

Welcome to the Tri "Party": Broadridge Launches Sponsored General Collateral Service

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Innovation expands post-trade capabilities into new asset classes

NEW YORK, Sept. 10, 2021 /PRNewswire/ -- **Broadridge Financial Solutions** (NYSE:BR), a global Fintech leader, today announced that the first fixed income trades for Sponsored General Collateral (GC) Service were completed via Broadridge's post-trade processing solution, in conjunction with DTCC and BNY Mellon. Offered by DTCC's subsidiary Fixed Income Clearing Corporation (FICC), the newly launched Sponsored GC Service will provide the opportunity for Sponsored Members to transact triparty repo activity with their Sponsoring Members on a general collateral basis. The Broadridge functionality expands the current fixed income footprint developed for the FICC's Sponsored Service which began with Sponsored Repo in 2018.

"Sponsored GC represents a fantastic opportunity to expand our post-trade capabilities into new asset classes," said Vijay Mayadas, President of Capital Markets at Broadridge. "Broadridge, in conjunction with DTCC and BNY Mellon, has worked with multiple clients who seek to be first providers of GC to adapt to changes in market structure and expand their post-trade tech stacks, which helps increase liquidity and reduce balance sheet consumption."

The Sponsored GC Service expands the arsenal of instruments available under sponsored programs with keen interest from firms that are cash providers and with holdings in MBS, which are now eligible with sponsored GC expansion. Other benefits of the GC initiative include expanded financing offerings by FICC members with their clients who are non-FICC members, the ability to net down balance sheet positions, and improved efficiencies with the potential for reduced costs.

Sponsored Repo saw strong growth across a diverse list of Broadridge clients as far back as 2018, both globally and regionally. Sponsored GC was structured by FICC in a similar manner, so firms involved in Sponsored Repo have

grasped the concepts and the opportunity for Sponsored GC quickly, and many are integrating or planning the addition of GC to compliment Sponsored Repo. Although both Sponsored Programs share commonalities, there are differences between the two offerings which make them uniquely attractive. For example, Sponsored GC requires members to initiate deals through normal Triparty processing, extended to now include the MBS collateral space and instills different FICC processing timelines. Sponsored Repo, on the other hand, settles transactions via legacy netting and settlement processing, requires a reverse repo or repo transaction to initiate the Sponsored Repo flow, and is for overnight and term deals only. In addition, many of the same firms are also closely eyeing the proposed new SFT Clearing Service under NSCC to complete the circle, as the SFT Clearing Service will include a sponsored-like offering for equity financing and is anticipated to be launched later in 2021, subject to regulatory approval.

About Broadridge

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with over \$4.5 billion in revenues, provides the critical infrastructure that powers investing, corporate governance and communications to enable better financial lives. We deliver technology-driven solutions to banks, broker-dealers, asset and wealth managers and public companies. Broadridge's infrastructure serves as a global communications hub enabling corporate governance by linking thousands of public companies and mutual funds to tens of millions of individual and institutional investors around the world. In addition, Broadridge's technology and operations platforms underpin the daily trading of on average more than U.S. \$9 trillion of equities, fixed income and other securities globally. A certified Great Place to Work®, Broadridge is a part of the S&P 500® Index, employing over 13,000 associates in 21 countries. For more information about us and what we can do for you, please visit www.broadridge.com.

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