



Cleared Reverse Repo

Do you have large cash balances that you're looking to invest in a highly liquid and fully collateralized market? If so, becoming a cash provider through BNY Mellon's Sponsored Cleared Repo program may be the short-term solution you've been seeking.

What is Reverse Repo?

Repo markets are a much-needed sector for investors seeking short-term cash. However, repo markets are also an invaluable investment venue for cash holders looking to put cash to work.

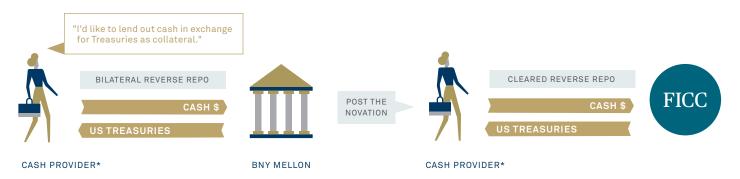
Reverse repo allows you to provide the cash leg in a repo transaction, lending money out overnight in exchange for US Treasuries.

BNY Mellon's Sponsored Cleared Repo service enables you to provide cash in cleared reverse repo via a sponsored membership into the Fixed Income Clearing Corporation (FICC), a central counterparty subsidiary of DTCC.

How Does Cleared Reserve Repo Work?

A cleared reverse repo starts out like a bilateral reverse repo. However, since the sponsored cash provider will ultimately face FICC directly, and BNY Mellon will guarantee the performance of that party, there are a few additional steps:

- 1. Additional documentation needs to be agreed up front with both BNY Mellon and FICC.
- 2. After a trade has been agreed and settled between BNY Mellon and the sponsored party, the trade is novated to FICC.
- 3. The sponsored member then faces FICC as the counterparty to the reverse repo for the remainder of the trade.



The Benefits of Cleared Reverse Repo

Enhanced Liquidity: Improved balance sheet efficiency leads to increased capacity.

Safety and Stability: Enjoy the security of facing a CCP without the obligations of full membership.

Access to a CCP: Sponsored membership is a highly effective way for the buy side to access FICC.

Transact Within BNY Mellon's Repo Ecosystem: Execute trades on our familiar and convenient custody and repo platforms.

For more details about Cleared Reverse Repo, please contact Kieran Lynch at Kieran.lynch@bnymellon.com.

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