



Triparty Collateral Management (TCM)

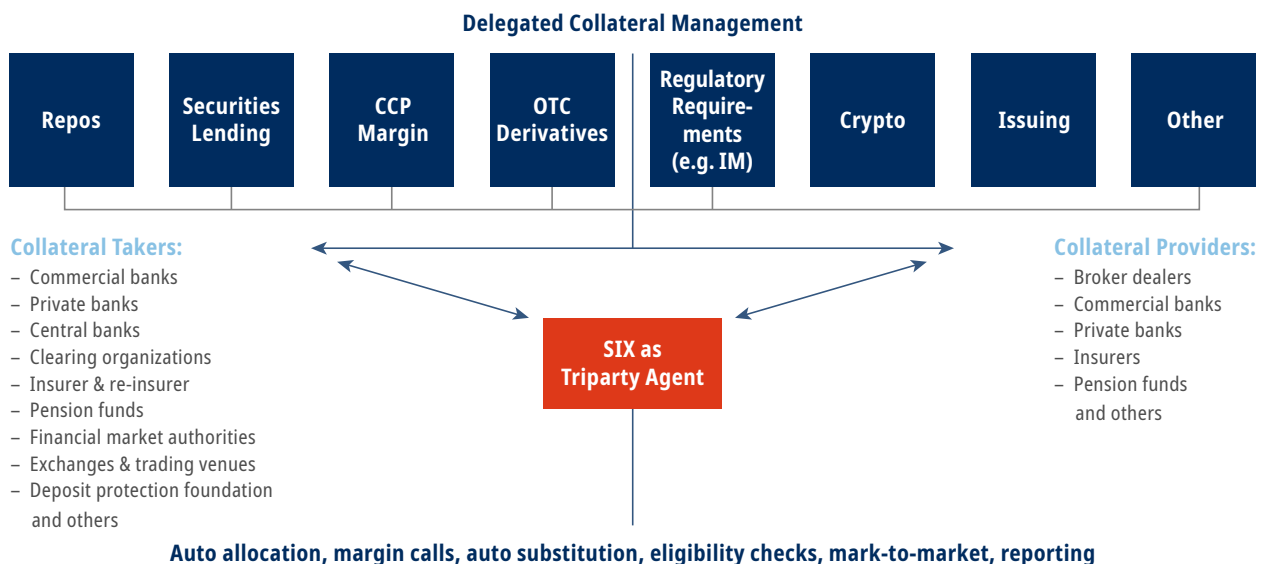
Standard Solution

Delegate Your Daily Operational Collateralization Responsibilities to SIX

Collateral management is a key function in mitigating counterparty, credit and operational risk. However, ensuring that your collateral is in the right place at the right time can be challenging. SIX's TCM service facilitates the handling of all collateral lifecycle events, allowing you to focus on your core business.

SIX offers state-of-the-art TCM solutions for the safekeeping and monitoring of securities that are held as collateral, covering the collateralization of every conceivable type of bilateral and multilateral exposure as well as issuer risk. As a neutral triparty agent, SIX takes care of the entire collateral management lifecycle, including operational responsibilities, to ensure that all exposures are fully collateralized at all times.

Exposure Coverage – Regardless of Its Origin



See separate [factsheets](#) for specific TCM solutions like TCM for Collateralized Products or TCM for Initial Margin

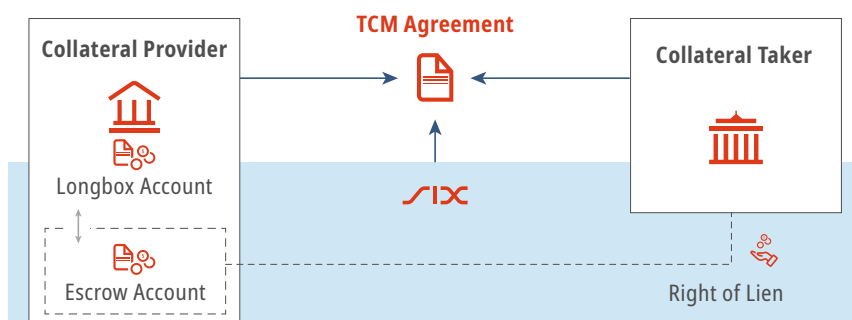
Our Offering

- ✓ The sophisticated Collateral Cockpit™ user interface allows you to:
 - Instruct and manage your exposures.
 - Define and agree e-collateral schedules, i.e. digitally agree and fine-tune elements such as eligibility, concentration limits, haircuts and margins with your counterparties at any time.
- ✓ Automated allocation of securities collateral according to pre-defined eligibility criteria.
- ✓ Transparent exposure coverage at all times: Daily mark-to-market evaluation of securities and comprehensive reporting by transaction and net exposure.
- ✓ Seamless securities substitution prior to corporate action events. Perform manual substitutions with two simple clicks. Business fully integrated into the Swiss Value Chain and the (I)CSD SIX SIS.

Your Benefits

- ◆ Reduction of operational burden and risk
- ◆ Simplified collateral management through automated processes and innovative interfaces
- ◆ Easy implementation
- ◆ Participation via light membership – Collateral Taker does not have to be a client of SIX SIS
- ◆ Leverage your existing SIX SIS membership to benefit from Triparty Collateral Management
- ◆ SIX ensures that your exposures are covered, even if you are not a client of SIX SIS

Operating Principle of Triparty Collateral Management



Exposure stemming from an underlying transaction: This represents the initial transaction or agreement where the parties want to mitigate their credit risk through collateralization.

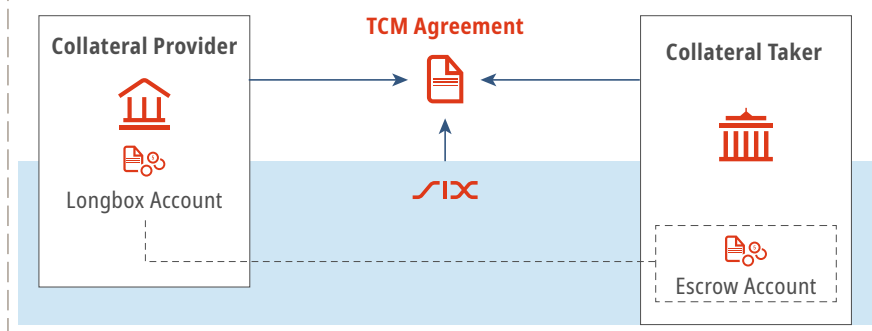
TCM Agreement: The Triparty Collateral Management (TCM) agreement outlines the terms and conditions for collateralization of exposures between the parties involved.

Longbox Account: Security account at SIX SIS in which securities or cash are held for allocation. It ensures that funds are available when needed for collateralization purposes.

Escrow Account: Security account at SIX SIS where securities or cash are held as collateral.

SIX Triparty Agent as administrator: The Triparty Agent acts as a neutral party responsible for the administration of the collateral management process. This includes facilitating the movement of collateral between the parties, managing margin calls, performing valuation checks, and ensuring compliance with the TCM agreement.

Operating Principle of Triparty Collateral Management Variant with Transfer of Ownership



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