



London
Stock Exchange Group

European clearing and settlement

Giulio Di Cerbo, Chairman of Monte Titoli and CC&G
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London Stock Exchange Group

LSEG is a diversified international exchange group

Post trade is a vital part of LSEG's business



FTSE

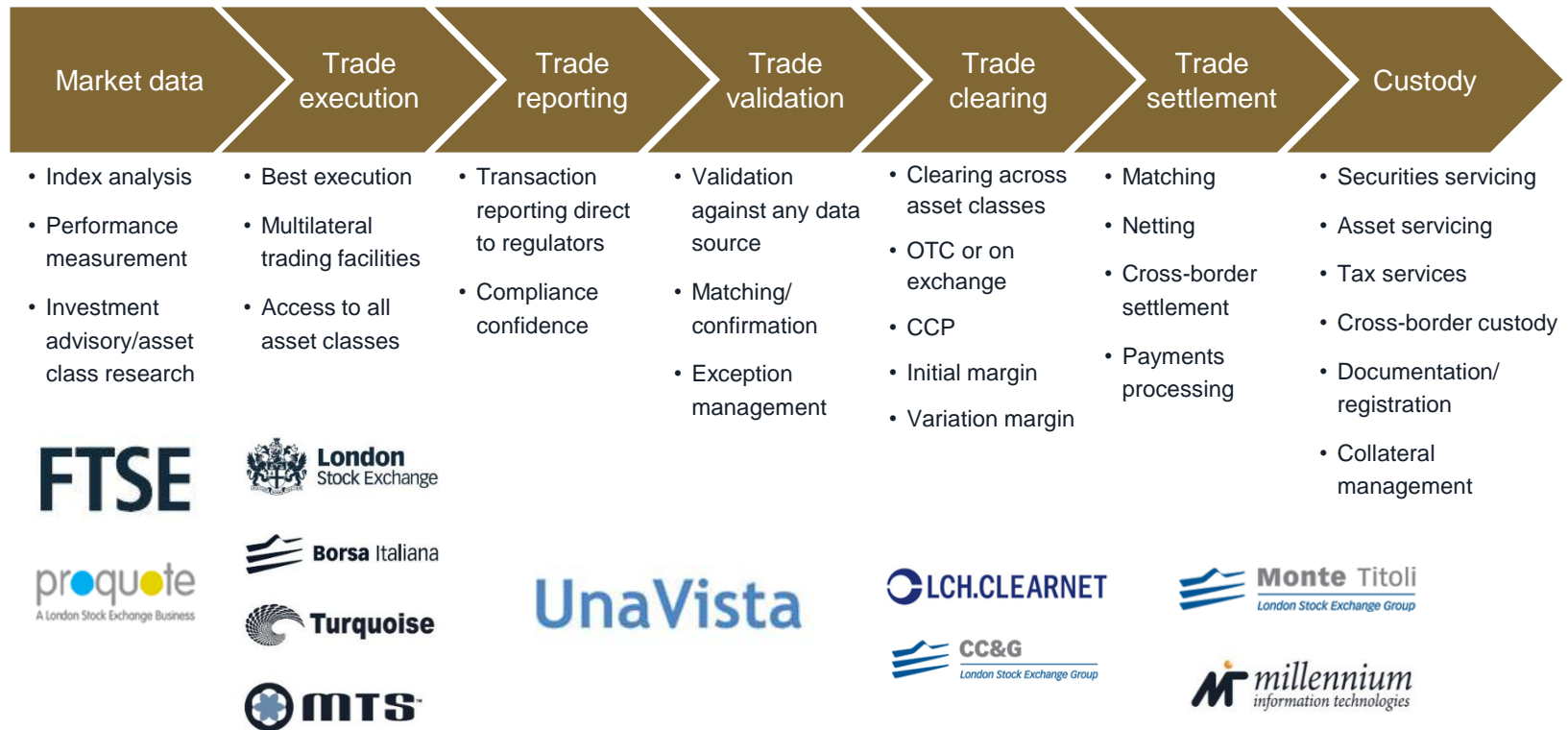


- LSEG today owns 4 CCPs and a CSD
- Post trade revenues account for over 40% of total Group revenue
- \$4.2 trillion assets under management
- We have just announced the setup of a new CSD operating from Luxembourg (our 6th post trade business)

Not all LSEG assets shown

Exchange value chain

LSEG is a diversified international exchange group that has assets across the **entire exchange value chain**





European regulatory environment

- Undergoing significant regulatory change
- Central Securities Depository Regulation (CSDR)
- Target2-Securities (T2S)
- European Market Infrastructure Regulation (EMIR)



CSDR

- T+2
- No national boundaries
- Dematerialisation
- Multi locational branches

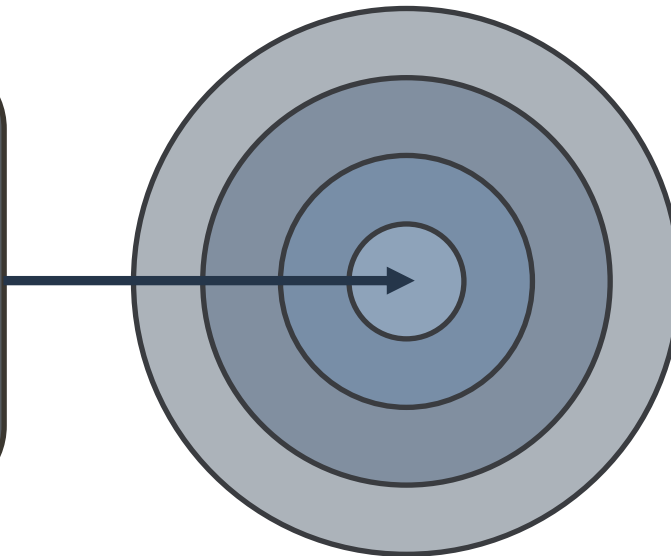
T2S

- T2S will create a **single, centralised platform** for securities settlement in Euros across Europe
- **Increase pan-European liquidity**, centralise cash and collateral transactions and optimise settlement instructions
- **Harmonisation of the legal framework** and will create a common cost base
- **Standard access** to cross border markets, offering new opportunities in terms of investment choice and portfolio diversification

T2S: The solution

T2S is a business application and a technical platform, designed to support CSDs by providing core, borderless and neutral settlement services.

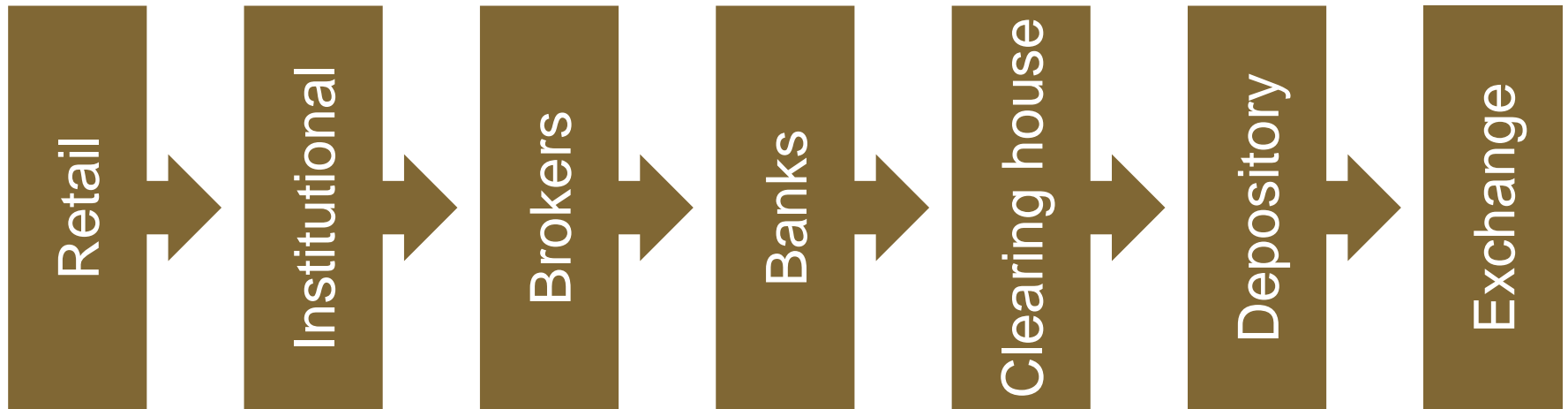
OBJECTIVE
Achieve harmonised
and commoditised
DvP settlement in
central bank money
in securities in
Europe



- Developed and managed by the ECB
- 24 CSDs participating
- Allowing multi-currency and direct connectivity
- Based on T2

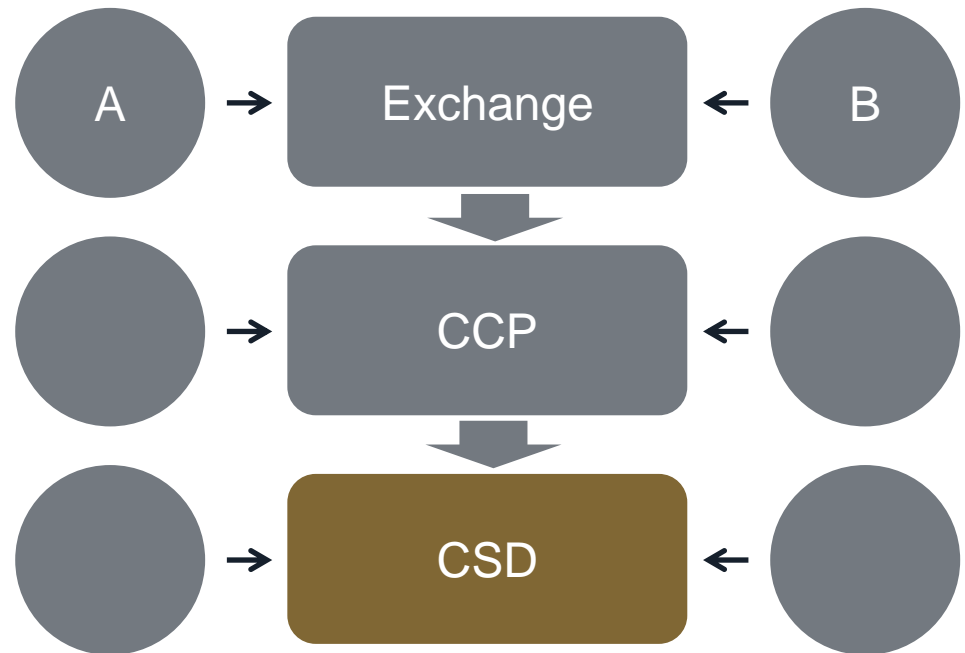
Competitive environment

Competitive pressure throughout the value chain



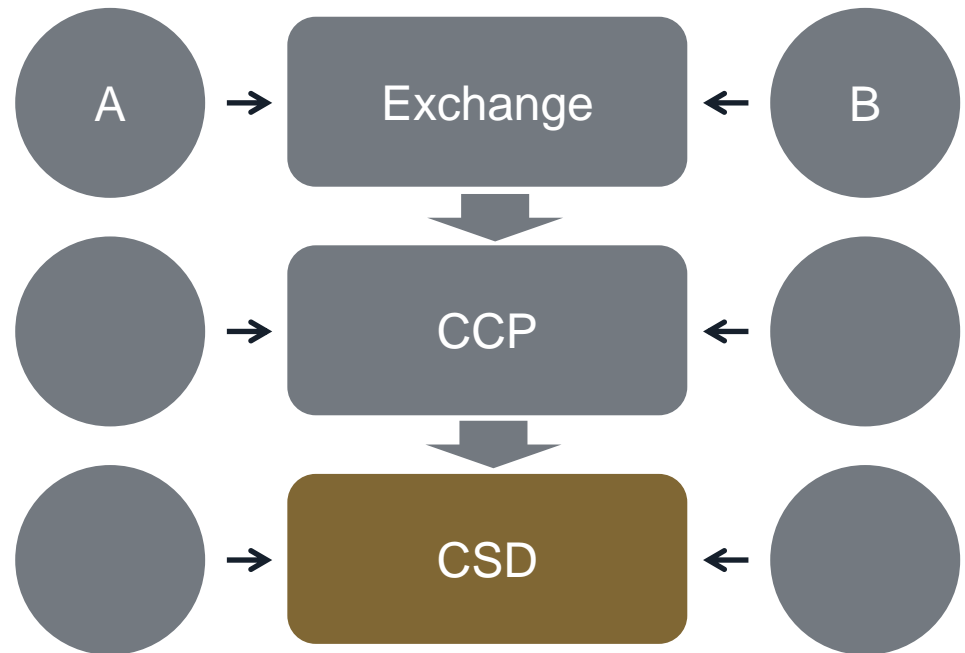
Settlement services

- Issuer services
- DvP
- T+3 settlement cycles
- Safekeeping
- Access to local central bank money
- Turnaround settlements
- No settlement guarantee fund
- Omnibus and individual institutional account



Members

- Banks
- Brokers
- Global and sub-custodians
- Infrastructures



Creating MSE Group

Creating a national centre of excellence for Mongolia

It is more efficient to put all the Mongolian financial market operators and infrastructure organisations under a single umbrella to form MSE Group:

- All under the same management, working towards the same objectives and having the same priorities
- Creates cost synergies, increasing the capital efficiencies for the market and benefiting the customers
- Ensures a consistent voice to domestic customers and international participants
- Creates as national centre of excellence for Mongolia in line with most other international capital markets



Contact details

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