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GROUP

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## Eurex Repo

# *GC Pooling<sup>®</sup> – Secured Funding in Motion*

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## Manage your Liquidity in an Established Marketplace

The European secured money market continues to expand rapidly. Especially since summer 2007, anonymous trading via a central counterparty (CCP) has become increasingly important<sup>1</sup>. Money markets are still under strain and market participants are in the need to limit credit exposures, market risks and the constraints resulting from capital adequacy requirement.

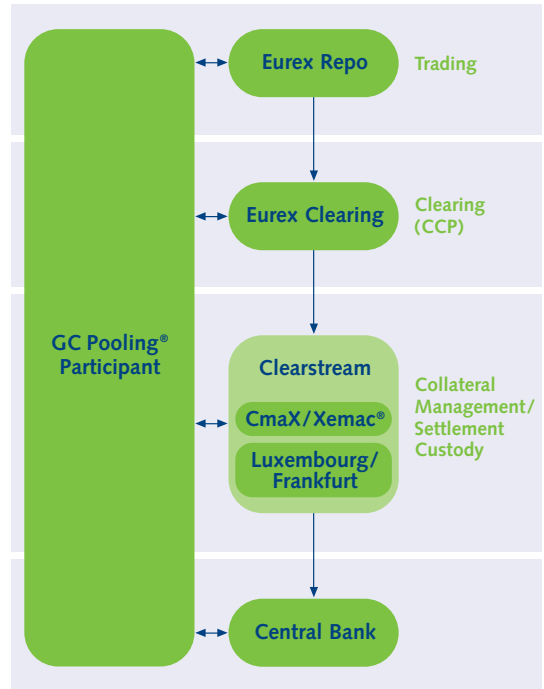
Launched in March 2005, GC Pooling<sup>®</sup> is designed to support this growth through electronic trading with highly efficient post-trading processes. The various standardized baskets tradable in euro and U.S. dollar allow for tailored secured funding activities. The new cross-currency baskets enable U.S. dollar funding against EUR-denominated ECB eligible securities.

### Take advantage of liquidity management and collateralized funding:

- Explore your opportunities in an anonymous and liquid market
- Swap easily securities and cash through the re-use of received collateral
- Reduce your capital cost and market risks through the use of central counterparty
- Optimize your liquidity management through mobilizing ECB eligible assets
- Utilize surplus euro liquidity from the ECB/ Bundesbank tender in an efficient manner<sup>2</sup>
- Minimize your operational burden through easy basket trading and STP post-trade processes

## Minimize Risks by Automated Processes

It is easy to trade extremely large tickets – even billions – within seconds. Deals can be processed automatically without any issues over credit or security allocation.



Customers can use their account relationship with either Clearstream Luxembourg or Clearstream Frankfurt, as well as the respective collateral management system to fully benefit from the automatic allocation mechanism.

While Clearstream offers settlement in central or in commercial bank money for GC Pooling<sup>®</sup> baskets traded in euro, baskets tradable in U.S. dollar are settled in commercial bank money only.

<sup>1</sup> ECB Euro Money Market Survey November 2008

<sup>2</sup> Offered with the GC Pooling<sup>®</sup> ECB Basket

## Tap Into Sophistication

### GC Pooling® Features:

- Multicurrency funding in euro and U.S. dollar
- Flexible trading terms
- Full synchronization with the monetary operation processes of the European Central Bank<sup>3</sup>
- Netting on settlement day
- Automatic allocation of collateral
- Re-use of collateral for open market operations<sup>3</sup>
- Real-time substitution of collateral

GC Pooling® on **Eurex Repo** allows euro and U.S. dollar cash liquidity trading collateralized with baskets of ECB eligible securities. Maturities are available starting from same day over one-week terms<sup>3</sup> (fully harmonized with the ECB tender term) up to one-year. The various collateral baskets can be selected by pre-defined terms per currency.

**Eurex Clearing** steps in as a central counterparty thereby ensuring anonymous trading and offering an efficient centralized risk management margining process across all products – with a continuous mark-to-market revaluation, and centralized delivery management with netting on settlement day. The high settlement efficiency of 99.8 percent corresponds with the market requirements.

The Collateral Management System of **Clearstream** delivers fully-automated allocation out of the combined securities pool thus collateralizing the traded cash amount. This process allows re-use and substitution of the collateral received.

Subsequently, Clearstream automatically manages the DVP settlement in respective accounts in Luxembourg and Frankfurt.

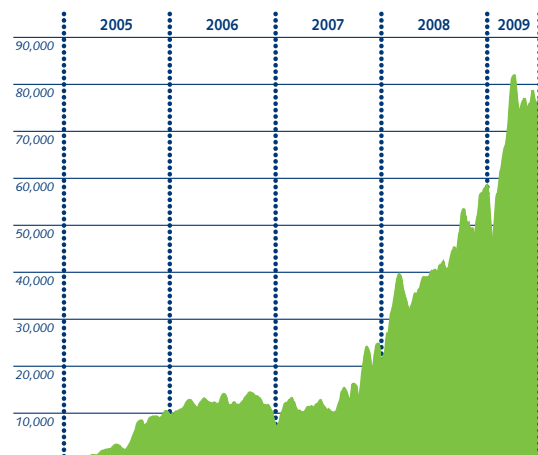
<sup>3</sup> Offered with the GC Pooling® ECB Basket

## Rely on Success

Amongst the major electronic markets in Europe, Eurex Repo shows the highest growth rate based on success of GC Pooling®. Especially since the third quarter of 2007, the average outstanding volume has remarkably increased. In June 2009, the average outstanding volume was more than EUR 77 billion, which equates to an annual average growth rate of 93 percent.

Overall Eurex Repo was able to strengthen its position as a leading marketplace in terms of outstanding volume in the European repo market. With more than EUR 166 billion average outstanding volume in June 2009 Eurex Repo proved to be a highly liquid and reliable marketplace. Especially under turbulent market conditions, customers value the opportunity to gain liquidity in and out of the market in an efficient way. In addition to the volume growth, the European customer base expanded rapidly. More than 220 banks and financial service institutes are connected to Eurex Repo.

### GC Pooling® – Development of Outstanding Volume from March 2005 to June 2009 (in Million EUR)



\*20-day moving average/single counted

## GC Pooling® ECB Basket

<b>Cash Currencies</b>	EUR, USD
<b>Basket Standards</b>	Based on the Eligible Assets Database (EAD) the GC Pooling® ECB basket covers approximately 8,000 ECB eligible securities. This basket enables the re-use of received collateral for refinancing within the framework of ECB/Bundesbank open market operations and the GC Pooling® market.
<b>Basket Collateral</b>	<p>Around 3,000 instruments of</p> <ul style="list-style-type: none"> <li>• Central Banks</li> <li>• Central Governments</li> <li>• Regional/Local Governments</li> <li>• Supranationals</li> </ul> <p>Around 5,000 Traditional and Jumbo "Pfandbriefe"-style instruments of</p> <ul style="list-style-type: none"> <li>• Credit Institutions</li> <li>• Agency Credit Institutions</li> </ul>
<b>Collateral Currencies</b>	EUR, USD, CHF, GBP
<b>Countries</b>	Austria, Belgium, France, Germany, Italy, Luxembourg, The Netherlands and Eurobonds
<b>Standard Terms</b>	OverNight, TomNext, SpotNext, SpotTerm, Tender, FlexTerm
<b>ISIN</b>	DE000A0AE077
<b>Trading Hours</b>	07:30 – 18:00 CET cut-off time overnight: 16:30 CET

## GC Pooling® EXTENDED Basket

<b>Cash Currencies</b>	EUR, USD
<b>Basket Standards</b>	Based on the Eligible Assets Database (EAD) the GC Pooling® EXTENDED basket covers around 23,000 ECB eligible securities. This basket enables the re-use within the same basket.
<b>Basket Collateral</b>	<p>Around 3,000 instruments of</p> <ul style="list-style-type: none"> <li>• Central Banks</li> <li>• Central Governments</li> <li>• Regional/Local Governments</li> <li>• Supranationals</li> </ul> <p>Around 5,000 Traditional and Jumbo "Pfandbriefe"-style instruments of</p> <ul style="list-style-type: none"> <li>• Credit Institutions</li> <li>• Agency Credit Institutions</li> </ul> <p>Around 15,000 instruments of</p> <ul style="list-style-type: none"> <li>• Credit Institutions</li> <li>• Agency Credit Institutions</li> <li>• Agency – Non Credit Institutions</li> <li>• Corporate and other issuers</li> </ul>
<b>Collateral Currencies</b>	EUR, USD, CHF, GBP
<b>Countries</b>	Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Portugal, Slovenia, Spain, The Netherlands and Eurobonds
<b>Standard Terms</b>	OverNight, TomNext, SpotNext, SpotTerm, Tender, FlexTerm
<b>ISIN</b>	DE000A0WKKX2
<b>Trading Hours</b>	07:30 – 18:00 CET cut-off time overnight: 16:30 CET

## Get More Information

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