ANNUAL REPORT

TRANSFORMING IDEAS INTO REALITIES

GOVERNMENT SECURITIES CLEARING CORPORATION
INTERACTIVE REAL-TIME MESSAGING...GSCC has implemented Interactive Messaging to support real-time trade matching (RTTM). This deployment is the first of a series of interrelated projects aimed at ultimately providing straight-through processing and a point-of-trade guarantee for our customers' activities. Many of the projects involve RTTM modifications to help achieve our ultimate goal of providing 100% comparison intra-day, bringing even greater risk protection to members.

GROWTH OF GCF REPOS...We expanded our General Collateral Finance Repurchase (GCF Repo) service to allow for the inclusion of Agency and mortgage-backed securities (including Fannie Maes and Freddie Macs). The expansion led to a dramatic increase in volume this year, as customers seized a new opportunity to utilize these securities as collateral in repo transactions.

CROSS-MARGINING AGREEMENTS...GSCC has made major infrastructure changes on the Cross-Margin Hub facility, which will allow creation of cross-margining relationships with other clearing organizations around the world that offer fixed income futures products. The goal is to maximize collateral savings and other benefits to customers.

FIXED INCOME CONSOLIDATION...We are working with other clearing corporations to explore ways to consolidate the processing of fixed income instruments. The objective is to integrate and leverage technology platforms to enhance the industry's move to real-time processing and minimize costs associated with redundant development efforts. One example is our collaboration with MBS Clearing Corporation to build a real-time trade matching facility for mortgage-backed securities.

COMMON COMMUNICATIONS FACILITY...Our Participant Access Network was flexibly designed to accommodate new products as they come to market. A single connection through this network provides participants with Interactive Messaging, batch file transfers as well as expanded Web screen access to all our products and services. The network, developed jointly by GSCC and the clearing subsidiary of The Depository Trust & Clearing Corporation (DTCC), is being further expanded to provide a single communications connection for all fixed income products.
A DAY IN THE LIFE
@ GOVERNMENT
SECURITIES
CLEARING
CORPORATION
ABOUT
GOVERNMENT
SECURITIES
CLEARING
CORPORATION

Government Securities Clearing Corporation (GSCC) clears and settles a broad range of U.S. Government securities transactions for brokers, dealers, banks and other financial institutions involved in this dynamic marketplace. These transactions include buy/sell and repurchase agreement transactions in, and original auction purchases of, Treasury bills, bonds, notes, zero-coupon securities, Government Agency securities and inflation-indexed securities. By providing highly sophisticated, automated trade comparison, netting and settlement processing services, GSCC ensures the timely, accurate and cost-efficient completion of transactions for 121 member firms and the more than 400 correspondent firms that clear through these members. GSCC’s risk management process provides stability to the marketplace and our participants by minimizing the risks arising from the process of clearing and settling government securities. GSCC is a clearing agency registered with, and regulated by, the Securities and Exchange Commission. Owned primarily by its members, GSCC is guided by a Board of Directors that reflects the organization’s membership; it includes representatives from the large community of dealers, brokers and other financial entities that trade in or clear U.S. Government securities.

ADDRESSING MAJOR TRENDS

GROWING TRADE VOLUMES...GSCC’s total processing volume for U.S. Government securities in 2000 rose to some 13 million transactions, and the dollar value went to over $252 trillion, compared to more than 11 million transactions valued at $218 trillion in 1999.

STRAIGHT-THROUGH PROCESSING (STP) AND T+0...
The industry is seeking to manage rising trade volumes and reduce risk by moving the settlement guarantee closer to the time of trade execution. STP, where a trade is processed electronically — with no manual intervention — is a necessary step to achieve T+0, in which trades are accurately captured, guaranteed, reconciled and settled (when appropriate) on the same day they are executed and submitted.

GROWTH OF ELECTRONIC TRADING SYSTEMS (ETTs)...
ETTs are collapsing fixed income trading into one global market. At least 70 U.S.-based and five European firms today facilitate the buying and selling of bonds electronically compared to 11 in 1997. The Bond Market Association expects the value of U.S. bonds traded online every day to zoom from $22 billion in 2000 to $253 billion, or 55% of total U.S. bond trading, in 2004.

INDUSTRY CONSOLIDATION...Mergers and acquisitions are creating a significant number of large and often complex financial institutions. Encouraging consolidation are improvements in information technology, financial deregulation, globalization of financial and nonfinancial markets, and increased shareholder pressure for financial performance.

GLOBAL INVESTMENTS...Foreign investment in U.S. securities more than tripled over the last decade, topping $4 trillion in 2000. Investments in foreign securities by U.S. firms soared to nearly $2.5 trillion in 2000, an increase of almost 700% since 1990. Along with this is growing interest in European sovereign debt markets among GSCC members who increasingly look across the Atlantic for new growth opportunities.

DECREASING SUPPLY OF U.S. TREASURY SECURITIES...
The U.S. Treasury continues to reduce its borrowing and pay down outstanding debt. Gross issuance of coupon securities decreased some 22% to almost $283 billion in 2000. Treasury bills outstanding totaled nearly $647 billion at year-end 2000, down $90 billion from 1999.
We are the Government Securities Clearing Corporation (GSCC). Our technology, know-how and vision have transformed U.S. Government securities post-trade processing. Our track record is solid and proven. For 14 years, we’ve worked with our customers to transform their requests and requirements into processing realities that brought efficiencies, reduced costs and lowered risks. At the core of our success is a talented team of professionals. They bring valued leadership skills and a unique knowledge of this industry sector. Having addressed the need for certainty in government securities processing, we are eager to push ahead with the industry as it explores greater synergies that can be achieved in looking at the entire fixed income marketplace. GSCC always has been a leader in instituting change. Last year, we took the first steps toward real-time interactive processing. Whether it requires investing in new technologies or turning outward beyond our corporate structure, we remain committed to fashioning solutions that serve the industry’s broadest needs. Behind these solutions stand our people. GSCC’s story is as much about their hard work, dedication and determination to find solutions for our customers, as it is about the solutions themselves.
To Our Customers

Consider....

Idea: Provide the infrastructure and capacity to support trillion-dollar volume days as a routine occurrence. Reality: Just a few years ago, $1 trillion represented a peak processing day. In 2000, it was an average day’s work handled smoothly by GSCC’s processing and risk management systems.

Idea: Maintain high levels of stability and risk reduction to successfully capture the growing volumes in what, from a total dollars’ point-of-view, is the world’s largest securities and financial market. Reality: GSCC processed more than $252 trillion in total dollar volume in 2000, an almost 16% increase over 1999 ($218 trillion). We handled a daily average of more than $1 trillion in buy/sell trades and repos and eliminated an average of more than $657 billion through netting and settlement each day. This compares with nearly $875 billion in average daily transaction volume and about $593 billion eliminated from settlement in 1999.

Idea: Help position customers for T+0. Reality: We launched our Interactive Messaging facility that supports real-time trade matching (RTTM), which will ultimately lead to real-time settlement and netting.

Idea: Work with other clearing corporations to further integrate/consolidate post-trade processing of fixed income instruments — and do so on a real-time basis. Reality: GSCC is sharing its new RTTM technology in collaboration with MBS.

GSCC is home to people working to create new post-trade processing realities for the U.S. Government securities and financing marketplaces. It comes down to this: When our customers succeed, so do we.

In 2000, we worked closely with you to help you stay ahead of trends such as rising volumes, T+0 settlement, and electronic trading networks, and to position your firms for the emerging interactive, real-time processing environment. We continued to develop new ideas that put your capital to effective use and led to further processing efficiencies and cost savings — all within the framework of careful risk management.
Corporation (EMCC) followed a three-month study commissioned by the boards' specially created Synergy Committee. The committee examined whether or not synergies could be found that would help the industry achieve more strategic alignment and greater efficiencies through further consolidation, particularly in the processing of fixed income instruments.

The committee has called for a collaborative effort among clearing corporations to provide centralized services for all fixed income products. GSCC, as noted earlier, laid groundwork for this approach in 2000 by implementing S.W.I.F.T.-based messaging to facilitate interactive real-time trade matching for Treasury products, and by working with MBSCC to specify messaging requirements for mortgage-backed securities. GSCC is working closely with the Synergy Committee and other DTCC entities to extend this standardized message development to other fixed income products in 2001.

LEADING THE WAY ON FIXED INCOME INITIATIVES

Beginning on page 5, we share more details with you about these ideas and other achievements. But 2000 is particularly important because it marks GSCC's move beyond our own "borders" to share innovative solutions and standardized processing to service other fixed income products under The Depository Trust & Clearing Corporation (DTCC) umbrella.

This initiative, endorsed by The Bond Market Association (TBMA) and the Securities Industry Association (SIA), was further validated by the Boards of Directors of four major clearing organizations, including GSCC, which announced in January 2001 that they had agreed in principle to consolidate their activities. The plan would further integrate post-trade processing activities in U.S. Government and mortgage-backed debt securities, as well as emerging markets debt instruments, with DTCC's current clearance and settlement capabilities.

The action of the boards of DTCC, GSCC, MBSCC, and the Emerging Markets Clearing Corporation (EMCC) followed a three-month study commissioned by the boards' specially created Synergy Committee. The committee

IDEA: Develop a cross-margining hub for over-the-counter and debt markets in a global arena.

REALITY: GSCC will have three cross-margining agreements in place by year-end. These will reduce customers' margin requirements by millions of dollars a day, as their offsetting activities in different markets are taken into consideration in the margin calculations of the linked clearing organizations.

2001 AND BEYOND

As we move more fully into the new century, we are looking to follow through on a number of other projects in addition to this fixed income initiative.

For instance, with interactive messaging and RTTM in place, our overriding goal is to achieve 100% comparison of all trades by end of day. This will promote orderly settlement in the marketplace by including the maximum number of trades in GSCC's netting and guaranteed settlement processes, ensuring the greatest degree of risk protection for GSCC and our members.

In another key initiative, we will capitalize on the major infrastructure changes to our new Cross-Margin Hub facility to facilitate creation of additional cross-margining relationships with other clearing organizations around the world that offer fixed income futures products.
We also will intensity efforts to bring the full benefits of risk protection, balance sheet netting, cost reduction and operational efficiencies to trades with and by the "buy side" firms. We have been able to bring into membership virtually all "streetside" entities active in U.S. Government securities and funding marketplaces. Our board has directed us to begin to bring buy-side entities into netting membership.

There are a number of reasons behind this, including reduction in the number of major broker-dealer and bank market participants due to mergers and acquisitions, the increased marketplace role that institutional entities play, the growing amount of trading that dealers are executing directly with these entities, the emergence of automated trading systems and the importance to existing members of maximizing the benefits of automated comparison, reduced net settlement positions and balance sheet offset.

It was a year of transition for us in 2000, with the retirement in September of Sal Ricca as president and chief operating officer. During the more than four years under his leadership and valuable counsel, GSCC expanded our service offerings and continuously provided the industry with efficient and risk-controlled operations. Sal also can take pride in the quality and dedication of the GSCC staff that he helped assemble.

Our Commitment to You

Supported by the Securities Industry Automation Corporation (SIAC), our facilities manager, GSCC people will continue to do what it takes to meet the changing requirements of our customers. We will do this with state-of-the-art technology, experience — and ideas that bring operational and risk-management realities to the processing of Government securities and financing products.

You can count on us to consistently meet your high standards for excellence and to focus our attention on your bottom line.

Kenneth Miller
Chairman

Dennis J. Dirks
Vice Chairman and Chief Executive Officer
1988: GSCC's trade comparison system for cash market transactions goes live, bringing automation and standardization to what had been a manual process.

TRANSFORMING IDEAS INTO REALITIES

CORE BUSINESS: STAYING THE COURSE

We believe that the value of our bottom line is measured by the value added that we bring to each customer's bottom line. Throughout our history, we've linked our bottom line to transforming groundbreaking ideas into post-trade processing solutions in the U.S. Government securities and financing markets by:

• Providing unparalleled processing support for the comparison, netting, guaranteed settlement and risk management of U.S. Government securities quickly and efficiently, and without service disruptions,

• Enhancing trading opportunities for our growing number of members by offering an expanding array of products and services,

• And, by helping customers respond to challenges that are reshaping the financial services industry.

In the last several years, much of our know-how and technology have zeroed in on helping the industry meet what is quite probably its most daunting challenge yet: the march to straight-through processing (STP) and, ultimately, to the interactive, real-time processing environment of T+0.

But along with this effort, GSCC's overriding mission remains constant — to bring order, stability and efficiency to processing trillions of dollars in U.S. Government securities and financing transactions, even in times of high volatility. In the case of 2000, the cumulative value of all GSCC transactions processed exceeded a record $252 trillion, compared with $218 trillion in 1999.

Since our founding in 1986, GSCC has handled a steady rise in processing volumes and associated dollars. Last year marked a major milestone. GSCC's average daily processing volume for buy/sell and repurchase agreements (repos) activity, excluding General Collateral Finance (GCF) Repos, exceeded 52,000 transactions valued at over $1 trillion.

This represented a more than 14% rise over the approximately $875 billion in total transactions processed on a daily basis in 1999. The activity split was roughly 33% in cash trades and 67% in the repo market, an elaborate, multi-layered system of collateralized lending among financial entities.
1989: The netting system is rolled out, with all Treasury securities soon thereafter made eligible for the net. This brings much needed efficiency and risk reduction by aggregating each member's long and short activity within the same security for a given settlement date to arrive at a single or “net” position with guaranteed settlement through GSCC.

We had another record-breaking year. The dollar value of our average daily processing volume (excluding GCF Repos) topped $1 trillion.’’

Eugene Ing  
Director, Management Information Systems

1990: The scope of the netting system is expanded to encompass all forward-settling trades and Agency securities.

“The inclusion of Agency and mortgage-backed securities into our GCF Repo service dramatically propelled its average daily value to almost $7 billion from $278 million.’’

Dave Cosgrove  
Vice President, Operations
1991: Zero-coupon securities are made eligible for netting.

1992: An automatic yield-to-price conversion feature is implemented, eliminating a two-step comparison process for when-issued trades and making GSCC's guarantee of settlement available for such trades on trade date.

1994: GSCC records its first $1 trillion netting day, demonstrating the capacity and reliability of our netting and settlement systems.

The importance of GSCC's netting increased concomitantly with the surging value of trading volumes in 2000. The volume of comparison activity averaged $1 trillion each day, and GSCC netted trades valued at over $961 billion and eliminated an average of more than $657 billion, and its associated risk, from settlement through netting. This represented a netting factor of approximately 68%, compared with 69% on an average of $855 billion in 1999.

The GCF Repo service was an important new growth area for us in 2000. (The service allows dealer members to freely and actively trade general collateral repos throughout the day by removing constraints on collateral notification and allocation.) Total annual value of GCF Repo transactions soared to more than $1.7 trillion from $69 billion in 1999. Driving this dramatic increase is the fact that, in 2000, GSCC began to accept Agency and mortgage-backed securities from our customers as collateral in repo transactions. The resulting jump in volume clearly indicates that GCF Repos have the potential to offer customers greater sources of liquidity for their investments.

Agency securities are becoming an increasingly large portion of GSCC's processing activity, as evidenced by the steady migration from Treasury to Agency securities in the past year. In part, this shift is in response to the continuing Federal budget surplus, which is allowing the U.S. Treasury to pay down a substantial amount of its long-term debt through both a reduction in the number of bond auctions and the amounts being issued. We will continue to monitor this trend and adapt our product line to accommodate it.

**NEW PRODUCTS AND SERVICES: SOLUTIONS FOR CHANGING NEEDS**

In 2000, our most significant innovation was the rollout of an Interactive Messaging facility to support real-time trade matching (RTTM). This implementation is the first step in a multi-year plan to help customers move to a total real-time environment. To pave the way to T+0, GSCC's objective is to provide straight-through processing by allowing for the easy identification and resolution of trades intra-day to achieve 100% comparison or matching.

Interactive Messaging and enhanced real-time trade matching are critical steps in helping to reduce risk. They ensure that more transactions are compared earlier in the day, and then netted and guaranteed through GSCC so that intra-day credit exposure to counterparties is minimized.

With RTTM, members can submit trades to GSCC in real time as they are executed using a S.W.I.F.T.-based input message format. (S.W.I.F.T. formats are an existing standard used internationally for interactive funds and securities transactions.) Members are then able to receive comparison output immediately via S.W.I.F.T. interactive messages or by using a
1994: Members’ proprietary Treasury auction purchases are encompassed within GSCC’s net, leading to GSCC processing an estimated 85% of all new U.S. Treasury debt issues.

1995: Comparison service for repurchase agreements (repos) transactions begins, followed by the automated netting and guaranteed settlement of the close legs of overnight and term repos, providing members with risk management and balance sheet benefits, and reduced operational and settlement costs.

"As we move into real-time processing, our Participant Access Network becomes an even more valuable communications resource for members."

Rich Tuorto
Senior Network Manager

"We’re on our way to helping the industry crack the T+0 barrier with our launch of Interactive Messaging for real-time trade matching."

Andrea Taylor
Senior Programmer Analyst
1996: Inter-dealer broker netting members become eligible to participate in the repo netting process, leading to development of a blind-brokered market for repos.

GS CC screen on our Participant Access Network. This network, created in 1998 to accommodate the GCF Repo service, was expanded in 2000 so that it not only supports Web screen interaction and file transmissions, but also interactive messages. This provides up-to-the-minute trade information to all involved parties.

NETTING OF REPOS CONTINUED TO ALLOW CUSTOMERS TO MAXIMIZE THEIR BALANCE SHEET OFFSET, WHICH WAS THE MOST SIGNIFICANT CONTRIBUTION TO MANAGEMENT'S ESTIMATE OF $454 MILLION IN SAVINGS THAT WE WERE ABLE TO BRING MEMBERS LAST YEAR.

Since Interactive Messaging's launch on December 8, 2000 through March 31, 2001, some 2,100 of the approximately 61,000 buy/sell and repo trades compared on an average day were compared interactively in our RTTM system. This number will continue to grow as additional broker and dealer firms begin using the service to submit and compare trades in real-time.

With our Interactive Messaging facility in place for RTTM, we are currently working on the next phase to support Interactive Messaging for real-time netting, followed by support of same-day settlement of repo start legs in the third phase. (Repo start legs are same-day settling products that currently must settle outside of GSCC due to constraints inherent in a batch-processing environment.)

Another RTTM objective is to help customers respond to the proliferation of Electronic Trading Systems (ETTs) and other trade intermediaries. ETTs are owned and operated by many different types of entities, including registered broker-dealers, exchanges and foreign companies.

Using our RTTM facility, GSCC will be able to provide real-time comparison services for trades executed using such intermediaries in a manner that protects our dealer members from any potential associated risk (e.g., risk stemming from positions being compared overnight). In 2000, we began accepting unilateral trade input from approved ETTs on a locked-in or pre-matched basis.

GSCC continued its drive to grow cross-margining relationships and become the industry hub on behalf of the U.S. over-the-counter and debt markets for both domestic and international cross-margining.

Cross-margining allows members to optimize their capital usage by viewing their positions at different clearing organizations as a combined portfolio and reducing margin requirements accordingly. In addition, reducing the amount of margin members have to post at various clearing organizations not only increases their liquidity, it further decreases the cost of capital, improves collateral management and lowers operational costs.

1997: Treasury inflation-indexed securities are auctioned for the first time; GSCC makes them eligible for its netting process.
1998: The General Collateral Finance (GCF) Repo service is introduced, allowing dealers to trade general collateral repos without requiring intra-day trade-for-trade settlement on a delivery-vs.-payment basis.

"We're creating synergies and leveraging our technology to collaborate with MBSCC in building an RTTM facility to process mortgages."
Melanie Sterman
Vice President, Planning and Business Development

"Our cross-margining agreements among various clearing organizations improve their customers' collateral management, and reduce the risk of a liquidity crunch for everyone."
Nikki Poulos
Vice President and Associate General Counsel

- The Participant Access Network is activated and offers members full access to the services of GSCC through a single, Web-based interface.
1999: The GCF Repo service moves to inter-bank mode, allowing a participating dealer to trade GCF Repos with any other participating dealer, including those that clear at a different bank.

- GSCC, Euroclear and the London Clearing House announce plans to form the European Securities Clearing Corporation to oversee the scope of European netting services for cash and repo trades in euro-denominated sovereign debt markets.

We implemented our first cross-margining agreement in early 2000 with the New York Clearing Corporation (NYCC), and recently announced plans to initiate later in 2001, pending regulatory approval, a cross-margining arrangement with the Board of Trade Clearing Corporation (BOTCC). Basically, both arrangements allow for the cross-margining of Treasury futures and options on futures contracts and corresponding cash and repo U.S. Government securities.

We also have announced a third margining agreement with the Chicago Mercantile Exchange (CME) that will enable certain members of both entities to cross-margin their buy/sell and repo activity in U.S. Government securities against Eurodollar futures and options traded at the CME. The CME is one of the leading futures exchanges in the world. Its flagship three-month Eurodollar futures contract is the most heavily traded futures contract in the U.S., and one of the most versatile hedging vehicles in the listed markets.

Also on the international front, GSCC continued its advisory role to the European Securities Clearing Corporation (ESCC), formed last year by GSCC, the London Clearing House (LCH) and Euroclear. The three partners plan to establish a joint facility to provide centralized matching, confirmation, recording, registration, netting and risk management of cash and repo trades in European sovereign debt. These services are to be provided through a single vehicle and central counterparty which will be LCH, through its RepoClear service.

GSCC'S RISK MANAGEMENT POLICIES PROTECTED MEMBERS AS WE PROCESSED A RECORD $252 TRILLION IN TOTAL DOLLAR VOLUME IN 2000. $241 TRILLION ENTERED THE NET, OF WHICH $165 TRILLION WAS ELIMINATED THROUGH NETTING.

As always, GSCC worked closely with the industry throughout the year to define business opportunities and extend member services. We added 10 new members this past year, bringing our total membership to 121. Mirroring the globalization of the industry, a rapidly growing membership sector has been foreign entities, which currently total eight, with a number of prospective members under consideration.

Responding to the changing needs of our membership continues to be a top priority. In addition to the inclusion of Agency and mortgage-backed securities in the GCF Repo service, GSCC also is intensifying efforts to bring the full benefits of risk protection, balance sheet netting, cost reduction and operational efficiencies to trades with and by the "buy side," including institutional players, insurance companies, pension funds and mutual funds.

Recognizing that the role of these participants in the government securities marketplace is growing, GSCC has formed a working group to evaluate their needs including the identification of changes to membership categories.
2000: The cash markets’ first cross-margining arrangement is introduced, linking them with the futures markets for U.S. Treasury securities through an agreement with the New York Clearing Corporation.

GSCC rolls out Interactive Messaging to support real-time trade matching, the first in a series of interrelated projects aimed at ultimately providing straight-through processing and a point-of-trade guarantee for all fixed income activity.

The first mortgage-backed securities (Fannie Mae and Freddie Mac fixed rates) are made eligible for the GCF Repo service.

FIXED INCOME:
LEVERAGING EXPERTISE

In our newest major undertaking, GSCC is working closely with members and industry organizations, such as The Bond Market Association (TBMA) and the Securities Industry Association (SIA) T+1 Streetside Committee, to deliver services that can bring greater processing efficiency to fixed income markets.

This initiative was further validated and strengthened by findings of the new Synergy Committee, formed by the Boards of GSCC, The Depository Trust & Clearing Corporation (DTCC), MBS Clearing Corporation (MBSCC) and the Emerging Markets Clearing Corporation (EMCC). The committee has called for a collaborative effort among these clearing corporations to look at ways to integrate and consolidate post-trade processing activities for all fixed income products.

GSCC actually began laying the groundwork for such an approach several years ago, culminating with the rollout in 2000 of Interactive Messaging for real-time trade matching of Treasury securities. At the same time, our systems managers began working with MBSCC to define messaging requirements and initiate development of an RTTM facility for mortgage-backed securities. This is scheduled for start-up later in 2001.

RTTM and Interactive Messaging have been carefully designed to provide logical, uniform methodologies and standardized message formats that can be readily adapted to accommodate all streetside fixed income products, including not only mortgage-backed securities but also municipal and corporate bonds, unit investment trusts (UITs) and other instruments. For instance, GSCC’s Participant Access Network is being expanded in 2001 to provide a single communications connection for all fixed income products.

Further, with the endorsement of TBMA and the SIA, GSCC and DTCC launched a project to develop a single facility to become the centralized real-time trade matching organization for all streetside fixed income products. GSCC, DTCC and MBSCC are currently investigating development of such a facility.

We expect that such collaborations are only the beginning of what can occur when all of us combine our strengths and put existing synergies to work. GSCC has always welcomed new ideas. Turning them into realities is what we do.

We recognize that we stand at yet another gateway to what promises to be a significant transformation of post-trade processing in the fixed income markets. We have always been there to provide our customers in the U.S. Government securities markets with world-class technology, proven expertise and unparalleled risk management to take them where they need to go. “Tomorrow” will be no different, as we step up to new fixed income possibilities.
BALANCE SHEETS

December 31, (in thousands) 2000 1999

Assets
Cash and cash equivalents $ 61,443 $ 90,018
Investments in marketable securities 28,985 29,009
Settlement receivable — 2,008
Accounts receivable 3,406 2,715
Clearing fund 4,432,497 3,314,570
Fixed assets, net of accumulated amortization and depreciation of $14,379,000 and $11,606,000 at December 31, 2000 and 1999, respectively 6,778 5,097
Other assets 3,871 4,238
Total assets $4,536,980 $3,447,655

Liabilities and Shareholders' Equity
Liabilities
Settlement payable $ 1,349 $ 2,008
Clearing fund:
Participants' cash deposits 57,173 96,676
Other participant deposits 4,432,497 3,314,570
Other liabilities 17,531 9,179
Total liabilities 4,508,550 3,422,433

Commitments and contingent liabilities (Note 8)
Shareholders' equity
Common stock:
Class A, $0.50 par value: 75,000 shares authorized, 20,400 shares issued and outstanding at December 31, 2000 and 1999 10 10
Capital in excess of par 8,940 8,940
Retained earnings 19,480 16,272
Total shareholders' equity 28,430 25,222
Total liabilities and shareholders' equity $4,536,980 $3,447,655

The accompanying notes are an integral part of these statements.
## Statements of Income and Retained Earnings

For the Year Ended December 31,

### Revenues:
- Revenue from comparison, netting, settlement and related services: $35,471
- Discounts to participants: $(586)
- Net revenues from services: $34,885
- Interest income: $6,829
- **Total revenues**: $41,714

### Expenses:
- Computer equipment depreciation, licenses, software amortization, processing and maintenance costs: $18,473
- Employee compensation and related benefits: $11,892
- General and administrative expenses: $4,921
- Occupancy costs: $626
- Professional fees: $758
- **Total expenses**: $36,670

### Income before income taxes:
- **2000**: $5,044
- **1999**: $5,861

### Provision for income taxes:
- **2000**: $1,836
- **1999**: $2,164

### Net income:
- **2000**: $3,208
- **1999**: $3,697

### Retained earnings, beginning of year:
- **2000**: $16,272
- **1999**: $12,575

### Retained earnings, end of year:
- **2000**: $19,480
- **1999**: $16,272

---

The accompanying notes are an integral part of these statements.
## Statements of Cash Flows

For the Year Ended December 31,

<table>
<thead>
<tr>
<th>Description</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$3,208</td>
<td>$3,697</td>
</tr>
</tbody>
</table>

### Adjustments to reconcile net income to net cash provided by (used in) operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization and depreciation of fixed assets</td>
<td>2,773</td>
<td>2,102</td>
</tr>
<tr>
<td>Net (discount accreted) premium amortized on securities owned</td>
<td>(3)</td>
<td>5</td>
</tr>
</tbody>
</table>

### Changes in operating assets and liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in settlement receivable</td>
<td>2,008</td>
<td>54,469</td>
</tr>
<tr>
<td>Increase in accounts receivable</td>
<td>(691)</td>
<td>(182)</td>
</tr>
<tr>
<td>Decrease (increase) in other assets</td>
<td>367</td>
<td>(1,278)</td>
</tr>
<tr>
<td>Decrease in settlement payable</td>
<td>(659)</td>
<td>(54,470)</td>
</tr>
<tr>
<td>(Decrease) increase in participants’ cash deposits</td>
<td>(39,503)</td>
<td>16,702</td>
</tr>
<tr>
<td>Increase in other liabilities</td>
<td>8,352</td>
<td>2,030</td>
</tr>
</tbody>
</table>

### Net cash (used in) provided by operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2000 (in thousands)</th>
<th>1999 (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash used in operating activities</td>
<td>(24,148)</td>
<td>23,075</td>
</tr>
</tbody>
</table>

### Cash flows from investing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturity of investments in marketable securities</td>
<td>4,000</td>
<td>17,000</td>
</tr>
<tr>
<td>Purchase of investments in marketable securities</td>
<td>(3,973)</td>
<td>(29,015)</td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>(4,454)</td>
<td>(3,944)</td>
</tr>
<tr>
<td>Transfer of fixed assets to National Securities Clearing Corporation</td>
<td>—</td>
<td>425</td>
</tr>
</tbody>
</table>

### Net cash used in operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2000 (in thousands)</th>
<th>1999 (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash used in operating activities</td>
<td>(4,427)</td>
<td>(15,534)</td>
</tr>
</tbody>
</table>

### Cash flows from financing activity — proceeds from issuance of

<table>
<thead>
<tr>
<th>Description</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A common stock</td>
<td>—</td>
<td>150</td>
</tr>
<tr>
<td>Net (decrease) increase in cash and cash equivalents</td>
<td>(28,575)</td>
<td>7,691</td>
</tr>
</tbody>
</table>

### Cash and cash equivalents, beginning of year

<table>
<thead>
<tr>
<th>Description</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>90,018</td>
<td>82,327</td>
</tr>
</tbody>
</table>

### Cash and cash equivalents, end of year

<table>
<thead>
<tr>
<th>Description</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>$61,443</td>
<td>$90,018</td>
</tr>
</tbody>
</table>

### Supplemental disclosure — income taxes paid

<table>
<thead>
<tr>
<th>Description</th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplemental disclosure — income taxes paid</td>
<td>$1,580</td>
<td>$2,355</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
**GOVERNMENT SECURITIES CLEARING CORPORATION (GSCC)**

A clearing agency registered with the Securities and Exchange Commission, provides automated real-time trade comparison, netting, settlement and risk management services for buy/sell, original issue purchase and repurchase transactions in the Government securities and financing marketplaces for brokers, dealers, banks and other market participants.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Cash Equivalents:** GSCC invests in overnight reverse repurchase agreements which are considered cash equivalents. Such agreements provide for GSCC's delivery of cash in exchange for securities having a market value of at least 102% of the amount of the agreement. Independent custodians designated by GSCC take possession of the securities. Overnight reverse repurchase agreements are recorded at the contract amounts and totaled $60,126,000 and $78,772,000 at December 31, 2000 and 1999, respectively. At December 31, 2000, two major financial institutions were counterparties to these agreements.

**Investments in Marketable Securities:** These investments, which include U.S. Treasury securities and investment grade corporate notes, are recorded at amortized cost and are considered to be held-to-maturity securities as GSCC has both the positive intent and ability to hold these securities to maturity. The contractual maturities, carrying value and market value of these securities at December 31, 2000 and December 31, 1999, are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Due in one year or less</th>
<th>Due in one to two years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$23,998</td>
<td>$25,003</td>
<td>$49,001</td>
</tr>
<tr>
<td>1999</td>
<td>$5,995 $5,995 $5,923</td>
<td>$1,017 $6,940</td>
<td>$1,017 $6,940</td>
</tr>
</tbody>
</table>

**Settlement Receivable and Payable:** Settlement receivables and payables arise from an inability to complete the settlement process before the close of the Fed Wire.

**Participant Clearing Fund Deposits:** GSCC accepts cash, U.S. Treasury and book entry non-mortgage-backed Agency securities, and letters of credit issued by authorized banks as clearing fund deposits, and records total deposits on its balance sheet.

**Income Taxes:** Deferred tax assets and liabilities are provided for the expected future tax consequences of temporary differences between the carrying amount and tax basis of assets and liabilities. Deferred tax assets relate principally to depreciation and employee benefit costs.

**Fixed Assets:** These assets consist primarily of computer equipment which is being depreciated over a three-year period and purchased computer software which is being amortized over a three or five-year period. The straight-line method is used to compute the depreciation and amortization.

During 2000, GSCC capitalized internally developed software totaling $1,003,000; the amortization charges were $282,000. The comparable amounts in 1999 were $344,000 and $57,000, respectively. Such software is being amortized over a three-year period.

**Financial Instruments:** Management believes that the carrying value of all financial instruments approximates market value.

**Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
I TRANSACTIONS WITH RELATED PARTIES:

National Securities Clearing Corporation (NSCC), a minority shareholder of GSCC, provides various computer services to GSCC through the Securities Industry Automation Corporation (SIAC) under NSCC's agreement with SIAC. NSCC also provides other support services and office facilities to GSCC. The costs of providing these services are charged to GSCC in accordance with the provisions of a service agreement. The agreement continues in effect unless cancelled by either party upon prior written notice. Charges to GSCC pursuant to this agreement during 2000 and 1999 totaled approximately $6,677,000 and $5,933,000, respectively. At December 31, 2000, the amount payable to NSCC under this agreement was $573,000; the amount receivable at December 31, 1999 was $12,000.

GSCC is contingently liable for a portion of NSCC's office lease which expires on December 31, 2012. At December 31, 2000, the contingent commitment of GSCC for the remaining lease period totals approximately $5,920,000.

I INCOME TAXES:

GSCC files Federal, New York State and New York City income tax returns. The differences between the 34% Federal statutory rate and GSCC's 36% and 37% effective tax rates for the years ended December 31, 2000 and 1999, respectively, are primarily attributed to state and local taxes.

The provision for income taxes for the years ended December 31, 2000 and 1999 consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current income taxes</td>
<td>$1,664,000</td>
<td>$2,368,000</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>172,000</td>
<td>(204,000)</td>
</tr>
<tr>
<td>Total income taxes</td>
<td>$1,836,000</td>
<td>$2,164,000</td>
</tr>
</tbody>
</table>

I POST-RETIREMENT BENEFIT PLANS:

All eligible employees of GSCC participate in The Depository Trust & Clearing Corporation's (DTCC's) trusted, noncontributory defined benefit pension plan. DTCC owns 100% of the outstanding shares of NSCC. In addition, GSCC also participates in DTCC's noncontributory supplemental executive retirement and benefit restoration plans which provide for certain benefits to identified executives of GSCC upon retirement. Further, GSCC also participates in DTCC's life insurance program which provides payment of death benefits to beneficiaries of eligible retired employees and DTCC's health insurance program which provides benefits to eligible retired employees. In 2000, costs for these plans aggregated $854,000 and were determined based upon an actuarial calculation using information related to all eligible GSCC employees. Disclosure of post-retirement benefit obligations, expense components and actuarial assumptions for the DTCC plans are included in DTCC's 2000 financial statements.

I SHAREHOLDERS' EQUITY:

<table>
<thead>
<tr>
<th></th>
<th>Class A Common Stock</th>
<th>Capital In Excess Of Par</th>
<th>Retained Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares Par Value</td>
<td>Shares</td>
<td>Par Value</td>
<td></td>
</tr>
<tr>
<td>Balance at</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 1998</td>
<td>20,100</td>
<td>$10</td>
<td>$8,790</td>
</tr>
<tr>
<td>Issuance of Class A common stock</td>
<td>300</td>
<td>-</td>
<td>150</td>
</tr>
<tr>
<td>Net income 1999</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 1999</td>
<td>20,400</td>
<td>$10</td>
<td>$8,940</td>
</tr>
<tr>
<td>Net income 2000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2000</td>
<td>20,400</td>
<td>$10</td>
<td>$8,940</td>
</tr>
</tbody>
</table>

I COMMITMENTS AND CONTINGENT LIABILITIES:

GSCC's netting system interposes GSCC between netting participants for eligible trades that have been netted. At the time of netting, GSCC's guarantee is effected. The guarantee of net settlement positions by GSCC results in potential liability to GSCC. Guaranteed positions that have not yet settled are margined and marked-to-market daily. Margin deposits are held by GSCC; marks are debited from and credited to the responsible participants through the funds-only settlement process. At December 31, 2000, the gross amount of guaranteed positions due from netting participants to GSCC which are scheduled to settle on or before January 2, 2001 approximated $185,916,159,000; the amount scheduled to settle after January 2, 2001 approximated $150,945,946,000. There is an equal amount due from GSCC to certain other participants after consideration of deliveries pending from GSCC.

In the ordinary course of its business, GSCC may become involved in legal proceedings and litigation. In the opinion of management, after consulting with outside counsel, the outcome of such proceedings and litigation will not materially affect GSCC's financial statements.

I OFF-BALANCE-SHEET RISK AND CONCENTRATIONS OF CREDIT RISK:

In the normal course of business, because it guarantees certain settlement obligations of its netting participants (see Note 8), GSCC could be exposed to credit risk. GSCC mitigates its exposure to credit risk by requiring such participants to meet minimum financial standards for membership, verifying compliance with financial and other standards, monitoring financial status and trading activity, requiring participants to meet daily mark-to-market obligations, and requiring participants to provide clearing fund deposits (see Note 3) in the form of cash, U.S. Treasury and book entry non-mortgage-backed Agency securities, and eligible letters of credit.
If a participant fails to fulfill its settlement obligations to GSCC and GSCC determines that such participant is insolvent, GSCC would liquidate that participant's netted security positions and apply the failed participant's margin and mark-to-market deposits, including clearing fund deposits, to satisfy any outstanding obligation and/or loss. GSCC has entered into a limited cross-guaranty agreement separately with NSCC, Emerging Markets Clearing Corporation and MBS Clearing Corporation under which these clearing agencies have agreed to make payment to each other for any remaining unsatisfied obligations of a common defaulting participant to the extent that these agencies have excess resources belonging to the defaulting participant.

In the event that a deficiency still exists, GSCC would satisfy the deficiency by assessing the participants with whom the defaulting participant most recently conducted trading activity, subject to various priorities and limitations as defined in GSCC’s Rules. If one or more of such participants does not pay its assessment, GSCC would satisfy such deficiency by utilizing 25% of its retained earnings, or such greater amount of retained earnings to be determined by the Board of Directors. Thereafter, if necessary, each remaining participant would be assessed on an equal basis up to $50,000. Finally, if a deficiency still remains, GSCC would assess all remaining participants on a pro-rata basis based upon their average daily level of required clearing fund deposits over the prior year; however, any such remaining participant may limit its additional liability to the amount of its required clearing fund deposit by terminating its membership in GSCC. Further, interdealer brokers have an absolute cap of $5,000,000 on losses associated with each insolvency.

As discussed in Note 1, GSCC provides automated trade comparison, netting, settlement and risk management services for buysell, original issue purchase and repurchase transactions in the Government securities and financing marketplaces for brokers, dealers, banks and other market participants. As such, GSCC has a significant group concentration of credit risk since its participants may be impacted by economic conditions affecting the securities industry. As described above, such risk is mitigated in a number of ways.

REPORT OF INDEPENDENT ACCOUNTANTS

PRICEWATERHOUSECOOPERS LLP
1177 Avenue of the Americas
New York, NY 10036

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF GOVERNMENT SECURITIES CLEARING CORPORATION

In our opinion, the accompanying balance sheets and the related statements of income and retained earnings and of cash flows present fairly, in all material respects, the financial position of Government Securities Clearing Corporation at December 31, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

February 9, 2001
Management's Report on Internal Control Over Financial Reporting

To the Board of Directors and Shareholders of Government Securities Clearing Corporation

Government Securities Clearing Corporation (GSCC) maintains a system of internal control over financial reporting which is designed to provide reasonable assurance regarding the preparation of reliable published financial statements. The system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective internal control system, no matter how well designed, has inherent limitations — including the possibility of the circumvention or overriding of controls — and, therefore, can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, internal control system effectiveness may vary over time.

GSCC's management assessed its internal control over financial reporting as of December 31, 2000, in relation to criteria for effective internal control described in “Internal Control-Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, GSCC believes that, as of December 31, 2000, its system of internal control over financial reporting met those criteria.

Dennis J. Dirks
Vice Chairman and Chief Executive Officer

Richard R. Macek
Treasurer

February 9, 2001

Report of Independent Accountants on Internal Control Over Financial Reporting

To the Board of Directors and Shareholders of Government Securities Clearing Corporation

PricewaterhouseCoopers LLP
1177 Avenue of the Americas
New York, NY 10036

We have examined management’s assertion that Government Securities Clearing Corporation (GSCC) maintained effective internal control over financial reporting as of December 31, 2000, which is included in the accompanying Management’s Report on Internal Control Over Financial Reporting.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of the internal control over financial reporting, testing, and evaluating the design and operating effectiveness of the internal control, and such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Because of inherent limitations in any internal control, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control over financial reporting to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management’s assertion that GSCC maintained effective internal control over financial reporting as of December 31, 2000 is fairly stated, in all material respects, based upon criteria established in “Internal Control-Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission.

PricewaterhouseCoopers LLP
February 9, 2001
GOVERNMENT SECURITIES CLEARING CORPORATION
COMPARISON AND NETTING PARTICIPANTS
(Listed alphabetically)
(As of March 1, 2001)

**BROKERS**

<table>
<thead>
<tr>
<th>Company</th>
<th>Netting Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>BrokerTec USA, LLC</td>
<td></td>
</tr>
<tr>
<td>BrokerTec USA, LLC/Repos</td>
<td></td>
</tr>
<tr>
<td>C.F. Repo Brokerage Division</td>
<td></td>
</tr>
<tr>
<td>Cantor Fitzgerald Securities</td>
<td></td>
</tr>
<tr>
<td>Garban LLC.</td>
<td></td>
</tr>
<tr>
<td>Garban LLC/PGP</td>
<td></td>
</tr>
<tr>
<td>Garban LLC/Repos</td>
<td></td>
</tr>
<tr>
<td>GFI Securities LLC</td>
<td></td>
</tr>
<tr>
<td>Hilliard Farber &amp; Co., Inc.</td>
<td></td>
</tr>
<tr>
<td>Hilliard Farber &amp; Co., Inc./Repos</td>
<td></td>
</tr>
<tr>
<td>Instinet Clearing Services, Inc.</td>
<td></td>
</tr>
<tr>
<td>Liberty Brokerage Inc.</td>
<td></td>
</tr>
<tr>
<td>Liberty Brokerage Inc./Repos</td>
<td></td>
</tr>
<tr>
<td>Maxcor Financial Inc.</td>
<td></td>
</tr>
<tr>
<td>Maxcor Financial Inc./Repos</td>
<td></td>
</tr>
<tr>
<td>Prebon Securities (USA) Inc./Repos</td>
<td></td>
</tr>
<tr>
<td>Tradition (Global Clearing) Inc.</td>
<td></td>
</tr>
<tr>
<td>Tradition (Global Clearing) Inc./Repos</td>
<td></td>
</tr>
</tbody>
</table>

**GENERAL USERS**

- ABN AMRO Bank N.V.
- ABN AMRO Incorporated
- Aubrey G. Lanston & Co. Inc.
- Banc of America Securities LLC.
- Banc One Capital Markets, Inc.
- Bank of America, National Association/Corporate Investments
- Bank of America, National Association/Dealer
- Bank of Montreal, New York Branch
- Banc One, NA
- Barclays Capital Inc.
- Bear, Stearns & Co., Inc.
- Bear, Stearns Securities Corp.
- BHC Securities, Inc.
- BMO Nesbitt Burns Corp.
- BNP Paribas Brokerage Services, Inc.
- BNP Paribas Securities Corp.
- BNY Clearing Services LLC.
- Charles Schwab & Co., Inc.
- Chase Securities, Inc.
- CIBC World Markets Corp.
- Citibank, N.A.
- Commerzbank Capital Markets Corp.
- Countrywide Securities Corporation
- Credit Lyonnais, N.Y.
- Credit Suisse First Boston Corporation
- Dain Rauscher Incorporated
- Daiwa Securities America Inc.
- David Lerner Associates, Inc.
- Dean Witter Reynolds, Inc.
- Deutsche Banc Alex. Brown Inc./Maryland
- Deutsche Banc Alex. Brown Inc./New York
- Dresdner Kleinwort Benson North America LLC.
- E.D.&F. Man International Inc.
- Edward D. Jones & Co.
- Fahnestock & Co., Inc.
- Fahnestock & Co., Inc./Repos
- Fimat USA, Inc.
- Fimat USA, Inc./Retail
- First Clearing Corporation
- First Union National Bank
- First Union Securities Inc.
- Fortis Investment Services LLC.
- Freddie Mac/Funding & Investment Group
- Freddie Mac/Securities Sales and Trading Group (ISS & TG)
- Fuji Securities Inc.
- Glickenhaus & Co.
- Goldenberg, Hearn & Co.
- Goldman, Sachs & Co.
- Greenwich Capital Markets, Inc.
- HSBC Bank USA
- HSBC Securities (USA) Inc.
- ING Barings LLC.
- International Bank For Reconstruction and Development
- International Bank For Reconstruction and Development/Account T
- International Development Association
- J.P. Morgan Securities Inc.
- J.P. Morgan Securities Inc./Spec A/CO
- Lazard Freres & Co., LLC.
- Legg Mason Wood Walker, Inc.
- Lehman Brothers, Inc.
- Merrill Lynch Government Securities Inc.
- Merrill Lynch Pierce, Fenner & Smith, Inc.
- Mizuho Capital Markets Corporation
- Montgomery Clearing Services
- Morgan Keegan & Co., Inc.
- Morgan Stanley & Co.
- National Australia Bank
- National Financial Services LLC.
- Nomura International PLC
- Nomura Securities International, Inc.
- Norinchukin Bank
- PaineWebber Incorporated
- Pershing Division of Donaldson Luflkin & Jenrette
- Piper Jaffray Inc.
- Prudential Global Funding Inc.
- Prudential Global Funding Trading Portfolio
- Prudential Securities Incorporated
- Rabobank Nederland, New York Branch
- Raymond James & Associates, Inc.
- RBC Dominion Securities Corpo.
- Refco Securities, LLC.
- Rosenthal-Collins Group
- SMBC Securities, Inc.
- Salomon Smith Barney Inc./Salomon Brothers
- Salomon Smith Barney Inc./Smith Barney
- SG Cowen/Dealer
- Societe Generale
- Spear, Leeds & Kellogg
- State Street Bank & Trust Company
- Stifel, Nicolaus & Company Incorporated
- TD Securities (USA) Inc.
- The Bank of New York
- The Bank of Nova Scotia
- The Chase Manhattan Bank
- The Clinton Arbitrage Portfolio Limited
- Tokyo-Mitsubishi Securities (USA), Inc.
- Trinity Fund, LTD
- UBS Warburg LLC.
- U.S. Clearing Corp.
- Westdeutsche Landesbank Girozentrale, New York Branch
- Zions First National Bank-Capital Markets

*Comparison-Only Participant
^Repo Netting
^Repo Comparison
© GCF