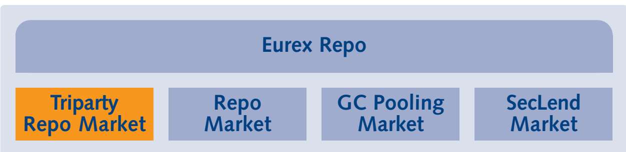
Electronic Triparty Repo Market
More flexibility in secured funding

Eurex Repo offers electronic trading for bilateral repos with standardized baskets and open quote book. Executed trades will then be collateralized by Clearstream's Global Liquidity Hub.

Regulatory requirements are forcing banks to shift their collateralized funding business towards central counterparties (CCPs) such as Eurex Clearing. However, CCPs face limitations on eligible assets for collateralization due to risk and default management processes. For low quality bonds, banks favour bilateral markets as bond prices and margin requirements are evaluated depending on the counterparty. The downside is that the bilateral market is fragmented and requires negotiations on individual collateral baskets. Banks can therefore only trade with counterparties using the same basket. For new baskets or currencies, they must instruct the triparty agent to set up new contracts. As those trades are bilateral, there is neither a quote book nor a market showing traded volumes and prices.

Eurex Repo's aim is to establish a standardization of the Triparty Repo Market. This would allow participants to efficiently initiate transactions and to benefit from straight-through-processing services across Deutsche Börse Group. The collateral management will be performed by Clearstream Banking S.A., Clearstream's international central securities depository (ICSD) in Luxembourg.

Overview of Eurex Repo Markets



Launched in 2001, Eurex Repo is a leading marketplace with around 150 participants and more than 1,200 users. It offers integrated markets for electronic trading, clearing, collateral management and settlement of repo and securities lending transactions.

Key characteristics and benefits

- Electronic marketplace for bilateral secured funding transactions without a CCP
- Open quote book and individual trade negotiations possible
- Efficient trading and best execution due to transparent, fast and automated functionalities and processes
- Use of one single collateral account per counterparty for all standardized baskets and currencies
- Leverages the existing trading infrastructure of Eurex Repo and triparty collateral management services of Clearstream
- Efficient re-use of collateral to GC Pooling, Eurex Clearing and other services of Clearstream's Global Liquidity Hub
- Automatic allocation of collateral
- Real-time substitution of collateral
- Fast lane admission

Participation requirements

- Be a credit or financial institution domiciled in the European Union, the EEA or Switzerland
- Be a subject to a financial market supervisory authority
- Participate as Collateral Receiver and/or Collateral Giver
- Be a customer of Clearstream Banking S.A. and its collateral management services
- Open one collateral account per counterparty at Clearstream Banking
- Set up web-based access to the Eurex Repo trading system F7 if not already available

At a glance

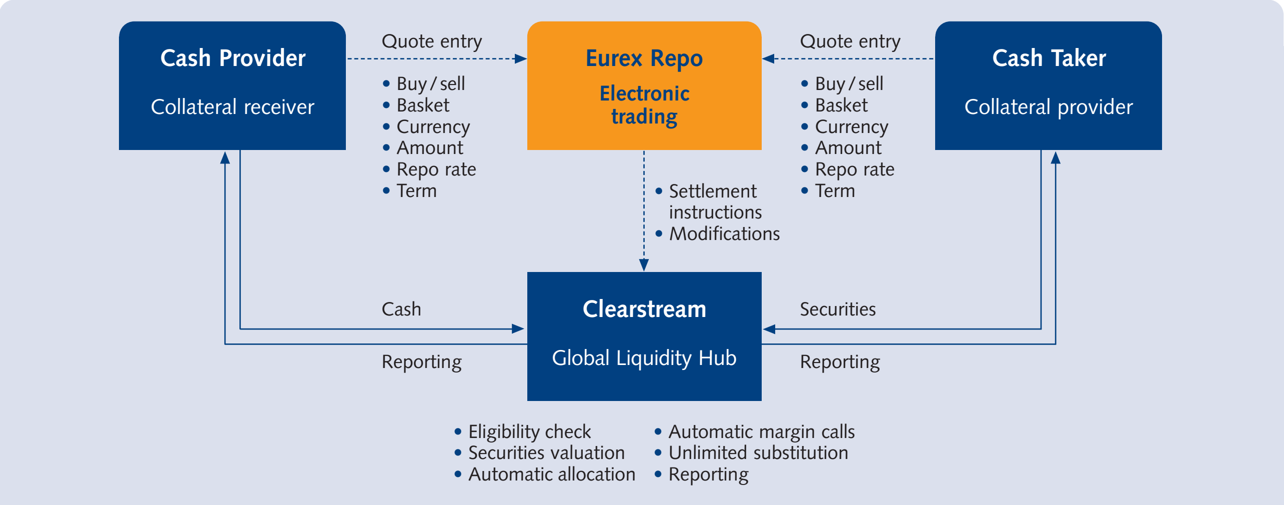
Trading hours	07:30–18:00 CET
Minimum trade size	1 million EUR, USD, CHF, GBP, AUD, CAD, JPY or DKK
Settlement	Different cut-off times per currency for Overnight (ON) trading

Service and product offering

- Choice of eight different currencies: EUR, USD, CHF, GBP, AUD, CAD, JPY and DKK
- Standardized trading with collateral baskets (three with fixed income and one with equity)
- Baskets differ in quality, types of securities and currencies, thereby enabling the full use of the collateral portfolio
- Standard and flexible terms ranging from overnight to two years
- Eurex Repo sends Clearstream settlement instructions and modifications on behalf of customers

Trading concept

The electronic Triparty Repo Market increases trading efficiencies due to straight-through-processing (STP) of trades, and the re-use of collateral for GC Pooling and Eurex Clearing margining purposes. Customers can leverage their existing setup with Eurex Repo and Clearstream.



Contact information

If you are interested in trading on the Triparty Repo Market, please contact **sales@eurexrepo.com**.

For any questions regarding Clearstream's collateral management services, please contact **gsf@clearstream.com**.

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