Euro GC Pooling

Continues Dynamic Growth

Frankfurt, February 29, 2008
Agenda

Introduction

Eurex Repo: Latest Development

Euro GC Pooling: Overview and latest Development

Outlook
Swiss National Bank auctions 4bn in US Dollar Repo (versus SNB GC) on Eurex Repo as part of an exceptional liquidity supply program by the FED.

Interbank Repo activities accelerated at year-end 2007 and into 2008 in CHF and EUR Markets, above €100bn

Internationalization of Eurex Repo continuous: 11 new participants legally admitted in 2007 to a total of 182

- GC Repo on the rise in 2007, mostly driven by Euro GC Pooling and its internationalization with CBL.
- The Ratio GC : Special = approx. 4 : 1
Benefits

- Secured Euro cash funding collateralized by unique, harmonized baskets
- Cash-driven GC trading on an open order book basis
- Re-use of collateral and pledge to ECB / Bundesbank (Tender auctions for participants based in Germany)
- Anonymous trading via Eurex Clearing stepping in as central counterparty
- Netting at clearing level with Eurex Clearing’s delivery management
- Linking of CBL and Xemac (CBF) assets, creating one virtual collateral pool
- Automated allocation of securities
- Real-time substitution of securities
- Automated processing in Clearstream Frankfurt and Luxembourg security accounts
- Use of existing and established STP-infrastructure (Eurex Repo / Eurex Clearing / Clearstream collateral management & settlement services)
Euro GC Pooling

Euro GC Pooling enables trading with automated collateral management

1. Bank A quotes “Collateral Type GC Pooling” (cash size, basket ISIN required).
2. Bank B accepts (hit quote).
3. A trade is generated. Eurex Clearing now becomes the counterparty.
4. Eurex Repo transmits trading data to Eurex Clearing.
5. Eurex Clearing sends a confirmation to Eurex Repo and clearing reports to involved banks.
6. Eurex Repo sends a confirmation to the participants.
7. Eurex Clearing transmits settlement information to Clearstream Banking.
8. Eligibility check, evaluation and allocation of securities in the Collateral Management System (Xemac*/CmaX*)
9. Settlement of securities in the respective settlement accounts in Creation or CASCADE in commercial bank or central bank money.
Daily outstanding volume record €46.2bn reached on Feb 22, 2008
- Largest Ticket: €10.5bn
- During the turbulences in financial markets, Euro GC Pooling proved to be an efficient tool for secured cash funding. The #Quotes and volumes increased:
  - In the beginning in OverNight, TomNext and SpotNext terms
  - In 2008 strong activities in Term Business up to 12M
- Euro GC Pooling has been extended and further internationalized with the connection to Clearstream Banking Luxembourg as of Sept 3rd, 2007.
Euro GC Pooling
Development of Term Business

Euro GC Pooling - Volume by Terms

Average term adjusted volume daily in € million (double counted)
# Market Quotes on Eurex Repo

## Market Screen snapshot 13 February 2008 / 14:32

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- **Tight spreads**
- **Good sizes**
- **Terms up to 12M**
Euro GC Pooling
Correlation of Interest Rates


Interest rates in %

EONIA
EGCP avg
Overnight
Eurex Repo and Euro GC Pooling will be further expanded:

- Additional baskets and securities
- Open Repo
- Variable Repo
- Additional CCP services
- Additional collateral management, settlement and custody services
- Securities Lending and Borrowing