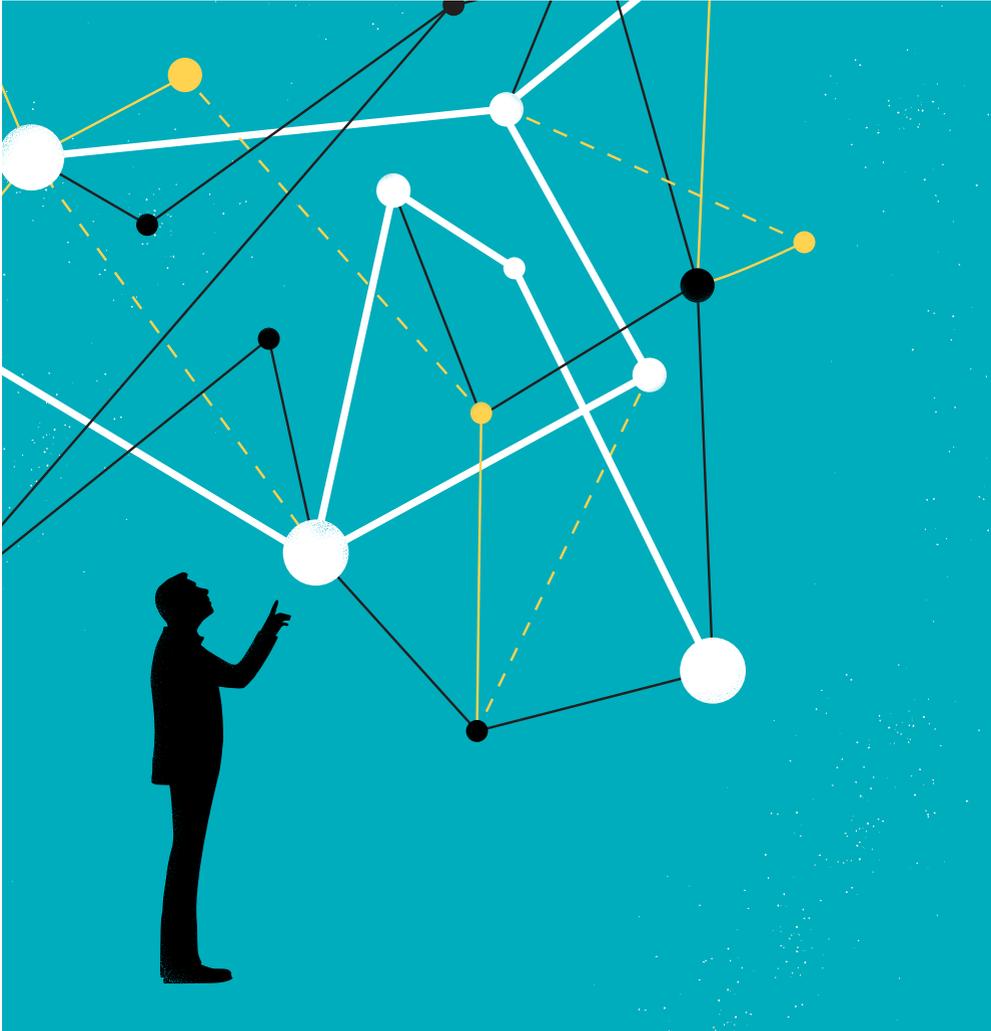


EquityClear

About Our Service

LCH The Markets' Partner

EquityClear



LCH's open access model delivers unmatched liquidity across the major asset classes, exchanges and execution venues.

Managing Your Risk Is at the Centre of What We Do

With a heritage of risk management dating back more than a century, LCH Group is deeply rooted in the global financial markets. Throughout this time, our singular focus has been on delivering the safest and most efficient clearing services to our members and their clients. This constant vigilance has enabled LCH to successfully manage some of the most significant default situations the industry has experienced. Based on these solid foundations, our equity clearing service delivers best-in-class risk management across a broad range of European cash equity securities and equity derivatives.

We have a unique industry perspective. With EquityClear service hubs based in London (LTD) and Paris (SA), we partner with the industry to deliver strong regional experience, proven expertise, and a commitment to risk management to ensure our members' safety. We continually review and enhance our tools and processes in order to improve our service. Need proof? Look no further than the coming addition of CFD clearing, which can, in certain circumstances, enable members to manage risk without the significant balance-sheet burden.

Service Overview

When you clear equities with LCH, you benefit not only from a trusted history of rigorous risk management, but the ability to access a wide array of industry venues.

EquityClear's service specialists in LCH SA and LTD together provide complementary and unique benefits to participants. Members and their clients can clear across 20 exchanges and execution venues (with further venues planned in 2018) for an unrivalled range of products and benefit from the seasoned default management experience of the two CCPs.

Key Benefits

EXPERIENCE

01. LCH has more than a century's experience in clearing
02. 17 years serving Europe's equity markets
03. Knowledge across a wide range of equity products: cash equities, ETFs, CFDs, warrants on primary exchanges, MTFs and OTC equities
04. Proven high-volume processing capability — over 8 million trades a day

LIQUIDITY

01. 'Open access' model provides direct connectivity to major execution venues
02. Access to 18 Central Securities Depositories (CSDs) across Europe
03. Connectivity to Euronext exchanges through LCH – SA

RISK MANAGEMENT

01. Successful management of multiple defaults
02. Default funds structured to prevent contagion between asset classes with no impact to members
03. Continuous development and enhancement of our risk models and risk services
04. Business continuity between London and Paris

INDUSTRY PARTNERSHIP

01. Product advisory group and risk working group
02. Development of local user groups in London, Paris, Amsterdam and the Nordics

The LCH Advantage – LTD

EquityClear's LTD hub brings an array of benefits to equity clearing, including open access and interoperability with other CCPs, which it has been providing for more than a decade.

As well as the flexibility and choice that this horizontal clearing model brings to participants, users of LTD also gain from netting across all the markets EquityClear clears, significantly reducing settlement and operational costs.

While the liquidity and efficiency advantages of LTD are compelling, it is the risk management framework that underpins the service. Powered by EquityClear's proprietary Equity Risk Analysis algorithm (ERA), it provides industry-leading and cost-efficient management of trades and positions, supported by a proven approach to default management that exceeds the requirements of EMIR.

AT A GLANCE

01. Segregated default fund
02. Direct links to equity exchanges and other execution venues, including Aquis, BATS ETR, BATS Europe, CFDs, Equiduct Trading, Getco Execution Services, London Stock Exchange, Nasdaq Nordic, Oslo Bors, SIGMA X MTF, SIX Liquidnet, SIX Swiss Exchange, Traiana, Turquoise and UBS MTF
03. Connectivity to 18 Central Securities Depositories across Europe
04. Over 30 members
05. Anonymous post-trade processing
06. Dedicated customer service and operational support with streamlined member onboarding processes
07. Array of post-trade GCM tools
08. Advanced technology to speed product implementation and increase member functionality

The LCH Advantage – SA

EquityClear's SA hub operates an extensive European clearing network, with connectivity to 5 primary exchanges and execution venues, as well as direct links to multiple Central Securities Depositories (CSDs). It provides clearing services to the Euronext Group, Europe's largest stock exchange group.

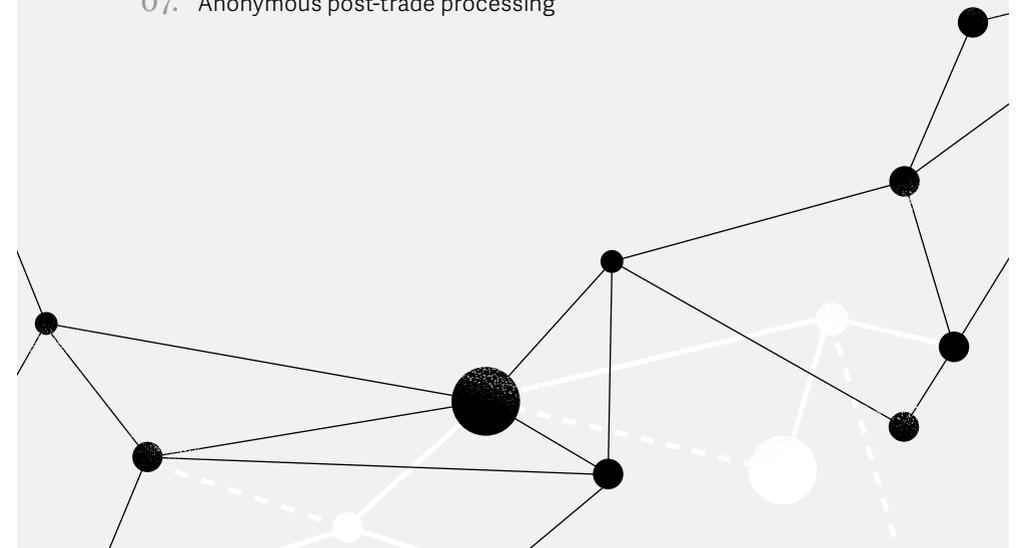
In addition to its unique industry network, SA offers robust risk management, as well as settlement netting efficiencies and clearing services across a broad range of products, providing major efficiency benefits.

From blue chips to mid- and small-cap equities, guaranteed and non-guaranteed securities, EquityClear delivers a comprehensive service to the European community.

Powered by the performance, commitment and passion of our people, the experienced team is committed to seeking new and better ways to serve our members and clients. In 2018, we will continue to partner with the industry as we respond to regulatory change, seek more efficient ways to manage risk and optimise margin calculation for the benefit of our members.

AT A GLANCE

01. Extensive experience in clearing cash equities, listed equities and listed equity derivatives in Europe
02. Direct links to the leading exchanges and other venues, including Bond Match, Bourse de Luxembourg, Equiduct, Euronext Group and Galaxy
03. Euronext is the primary exchange in the Eurozone, operating regulated and transparent equity and derivatives markets. Its product offering includes equities, exchange-traded funds, warrants and certificates, bonds, derivatives, commodities and indices
04. 20 currencies cleared
05. Over 50 members
06. Direct connectivity to the leading European Central Securities Depositories (CSDs)
07. Anonymous post-trade processing



ABOUT EQUITYCLEAR

EquityClear has seen significant growth in volumes and trading venue coverage, making it one of the fastest growing clearing services in Europe. This not only provides greater choice and flexibility of execution and clearing but increased capital efficiencies resulting from our proprietary margin algorithm that recognizes position correlations. Members also benefit from best-in-class counterparty risk management, settlement netting, straight-through processing and counterparty anonymity, while clients can take advantage of EMIR-compliant segregation options, reduced direct and indirect costs, as well as full interoperability between participating CCPs.

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