

€GC Plus on MTS

Centrally cleared tri-party repo secured financing

MTS Repo, our leading electronic European repo platform, supports trading of €GC Plus, a tri-party repo product initially developed by Banque de France in collaboration with LCH SA and Euroclear.

Why trade €GC Plus on MTS Repo?

Trading €GC Plus gives you access to secured euro cash funding with standardised baskets of collateral, and the confidence of trading through LCH SA, the largest clearing house for fixed income and repo in Europe, and Euroclear, the largest tri-party service provider in Europe.

The MTS Repo platform is a professional e-trading venue for real-time eurozone repo trading, pricing and liquidity, uniting market participants across Europe. The depth of counterparties and range of instruments combined with pricing transparency has made it a benchmark electronic trading platform for the European repo market.

Benefit From:

- ✓ Secured euro cash funding with standardised baskets of collateral
- ✓ Anonymous trading with novation and netting by LCH SA, offering balance sheet relief and lower regulatory capital cost
- ✓ Risk diversification for existing cleared GC products
- ✓ Access to the Eurosystem for credit operations, re-using received collateral
- ✓ Access to a large counterparty base on MTS thanks to a fully interoperable collateral system between Euroclear Bank and Euroclear France / ESES
- ✓ DVP settlement along the full chain without the need to pre-fund to roll-over and settle repos
- ✓ Full re-use possible in triparty collateral management

Two Liquid Collateral Baskets

Baskets based on liquid fixed income instruments eligible to Eurosystem's monetary operations:

**Basket 1 – LCHC EURO-GCPLUS
LCR EQUIVALENT
XS0708254148**

- ✓ High quality liquid assets
- ✓ ECB liquidity classes L1A, L1B, L1C
- ✓ Issuance rating higher than A- (Govies) AA- (other)

**Basket 2 – LCHC EURO-GCPLUS
ECB RESTRICTED
XS0708254817**

- ✓ Larger spectrum of ECB eligible assets
- ✓ ECB liquidity classes L1A, L1B, L1C, L1D
- ✓ Issuance rating higher than BBB-



The Value Chain:

- ✓ Anonymous cash-driven trading via MTS
- ✓ Two baskets covering a large set of ECB eligible securities
- ✓ Intermediation of the CCP reduces regulatory capital cost
- ✓ Exposure netting at clearing level
- ✓ Robust risk management
- ✓ Automated collateral management provided by Euroclear
- ✓ Real-time substitution of securities
- ✓ Interoperability between Euroclear Bank and Euroclear France
- ✓ Full possibility of collateral re-use
- ✓ Potential for refinancing with Banque de France
- ✓ Future expansion to other NCBs being explored

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