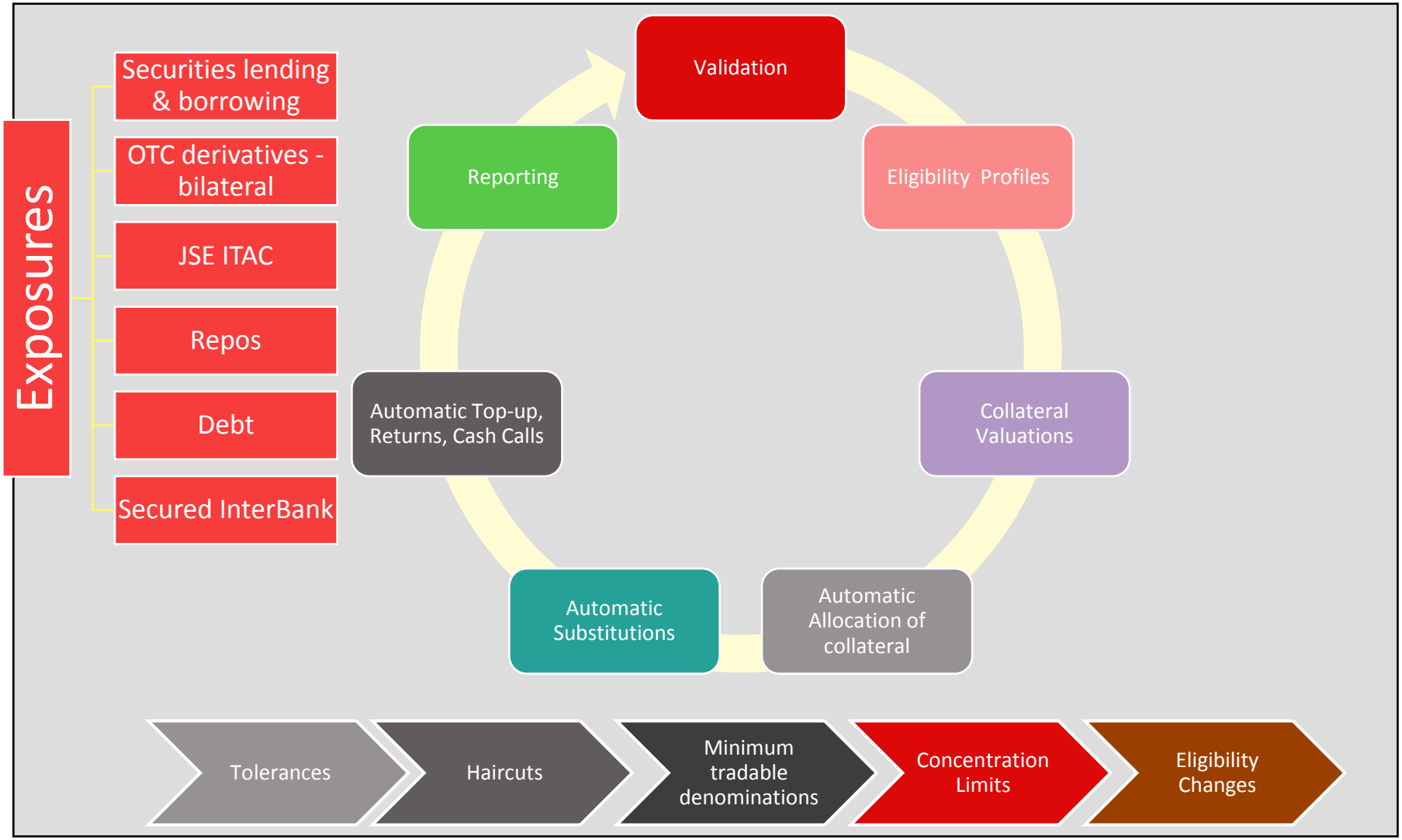
Fully Integrated Local & Global Tri-Party Collateral Management Services



Key Strate Collateral Management Criteria

- Collateral moves t+0 (Pledge or Cession (DFP,RFP))
- Mandatory use of SDAs
  - Two SDA accounts (giver and receiver) per asset class
- Reporting
  - Unilateral (JSE Clear)
  - Bilateral Matched Exposures (Interbank Lending)

Placed Collateral –(Pledge v Out- and –Out)

Pledge	Out- and –Out Cession
(1) Pledge is flagged on securities account of collateral giver.	(1) Normal transfer Free of Payment
(2) Collateral receiver cannot on use/transfer those securities any longer	(2) Collateral receiver can use/transfer those securities with the permission of reuse
(3) Collateral giver remains owner of pledged securities.	**(3) Collateral taker** becomes beneficial owner of those securities

Strate Collateral Management Solution

Exposure

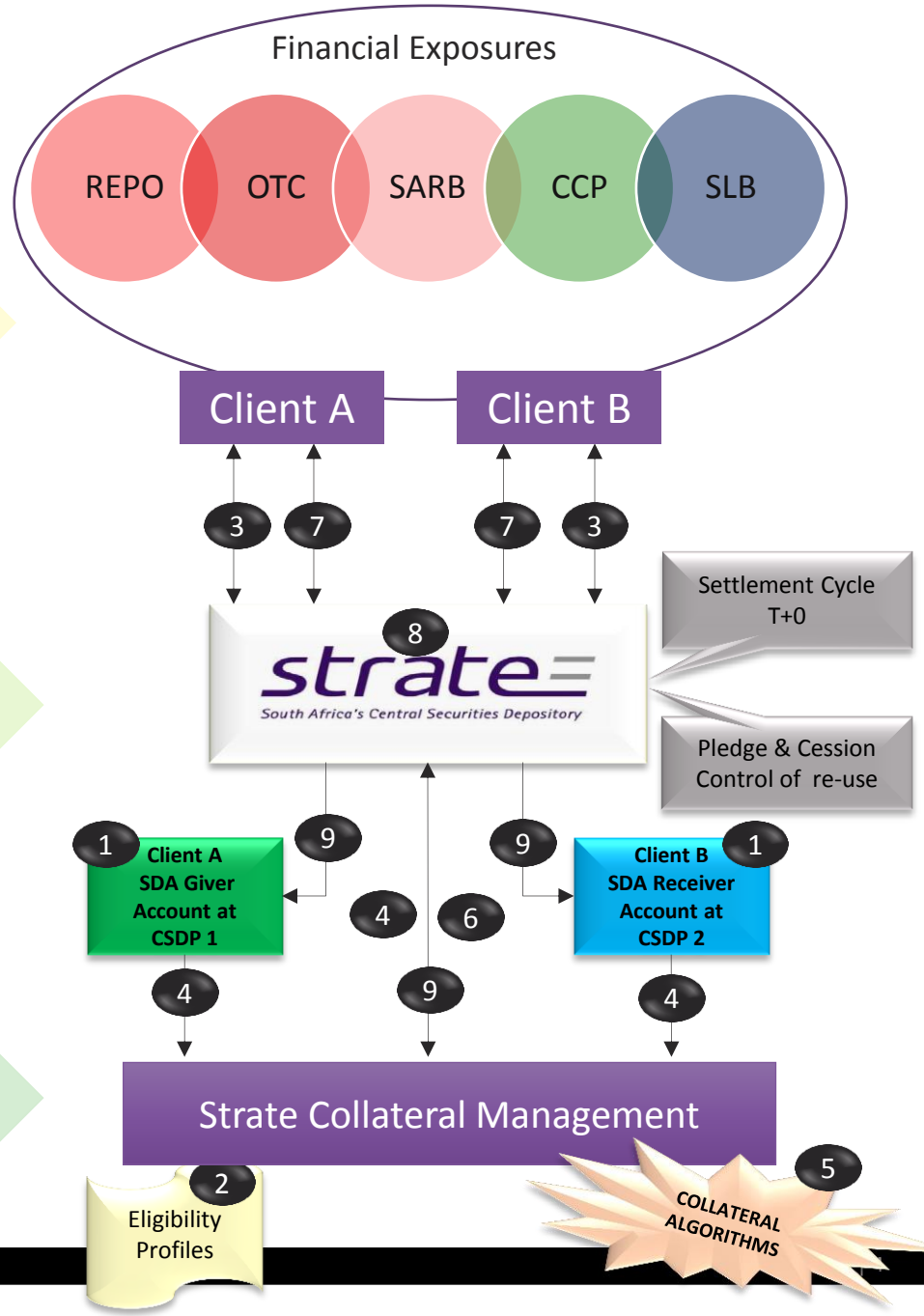
- Submissions - Portfolio or Transaction (Strate Collateral Online, SWIFT or CSV)

Collateral Management

- Clearing & Settlement
- Movement within Strate SDA accounts
- Prevention of unauthorised re-use
- Facilitation of cash movement
- Corporate Actions/Capital Events
- Audit trail of collateral movements

Collateral Intelligence

- Matching (tolerances)
- CSA validation/Eligibility
- Allocation
- Valuation
- Substitution
- Optimisation
- Reporting



Creation and Design of SDA Accounts

Giver and Receiver SDA accounts must be created per applicable Collateral Market (Bonds/MM/Equities)

Separate SDA Accounts Per Market Exposure (Silo approach)

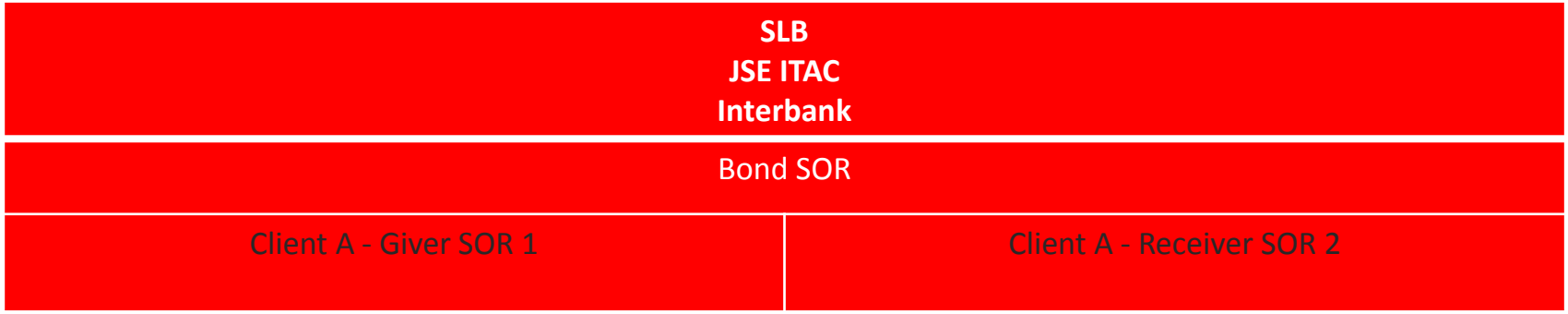
SLB		JSE ITAC		Interbank	
Bond SOR		Bond SOR		Bond SOR	
Giver SDA 1	Receiver SDA 2	Giver SDA 3	Receiver SDA 4	Giver SDA 5	Receiver SDA 6

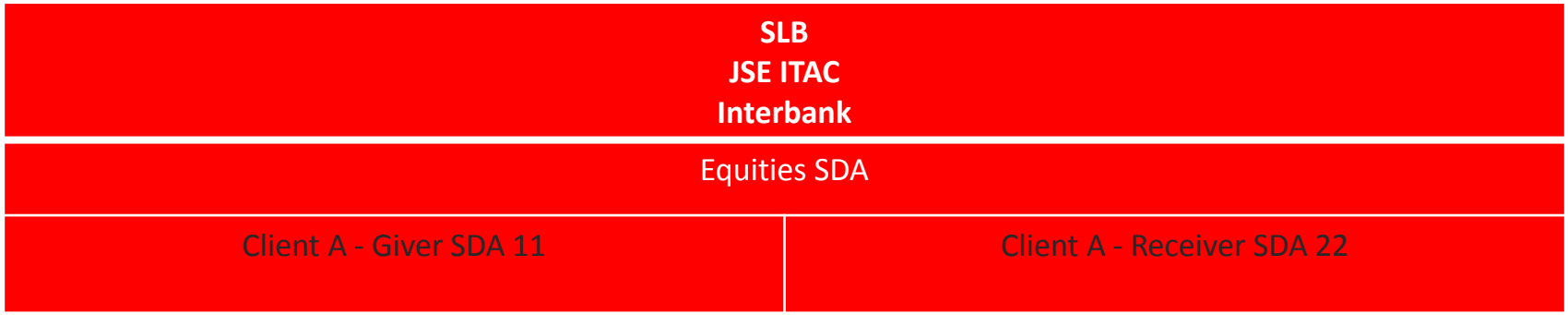
SLB		JSE ITAC		Interbank	
Equities SDA		Equities SDA		Equities SDA	
Giver SDA 11	Receiver SDA 22	Giver SDA 33	Receiver SDA 44	Giver SDA55	Receiver SDA 66

Creation and Design of SDA Accounts

Giver and Receiver SDA accounts must be created per applicable Collateral Market (Bonds/MM/Equities)

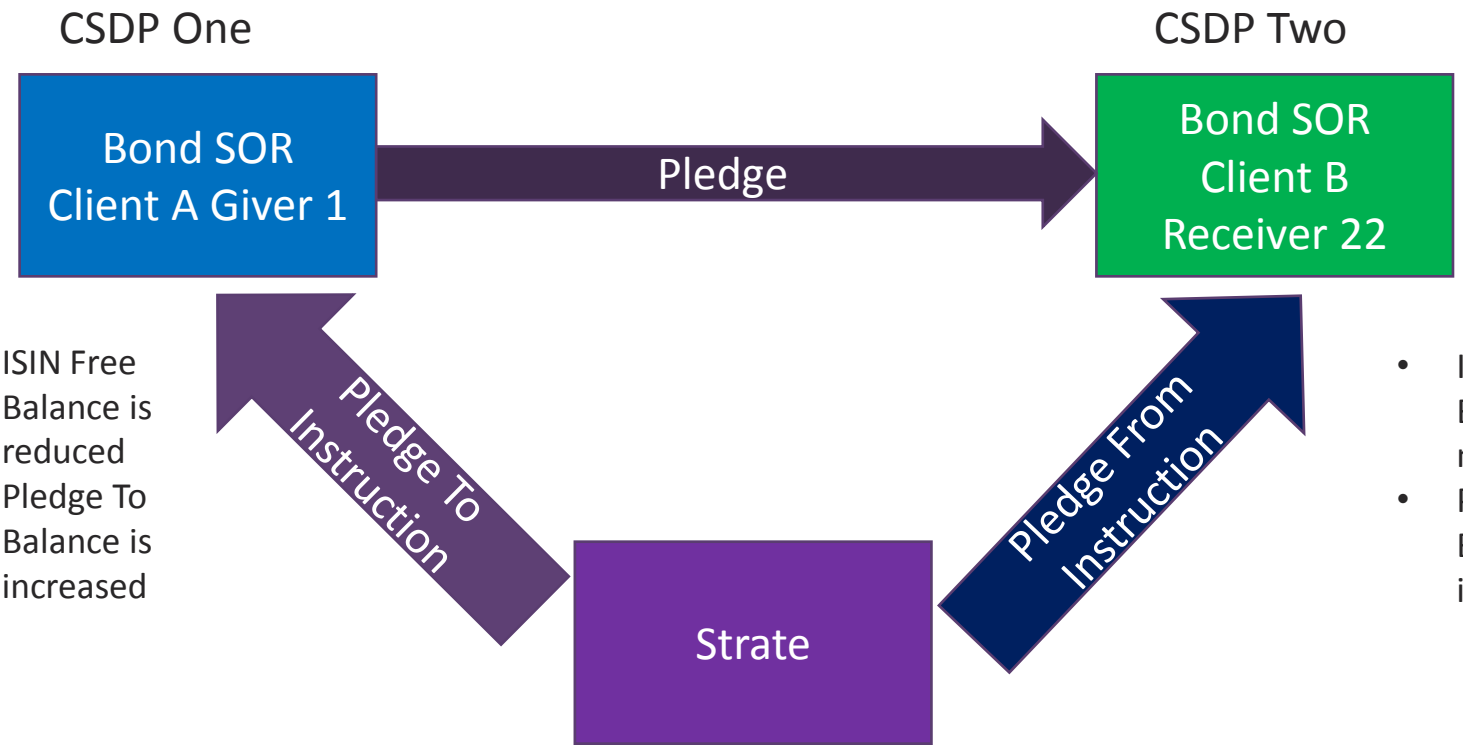
Single SDA Accounts for ALL Market Exposure





Typical Collateral allocation

Where a Bond and quantity has been selected to pledge from a giver SOR to a receiver SOR account



- ISIN Free Balance is reduced
- Pledge To Balance is increased

- ISIN Free Balance is not affected
- Pledge From Balance is increased