

## Euro GC Pooling®

The preference towards limiting credit risk exposure is leading to an increase of secured money market transactions.

Euro GC Pooling® is a cash-driven general collateral segment of Eurex Repo and offers a unique combination of collateralized money market trading with the efficiency and security of Eurex Clearing AG's central counterparty. It is easy to trade extremely large tickets and deals can be seamlessly completed and then processed automatically without any issues over credit or security allocation.

The compelling advantage of Euro GC Pooling® is the re-use possibility of received collaterals for further money market transactions and refinancing within the framework of ECB open market operations. The OneWeek Tender term with flexible value dates for term legs enables participants to utilize surplus liquidity resulting from the European Central Bank tender in an efficient manner.

Euro GC Pooling® was developed jointly by Eurex Repo GmbH, Eurex Clearing AG and Clearstream Banking AG and launched in March 2005 with the expressed purpose of delivering all the recognizable advantages of electronic trading, through a well-regarded Clearing House in combination with a centralized collateral management system.

### Major Advantages at a Glance

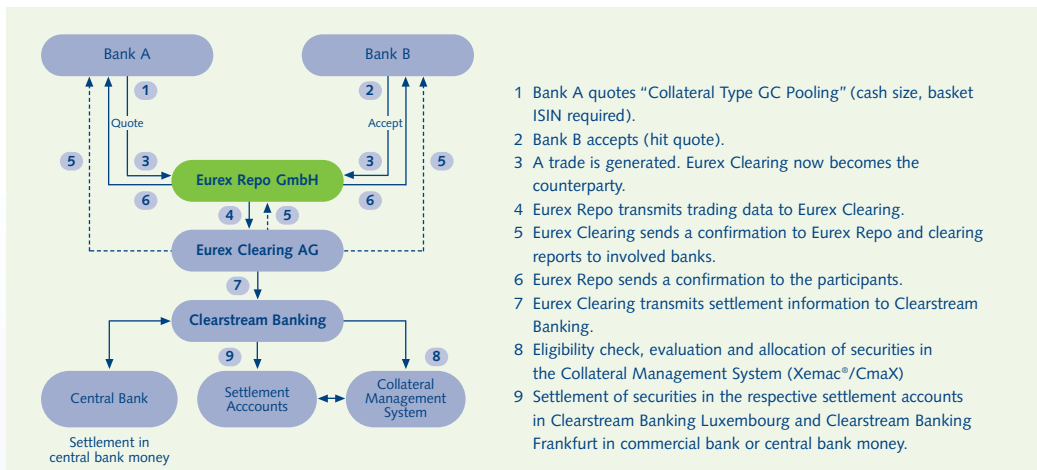
<b>Trading</b>	<ul style="list-style-type: none"> <li>Secured euro cash funding collateralized by unique, harmonized baskets</li> <li>Cash-driven GC trading on an open order book basis</li> <li>Euro GC Pooling® Basket comprises approximately 8,000 ECB/Bundesbank-eligible securities</li> <li>Multiple terms: OverNight, TomNext, SpotNext, OneWeek Tender, SpotTerm and FlexTerm</li> <li>Anonymous trading via Eurex Clearing AG stepping in as central counterparty</li> </ul>
<b>Clearing as Central Counterparty</b>	<ul style="list-style-type: none"> <li>Minimize risk through the use of Eurex Clearing AG as central counterparty</li> <li>Netting at clearing level with Eurex Clearing AG's delivery management</li> <li>Zero regulatory capital cost for all transactions due to central counterparty</li> </ul>
<b>Collateral Management with Fully-Automated Allocation</b>	<ul style="list-style-type: none"> <li>Re-use of collateral and pledge to ECB/Bundesbank</li> <li>Linking of Clearstream Banking AG, Frankfurt and Clearstream Banking SA, Luxembourg assets to one virtual collateral pool</li> <li>Automated processing in Clearstream Banking SA, Luxembourg and Clearstream Banking AG, Frankfurt security accounts</li> <li>Automated allocation of securities</li> <li>Real-time substitution of securities</li> </ul>

### Euro GC Pooling® – Development of Outstanding Volume\* from March 2005 to February 2008 (EUR in Millions)



\*20-day moving average/single counted

## Market Concept



## Participate Throughout Europe

All banks and financial service providers fulfilling the following prerequisites may participate:

- Trading admission for the Eurex Repo Euro Market
- Euro GC Pooling® admission
- Clearing admission with Eurex Clearing AG
- Participation in the Collateral Management Services (Xemac® and/or CmaX) of Clearstream Banking
- Settlement arrangements with Clearstream Banking SA, Luxembourg and/or Clearstream Banking AG, Frankfurt

## Collateral Management Within Clearstream (Xemac®/CmaX)

The collateral management services are provided by the Clearstream Systems Xemac® and CmaX.

## Cash and Securities Settlement with CASCADE/Creation

Euro GC Pooling® trades are settled within CASCADE, the central securities settlement system of Clearstream Banking AG, Frankfurt. International customers can use their infrastructure within the Creation settlement system of Clearstream Banking SA, Luxembourg for cash and collateral related activities.

## Securities of the Standardized Euro GC Pooling® Basket

Based on the ECB Eligible Assets Database (EAD) state-issued bonds and fully covered bonds from Austria, Belgium, Germany, Italy and Luxembourg.

## Get More Information

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