Introduction to International Repo & Securities Lending
全球债券回购与借贷

ASIFMA, CDC, UBS, RBS

February 19, 2007

SECTION 5 第五节

Advances in Liquidity Markets
流通市场的改善

Triparty Repo 第三方托管式回购

- Triparty Repo is an advancement in the market that has simplified operations and greatly increased the trading volume in both US and Europe liquidity markets. Remember the graphs showing US and Europe market growth!
  第三方托管简化回购操作，使欧美市场的交易量得以大幅度的增长。
  请参考第二节统计图表。

- Used only as funding product (GC repo)
  融资作用

- Triparty Repo (1 settlement bank) vs Deliverable Repo (2 settlement banks)
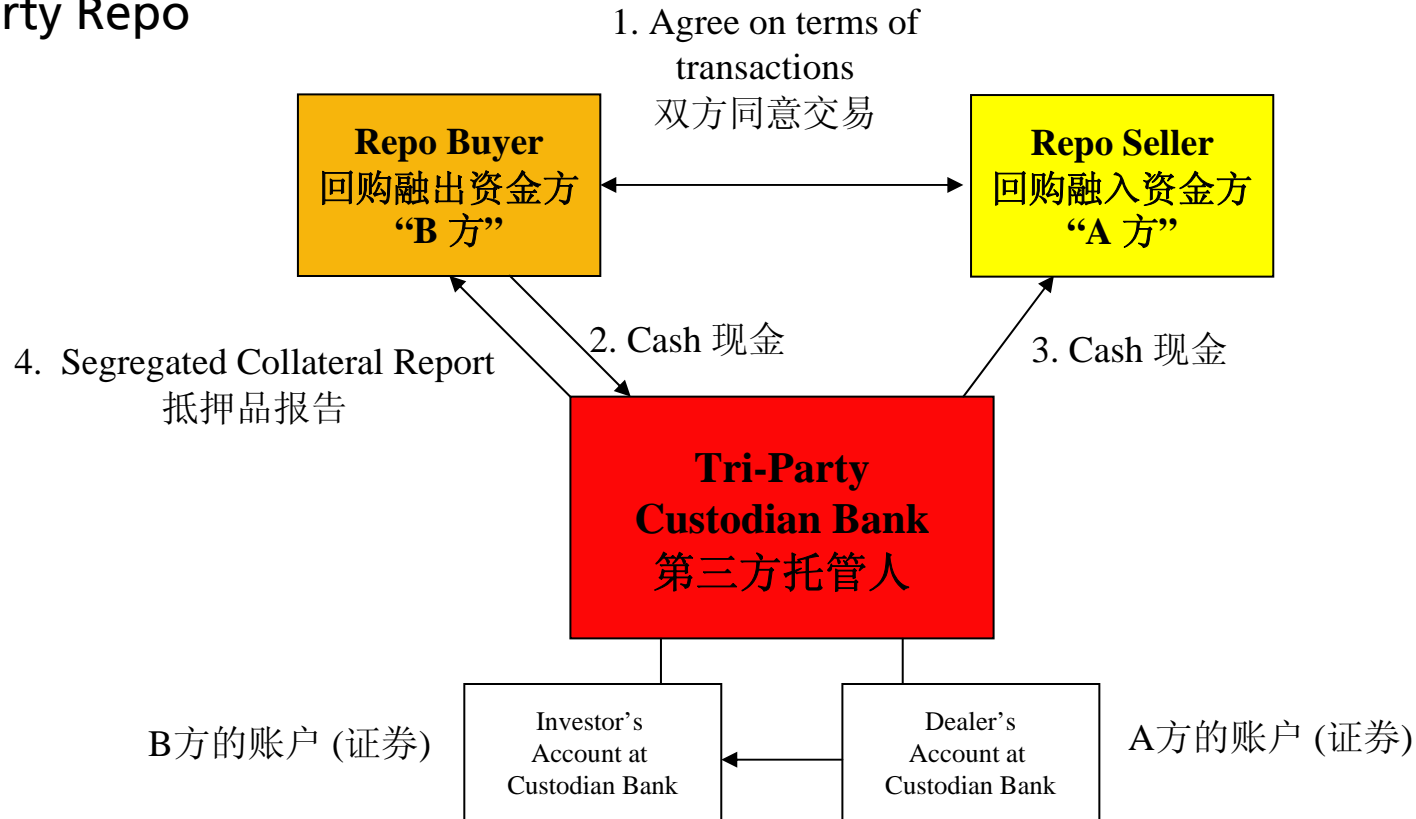 交付式回购，双方须各有托管银行
  第三方托管式回购，只须一家托管银行

- Who are triparty agents? 主要的第三方代理机构：

  For U.S. – agent banks (JPMChase, BONY), CSD (FICC)
      美国的代理银行，机构
  For Europe – ICSDs (Euroclear, Clearstream, JPMChase, BONY)
      欧洲的代理银行，机构

Triparty Repo Structure 第三方托管式回购结构

◆ **Triparty Repo**

1. Agree on terms of transactions
双方同意交易

| Repo Buyer 回购融出资金方 "B 方" | Repo Seller 回购融入资金方 "A 方" |

4. Segregated Collateral Report
抵押品报告

2. Cash 现金

3. Cash 现金

Tri-Party Custodian Bank 第三方托管人

B方的账户 (证券)

Investor's Account at Custodian Bank

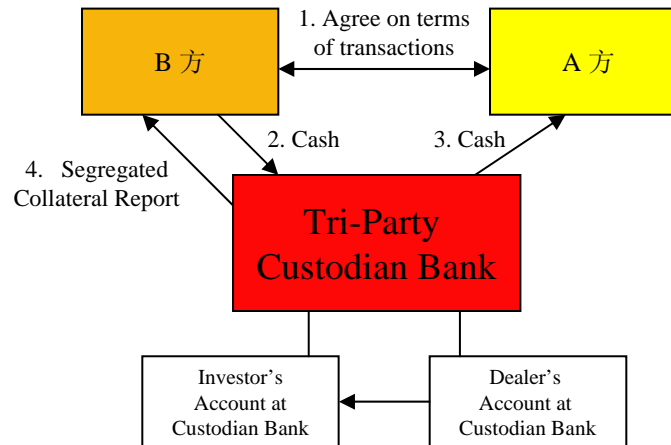Dealer's Account at Custodian Bank

A方的账户 (证券)

Upon receipt of cash from investor, Custodian Bank moves
collateral from Seller's account into Investor's account
第三方托管人收到B方的现金和计算了A方应交的抵押品，
才能把现金抵押品同时转移

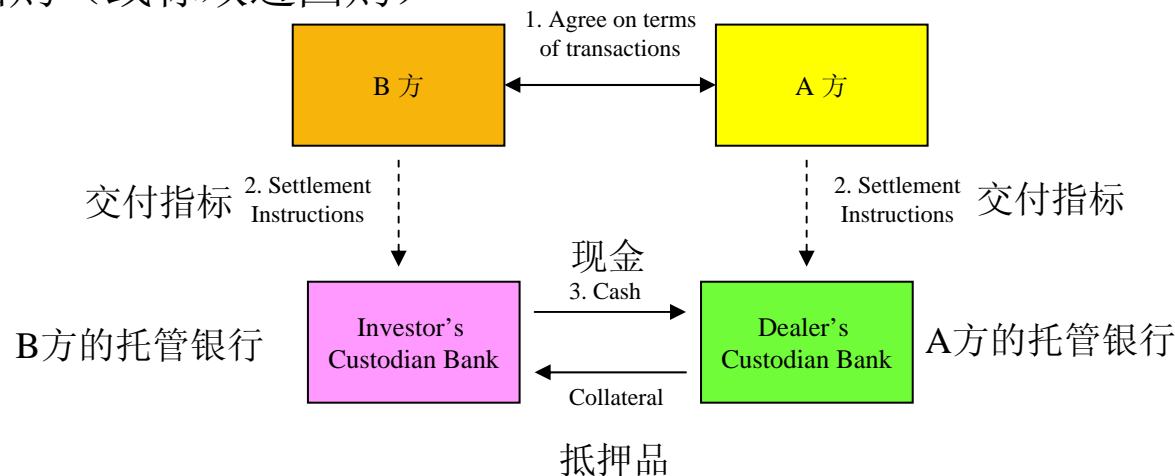# Comparison of Triparty Repo vs Deliverable Repo Structure
第三方托管式与交付式回购比较

♦ **Triparty Repo**
  第三方托管式回购

♦ **Deliverable Repo (aka Bilateral Repo)**
  交付式回购（或称双边回购）

Triparty Agent Responsibilities 第三方托管人的责任

- ◆ Ensure collateral amount is sufficient.
  确保抵押品数量足够。

- ◆ Also tally Repo Buyer 's (Cash Lender) conditions before releasing funds to the Repo Seller.
  并符合回购融出资金方的条件时才将资金给回购资金融入方。

- ◆ Allocation of collateral/securities
  配置抵押品。

- ◆ Every day or every cycle, produce collateral report
  每天或一天多次， 准备抵押品报告书。

- ◆ Start from scratch every day/cycle, calculate/estimate value all the collateral. If insufficient,
  每天或一天多次， 重新估值所有的抵押品。若数量不足，从回购融入资金方的帐户转移新的抵押品。

- ◆ If Repo Seller's securities were sold in the interim, new collateral is substituted
  若抵押品被卖掉，第三方托管银行会重新配置抵押品。

Merits of Using Triparty Agent 使用第三方托管的优点

- ♦ All the securities and cash are located in the same place. Reduce mistakes in payments and securities transfers. And also speed of accuracy.
  所有证券与现金都是在同一家银行内转账。
  减少转移的错误，并且快速准确。

- ♦ Recalculation of collateral everyday. Increases accuracy.
  抵押品每天（或一天多次）重新估值。增加准确性。

- ♦ Collateral is automatically allocated. Reducing manual operations and possibility of mistakes. Especially when used in large-sized transactions.
  抵押品自动配置。 减少人工操作，错误的可能性。
  尤其适用于大笔交易。

- ♦ Simplify counting/recording and calculation.
  简化会计记录，和计算。

Triparty Repo Benefits 第三方托管式回购的益处

◆ Example: USD$10,000,000,000 repo trade
例如：美元100亿的回购交易额

	Deliverable Repo 交付式	Triparty Repo 第三方托管式
Securities 证券	allocate manually 逐张人工配置	auto allocation by triparty agent 由托管银行计算
Substitution 替换	manual & tedious 人工计算	automatic 自动
Trade Ticket 交易单	many 许多张	1 （一张)

◆ Efficiency: Save time therefore save money! 提高效率：节省时间和金钱！

Superior risk mgmt 优越的风险管理:
   Always fully secured, so no manual margining.
   保证有足够的保证金。所以不需要人工计算抵押品。

Different Securities: Flexibility. Secured funding for complex securities.
适用于多种类 - 多数量复杂 的抵押品

Triparty Repo Benefits 第三方托管式回购的益处

◆ If you have USD$10,000,000,000 would you invest in
若有美元$100亿，该投资..?

deposit	银行存款
deliverable repo	交付式回购
triparty repo	第三方托管银行
commercial paper	商业票据

Why? 理由？

Triparty Repo Wrapup 总结

♦ Wait a second. Is there a similar structure in China?
Yes, when participants trade on the exchanges (SSE,SZE)
中国的交易所债券回购与第三方托管类似。

♦ CSDCC (aka ChinaClear) 中国证券登记结算公司

CSDCC can be viewed as a type of third party agent
中国结算可视第三方托管代理结构
  Activities include 工作辖围: calculation agent (BZQ) 估值工作，质押券管理 (标准券）
                      margin agent 调整保证金代理
                      but not a securities-allocation agent 但不自动配置抵押品

Pledged Repo 质押式回购: bonds are sitting in an account at CSDCC 券冻结在CSDCC
New Pledged Repo 新质押式回购 → Old Pledged Repo + Subsitution
                              旧的质押式回购 + 替换能力

Securities flexible: governments or corporates 可用证券包括国债和企业债

Chinese participants still manually reallocate securities in the basket
unlike in international markets where the triparty repo agent does
the automatic allocation.
国际性的第三方托管代理银行可以自动配置抵押品，但是在中国（交易所交易）仍须人工计算

FICC in the US: triparty "GCF repo" product

Other Triparty "Products"! 其他的第三方托管"产品"

- ♦ Triparty Repo is only one form of advancement
  第三方托管回购只是改**善的一**种

- ♦ There are also 也有
  - Triparty Securities Lending 第三方托管证券借贷
  - Triparty Collateral Management 第三方托管抵押品管理

- ♦ Similar concepts, shows the power of "outsourcing" functions as
  - calculation/valuation
  - dynamic securities allocation
    - (removes the need for margin calls and
    - greater collateralization at 102%)

  so that you increase efficiency, lower risk, and focus on your trading

  第三方托管可以自动估价，计算，配置抵押品，增加效率，减低风险，让前台专心交易。

Other Advances 其他的改善

◆ Equities Repo   股票回购
   CDO Repo   债务作担保证券回购 （证券化证券回购）
   Structured Note Repo   结构票据回购

◆ Advanced Triparty Repo   高级第三方托管回购

(bonds + equities + ETFs + even derivatives as eligible "collateral")
可接受抵押品：债券加股票加交易所指数基金加衍生产品

As long as you can price collateral
抵押品有市有价，就可作第三方托管。

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