RepoClear
Net more for capital efficiencies
Netting makes your capital work harder

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.

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 fixed income 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.
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

<table>
<thead>
<tr>
<th>DATE</th>
<th>AMOUNT</th>
<th>BEFORE NETTING</th>
<th>AFTER NETTING</th>
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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 €288 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.

### Contracts cleared

<table>
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<tr>
<th></th>
<th>Specific ISIN LCH Ltd</th>
<th>Specific ISIN LCH SA</th>
<th>Term EGC</th>
<th>€GCPlus</th>
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SPECIFIC ISIN

- **LCH SA**

- **LCH Ltd**

STERLING GC

- **LCH Ltd**

€GCPLUS

- **LCH SA**

LCR Equivalent | ECB Restricted
LCH. The Markets’ Partner.

LCH builds strong relationships with commodity, credit, equity, fixed income, foreign exchange (FX) and rates market participants to help drive superior performance and deliver best-in-class risk management.

As a member or client, partnering with us you increase capital and operational efficiency, while adhering to an expanding and complex set of cross-border regulations, thanks to our experience and expertise.

Working closely with our stakeholders, we have helped the market transition to central clearing and continue to introduce innovative enhancements. Choose from a variety of solutions such as compression, sponsored clearing, credit index options clearing, contracts for differences clearing and LCH SwapAgent for managing uncleared swaps. Our focus on innovation and our uncompromising commitment to service delivery make LCH, an LSEG business, the natural choice of the world’s leading market participants globally.

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Contact us
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