

RepoConnect

A real-time post-trade platform for all your repo trades



Repo industry snapshot

The global repo industry is expanding rapidly and growing ever more complex. To give just two examples:

\$4T

The U.S. repo industry provides more than \$4 trillion in funding every day



€6.7T

In September 2023, repos accounted for
€6.7 trillion in transactions
(68% of the European securities finance total)



Repo headwinds gathering strength

As a result of the industry's historically manual, OTC, non-cleared, and opaque characteristics, repo participants are increasingly exposed to higher risks and negative P&L impacts. Two examples:

6000

Average daily fails in EU capital markets alone

€1.7 billion

In penalties resulting from fails (2022)

Such stubbornly high fail rates have introduced potentially existential threats to many businesses:

Soaring fail costs

Significant RWA considerations

Higher operational risks, including missed settlement, credit exposure, settlement mismatches, late cancellation risk

Funding uncertainty and losses owing to higher interest rates

To run an efficient and profitable repo desk, businesses are forced to build complex, multiparty and highly regulated post-trade processes that include:



Access to cash



Access to funding



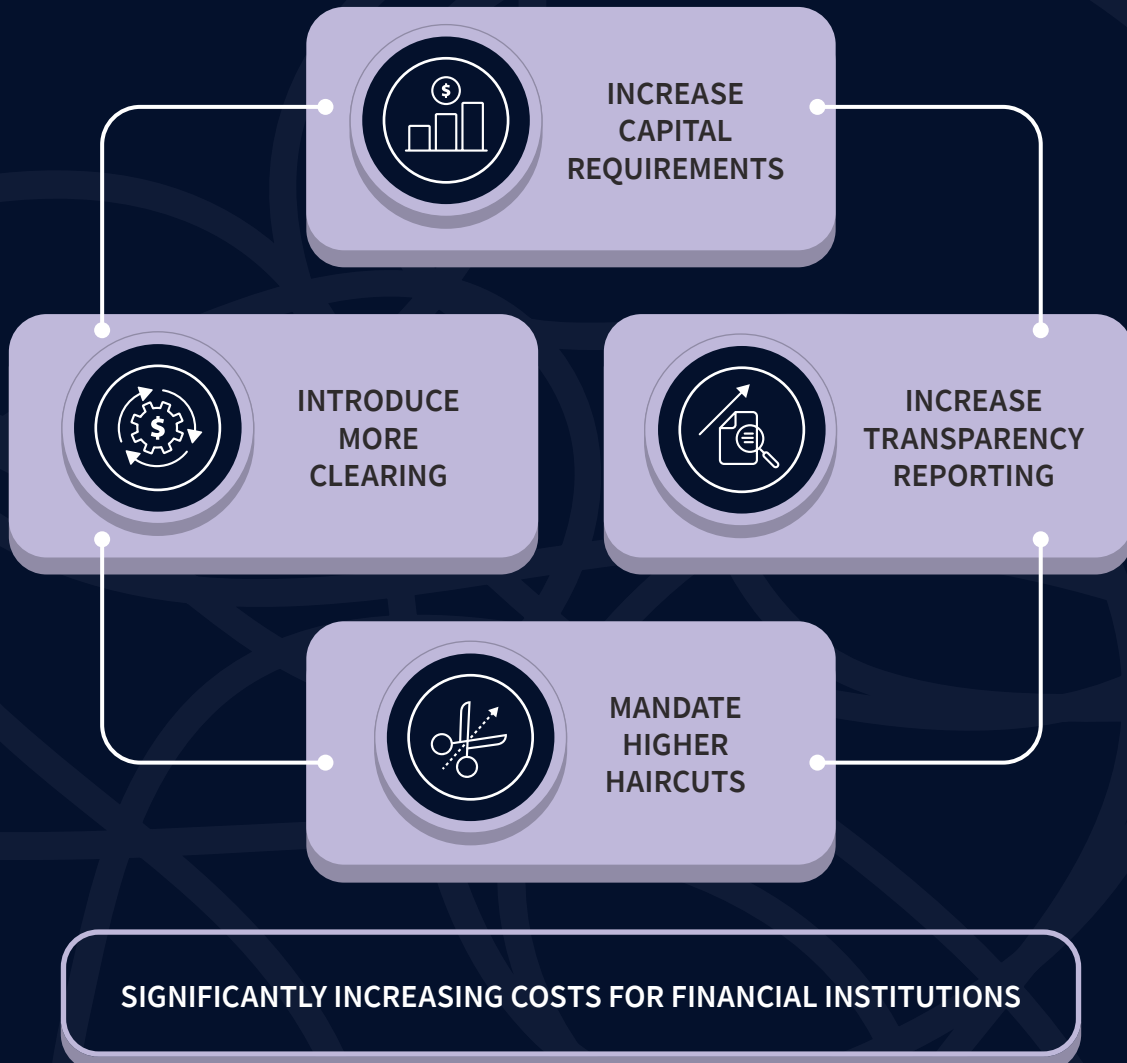
Secure and safe short-term investments



Optimized collateral usage

The regulatory whirlwind

Regulatory trends are compounding these headwinds. Post-global financial crisis, regulators around the world continue to:



Add to this volatile mix the interest rate increases seen post-Covid.

→ The cost of operational inefficiencies and fails has increased exponentially

THE FINAL KICKER:

\$336 TRILLION

Global debt is expected to increase to \$336 trillion in 2030 (from \$225 trillion in 2023).

→ The only cost-effective and long-term solution to this repo landscape: automate

Why automate?

To handle and indeed benefit from the increasing repo flow, trading desks will have to scale in both cash and financing.

However.... The status quo is an obstacle to efficient scaling:

FACT

Although electronic trading has increasing in recent years, 80% of the dealer to client repo sector still relies on legacy methods of execution (email, telephone, fax, manual spreadsheets...)

FACT

Electronic execution platforms do not eliminate the need for post-trade automation (affirmation, SSI matching, post-trade execution, life-cycle support, resolution, streamlined communication...)

FACT

Repo post-trade automation has severely lagged behind other parts of global capital markets (still heavily reliant on manual touchpoints and Ops personnel to confirm trades, manage breaks, settlements, pair-offs, block allocations, coupon claims and other life-cycle processes)

Why RepoConnect?

RepoConnect upgrades your repo desk and the repo industry to cutting-edge, digital standards. The global solution offers:

An end-to-end, fully automated and customisable repo post-trade platform

Automated pair-offs, reducing settlement risks and fails, and providing funding certainty to minimise unexpected treasury costs

Connected to the entire repo ecosystem, including \$1.5 trillion in assets that Pirum draw on

RepoConnect is a unique exception-based solution enabling your desk to immediately zero in and resolve settlement breaks across the repo lifecycle:



RepoConnect benefits

RepoConnect offers an unrivalled, detailed and holistic view of all your repo trades, with all of your counterparties on an intuitive dashboard.

RepoConnect enables your desk to:



Compare & affirm in real-time key trade economics and lifecycle events (including re-rates, closeouts, partials)



Automate pair-offs to reduce gross settlements and improve funding certainty as early as trade date



Ensure accuracy of risk, positions and trading desk P&L



Identify, reconcile, and resolve settlement breaks without leaving the intuitive dashboard



Connect with all your counterparties with in-platform communication and notifications (internal and external), to ensure accurate trade capture and timely settlement



Reduce fail costs and ensure CSDR compliance via accurate trade matching



Achieve up to 99.8% STP processing, with full two-sided reconciliation



Provide management with greater transparency via a consolidated messaging and audit log

The bottom line

**The cost of a single sizeable fail will cover
the cost of the service for a year**

Why Pirum

Pirum is a globally connected post-trade services fintech that has been at the heart of the securities finance industry for over two decades.

Our solutions and industry-leading expertise cover the entire post trade lifecycle for repo, securities lending and borrowing, and collateral management.

We offer an unrivalled industry experience, network connectivity and fast time to market

**To find out more about how your repo desk
can work smarter, not harder:**

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