

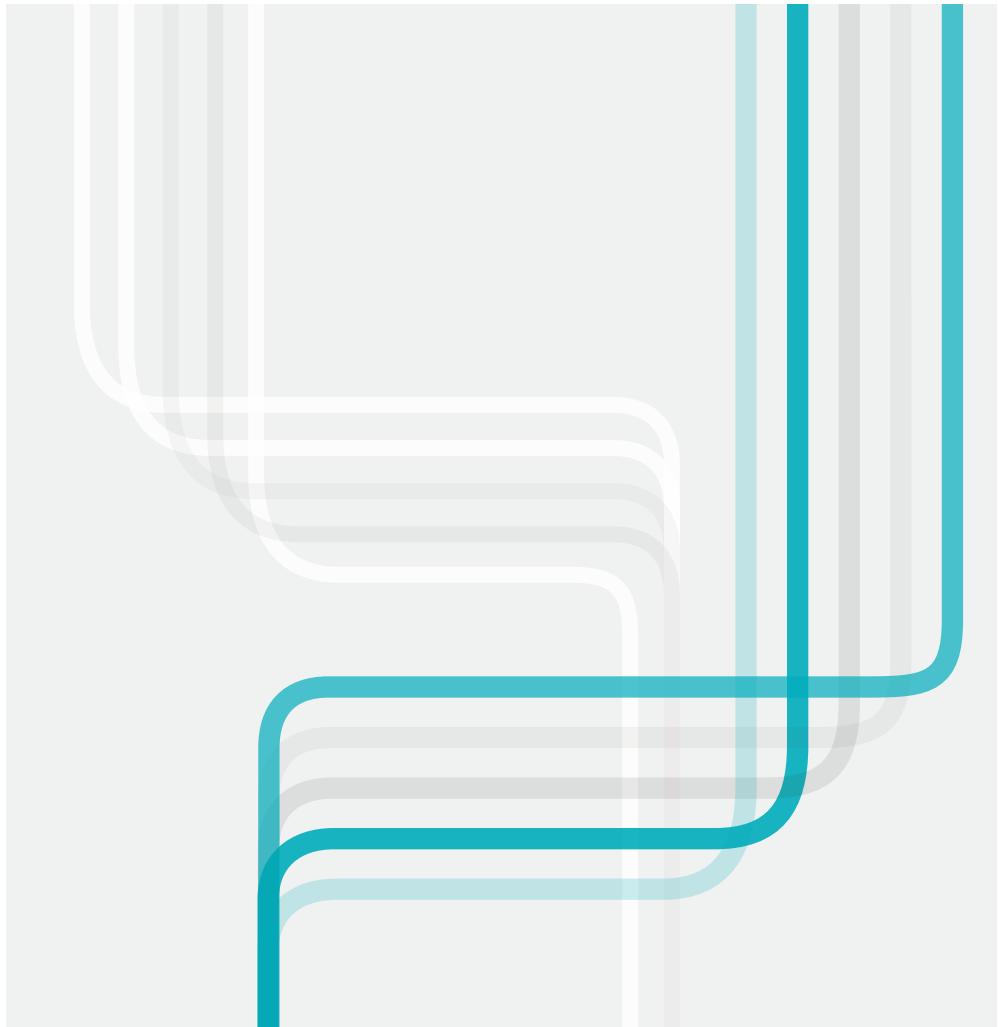
Net More

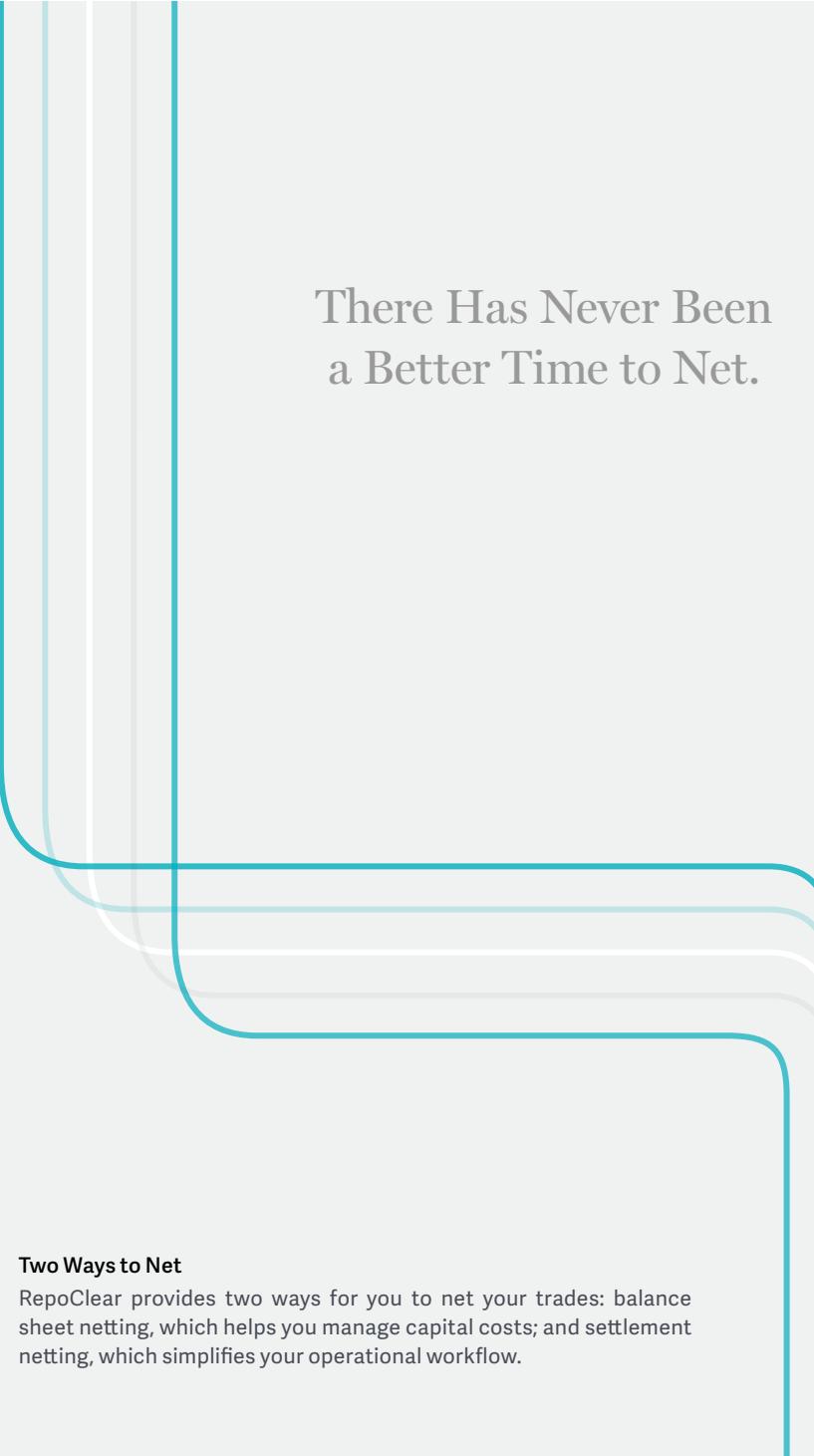
For Capital Efficiencies

LCH

The Markets'
Partner

RepoClear





There Has Never Been
a Better Time to Net.

Netting Makes Your Capital Work Harder

In today's ever-evolving markets, the need for capital and operational efficiencies has never been greater. Netting responds to these demands by helping to optimize capital management and generate significant operational and cost benefits.

For over 16 years, RepoClear has harnessed its unparalleled depth of clearing liquidity to deliver these efficiencies, along with peerless risk management from the world's leading provider of interest rate derivatives clearing services.

As we expand our clearing and netting of cash and repo products across Europe, multilateral netting through RepoClear will increasingly provide superior balance sheet, settlement and risk offset to our 80-plus members across 13 government bond markets.

We are broadening our services to include Sponsored Clearing, which extends the benefits of CCP membership to the buy-side community. The addition of Sponsored Clearing further increases the netting benefits available, freeing up capacity and offering the opportunity to broaden the liquidity for all participants. To find out more, contact a member of the team.

Given these opportunities to net positions, now is the time to take advantage of the economic benefits of clearing with RepoClear.

Two Ways to Net

RepoClear provides two ways for you to net your trades: balance sheet netting, which helps you manage capital costs; and settlement netting, which simplifies your operational workflow.

01.

Balance Sheet Netting: How It Works

Balance sheet netting gives you more control over your risk exposure and capital costs, especially against the backdrop of Basel III and other regulatory requirements.

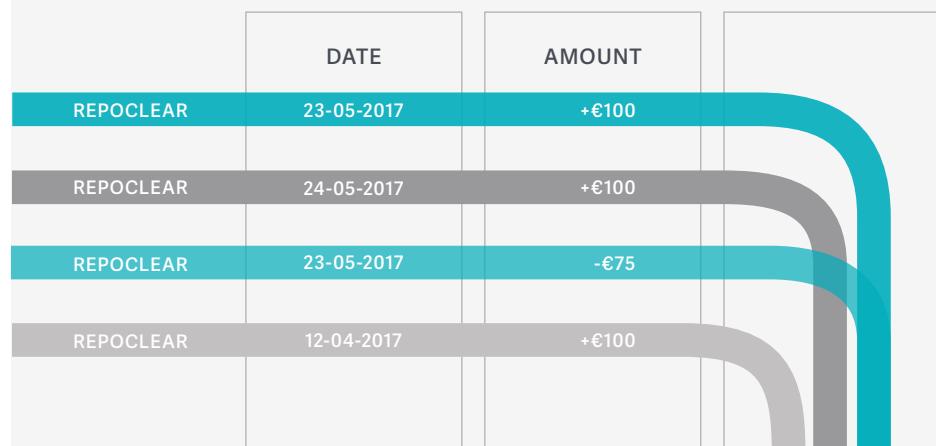
How? By clearing, LCH becomes the counterparty to your trades. This allows you to net your portfolio and reduce notional outstanding, freeing up capital and increasing your trading capacity. Even better, these benefits are scalable; the more you net, the more efficient you become.

To net your trades, you typically need the following:

01. The same counterparty
02. The same currency
03. The same maturity date
04. The same settlement location

Netting in Practice

	DATE	AMOUNT	
REPOCLEAR	23-05-2017	+€100	
REPOCLEAR	24-05-2017	+€100	
REPOCLEAR	23-05-2017	-€75	
REPOCLEAR	12-04-2017	+€100	
			BEFORE NETTING +375
			AFTER NETTING +225



02.

Settlement Netting: How It Works

Settlement netting through RepoClear reduces costs and simplifies trade processing. When you clear with LCH, not only can you net down the number of daily settlements, but you can also use our economies of scale as a market leader to reduce risk.

Similar to balance sheet netting, settlement netting typically requires the following:

01. The same counterparty
02. The same security
03. The same settlement date
04. The same settlement location

Settlement Venues

8



About RepoClear

THE CLEAR LEADER

01. Over €140 trillion cleared annually
02. 80-plus members
03. 13 government bond markets
04. The market leader in cleared European repo

KEY BENEFITS OF CLEARING WITH REPOCLEAR

Minimize counterparty risk exposure.

LCH will act as guarantor in event of a counterparty default

Reduce regulatory capital burden.

Lower risk weighting of centrally cleared trades

Streamline operations.

Reduction in operational risk

Keep your trading patterns discreet.

Possibility to trade anonymously

Increase offsets.

Take advantage of multilateral netting

OPEN ACCESS

RepoClear accepts trades from a variety of sources, including electronic platforms and ETCMS (for voice-brokered and bilateral trades). Trades are currently accepted from:

01. BrokerTec
02. MTS
03. tpREPO
04. ETCMS
05. Tradeweb

WHAT WE CLEAR

LCH Group offers a variety of RepoClear services. These enable clearing of specific ISIN repo and cash bond trades in 13 different sovereign issuers, as well as agency, supranational and government-backed issuers through LCH-Ltd and LCH-SA. We also offer general collateral clearing services for Gilts and ECB-eligible collateral.

SPECIFIC ISIN LCH-SA	
SPECIFIC ISIN LCH-LTD	
STERLING GC LCH-LTD	
€GCPLUS LCH-SA	LR Equivalent ECB Restricted

CONTRACTS CLEARED

	Specific ISIN (Ltd)	Specific ISIN (SA)	Term £GC	€GCPlus
Max Term (days)	374	No Limit	374	730
Max Forward Start (days)	374	No Limit	374	30
Repo Type	Classic	Classic/ BSB	GC	GC
Cash Trades Allowed	Yes	Yes	No	No
Repo Rate	Fixed	Fixed/ Floating	Fixed	Fixed

Contacts

EMAIL

repoclearmembershipsales@lch.com

PARIS

+33 (0) 1 70 37 65 00

LONDON

+44 (0) 20 7426 8167

ABOUT REPOCLEAR

RepoClear is the leading provider of repo clearing, helping participants better manage risk and capacity across bilateral or anonymous trading. With more than 80 members across 13 government bond and repo markets, it provides unmatched opportunities for superior balance sheet and settlement risk offsets. In 2014, RepoClear introduced EGCPlus, LCH's triparty basket repo clearing service, to provide even more advanced liquidity management. Established in partnership with major banks in 1999, RepoClear is available through both LCH-Ltd and LCH-SA.

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