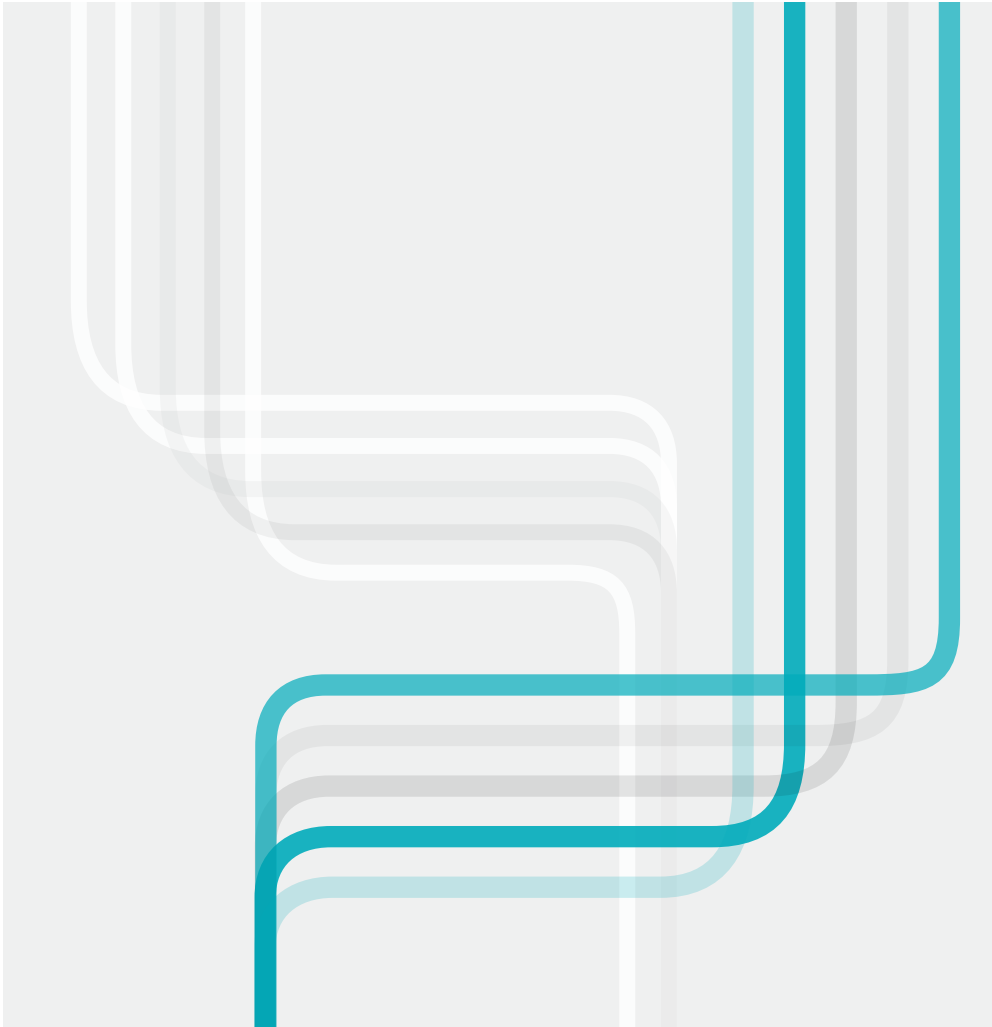


Net More

For Capital Efficiencies

LCH The Markets'
Partner

RepoClear





There has never been
a better time to net.

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.

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 optimise capital management and generate significant operational and cost benefits.

For over 20 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 100-plus members across 14 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.

01.

Balance Sheet Netting: How It Works

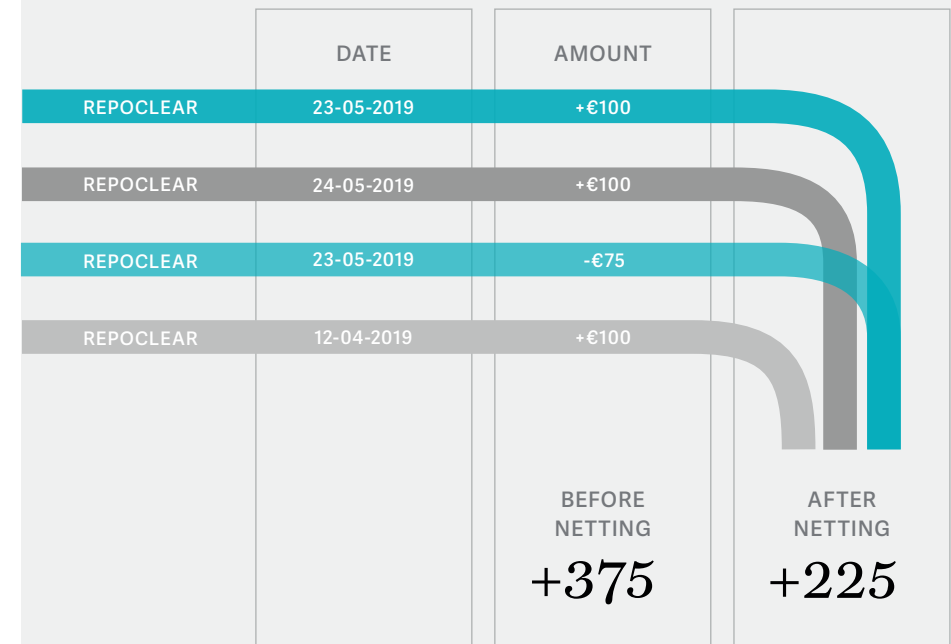
Balance sheet netting gives you more control over your risk exposure and capital costs, especially against the backdrop of Basel III and other regulatory requirements.

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



Settlement Venues

8



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

About RepoClear

THE CLEAR LEADER

01. Over **€212** trillion cleared annually
02. **100-plus** members
03. **14** government bond markets
04. The market leader in cleared European repo

KEY BENEFITS OF CLEARING WITH REPOCLEAR

01. **Minimise your counterparty risk exposure**
LCH will act as guarantor in the event of a counterparty default.
02. **Reduce your regulatory capital burden**
Trades cleared centrally have a lower risk weighting.
03. **Streamline your operations**
Clearing through a CCP reduces operational risk.
04. **Keep your trading patterns discreet**
RepoClear allows participants to trade anonymously.
05. **Increase your offsets**
An expanding multilateral netting pool creates opportunities for capital efficiencies.

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. ETCMS
03. MTS
04. tpREPO
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 14 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 |

Contact Us

EMAIL

repoclearmembershipsales@lch.com

LONDON

+44 (0) 20 7426 8167

PARIS

+33 (0) 1 70 37 65 00

ABOUT REPOCLEAR

RepoClear is the leading provider of cash bonds and repo clearing, helping participants better manage risk and capacity across bilateral or anonymous trading. With more than 100 members across 14 government bond and repo markets, it provides unmatched opportunities for superior balance sheet and settlement risk offsets. In 2014, RepoClear introduced €GCPlus, 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.

DISCLAIMER

This document has been provided to you for informational purposes only and is intended as an overview of certain aspects of, or proposed changes to, services provided by LCH Limited ("LCH").

This document does not, and does not purport to, contain a detailed description of any aspect of an LCH service or any other matter set out in this document, and it has not been prepared for any specific person. This document does not, and does not seek to, constitute advice of any nature. You may not rely upon the contents of this document under any circumstance and should seek your own independent legal, investment, tax and other advice. The information contained in this document does not constitute a recommendation or offer with respect to any derivative contract, financial instrument, security or service. LCH makes no representation, warranty or guarantee (express or implied) that the contents of this document are accurate, complete or up-to-date, and LCH makes no commitment to offer any particular product or service. LCH shall have no liability for any losses, claims, demands, actions, proceedings, damages, costs or expenses arising out of, or in any way connected with, the information contained in this document, except that LCH accepts liability for personal injury or death caused by its negligence, for its fraud or wilful misrepresentation, and for any other liability which cannot be excluded by applicable law. Copyright © LCH Limited 2020. All rights reserved.

The information contained in this document is confidential. By reading this document, each recipient agrees to treat it in a confidential manner and will not, directly or indirectly, disclose or permit the disclosure of any information in this document to any other person (other than its regulators or professional advisers who have been informed of the confidential nature of the information) without the prior written consent of LCH.

