



February 2015

€GCPlus – taking secured financing to the next level

Euroclear and LCH.Clearnet are combining best-in-class collateral and risk management for the benefit of the interbank market

LCH.Clearnet SA has launched €GCPlus, a central clearing service for the triparty repo market, in collaboration with Euroclear and Banque de France.

The new service is designed to help fixed income trading desks, treasurers and other market participants manage Eurosystem-eligible collateral efficiently and to generate liquidity in a cleared environment.

At the same time you can benefit from balance sheet netting and regulatory capital efficiencies.

The best of LCH.Clearnet and Euroclear

The service brings to the market the combined expertise of LCH.Clearnet and Euroclear, two world leaders in their field:

LCH.Clearnet – world renowned in risk management

- Has launched €GCPlus – a low risk, centrally-cleared service for the triparty repo market

- Cash funding is collateralised by two standard ECB-eligible GC baskets – including an equivalent Basel III LCR basket
- Both counterparties benefit from reduced regulatory capital costs due to LCH.Clearnet's role as the CCP

Euroclear – leading edge collateral management

- Has created a single interoperable collateral infrastructure between Euroclear Bank and the ESES CSDs (Euroclear Belgium, Euroclear France, Euroclear Nederland). You can hold your securities in either location and settle DVP in commercial or central bank money
- Full suite of integrated triparty services, including automatic screening and selection of eligible collateral per basket, automatic substitution and re-use

The resulting service provides cash investors and borrowers with full STP processing – from trading and clearing through to collateral management, settlement and refinancing.

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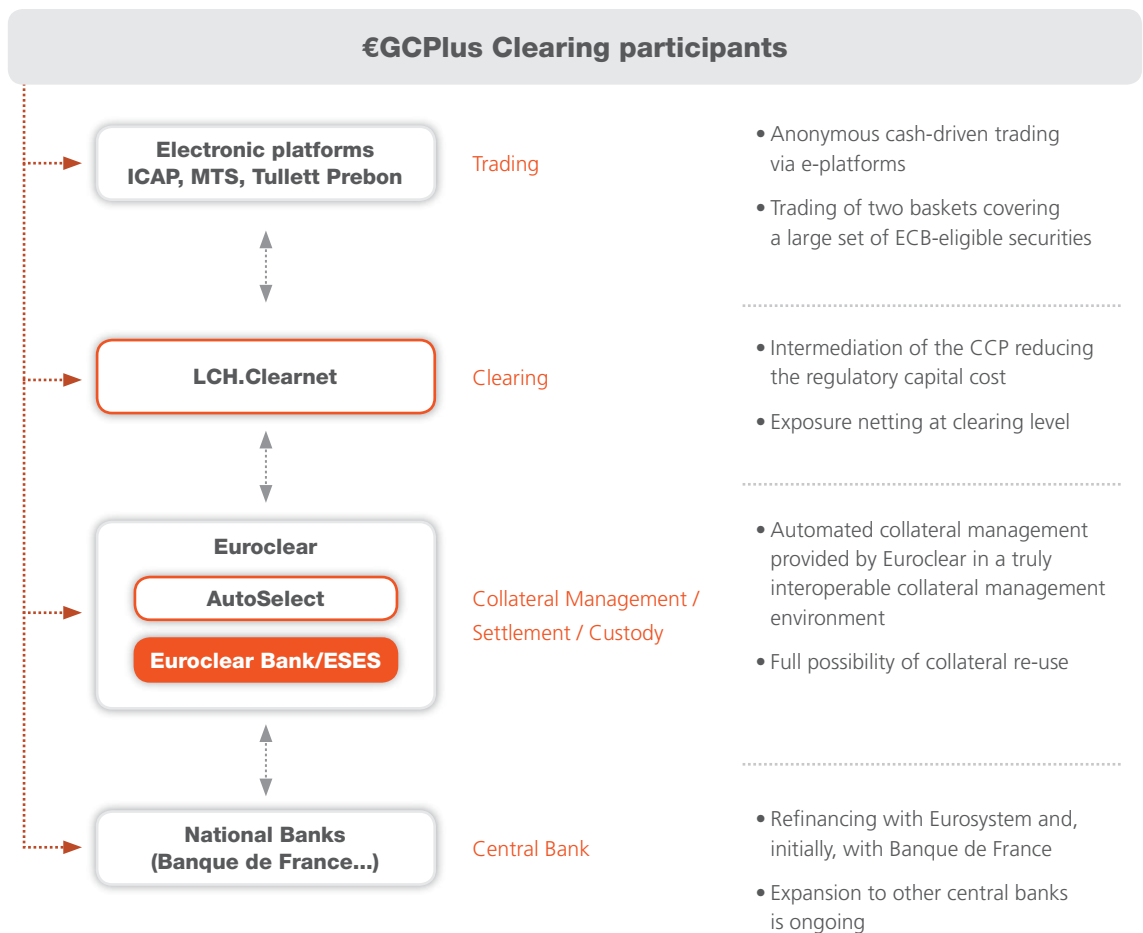
If you are a cash borrower

- You can access a wider pool of liquidity and augment your funding sources in Euroclear triparty with highly liquid €GCPlus cleared products
- Optimise your collateral usage across business lines – €GCPlus collateral management is seamlessly integrated in your Euroclear triparty activity, including automated substitution and optimisation
- Benefit from economies of scale by integrating €GCPlus within your existing Euroclear triparty collateral management

As a cash investor

- Reach the widest range of domestic and international financial institutions and invest excess cash against Eurosystem-eligible assets
- Let Euroclear automate your collateral operations – benefit from our fully STP triparty collateral management services
- Hold your securities and manage cash flows in either Euroclear Bank or one of the ESES CSDs
- Refinance €GCPlus assets to a wide range of counterparties in Euroclear’s triparty environment or to Banque de France. Other central banks in the Eurosystem are set to join the service soon

€GCPlus – highly secure financing



The €GCPlus service offers

- Access to €GCPlus cleared products
- Safe, anonymous environment
- Full suite of triparty services including re-use
- Hold securities in Euroclear Bank or an ESES CSD

“€GCPlus brings an innovative solution that creates a community of trading firms across multiple settlement platforms. For the first time, customers of Euroclear Bank and ESES CSDs can trade baskets of collateral regardless of their choice of settlement platform while still benefiting from the services of a CCP. It’s the centrepiece of our Collateral Highway with the potential to act as a catalyst to a more liquid interbank market.”

OLIVIER DE SCHAETZEN
Euroclear Product Sales Specialist, Collateral Management

Definition of LCH.Clearent €GCPlus baskets cleared by LCH and managed in triparty

Basket 1 – High issuance rating

ISIN XS0708254148

- ECB liquidity classes L1A, L1B, L1C
- Issuance rating higher than A- (govies) AA- (other)
- Support Liquidity Coverage Ratio Basel principles upon participant allocation strategy

Basket 2 – ECB eligible

ISIN XS0708254817

- ECB liquidity classes L1A, L1B, L1C, L1D
- Issuance rating higher than BBB-

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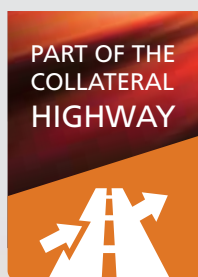
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