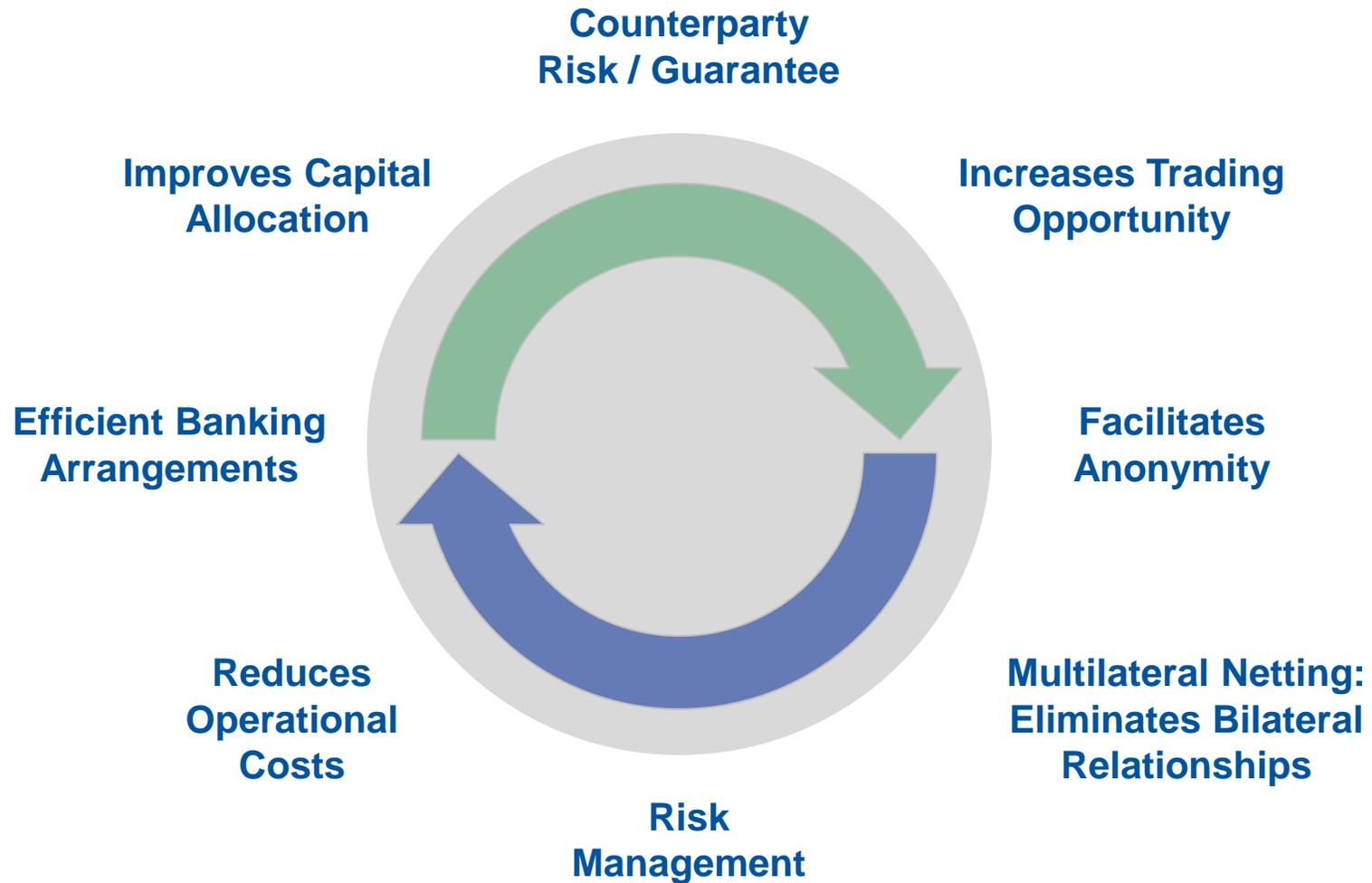


# LCH.Clearnet Enterprise Architecture

September 2012

# Benefits of a Central Counterparty

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# Regulation, Recognition, Oversight

## Holding Company

**LCH.Clearnet Group Limited  
(Incorporated in UK)**

Regulated as a Campagne Financière By Autorité de Contrôle Prudentiel (ACP) (France).

## Operating Entities

**LCH.Clearnet Limited  
Location – London  
(incorporated in the UK)**

**New York  
Rep. Office**

Regulated as a Recognised Clearing House by the UK Financial Services Authority and as a Derivatives Clearing Organization by the US Commodity Futures Trading Commission. Payment systems overseen by the Bank of England.

**LCH.Clearnet SA  
Location – Paris  
(incorporated in France)**

**Amsterdam  
Branch**

**Brussels  
Branch**

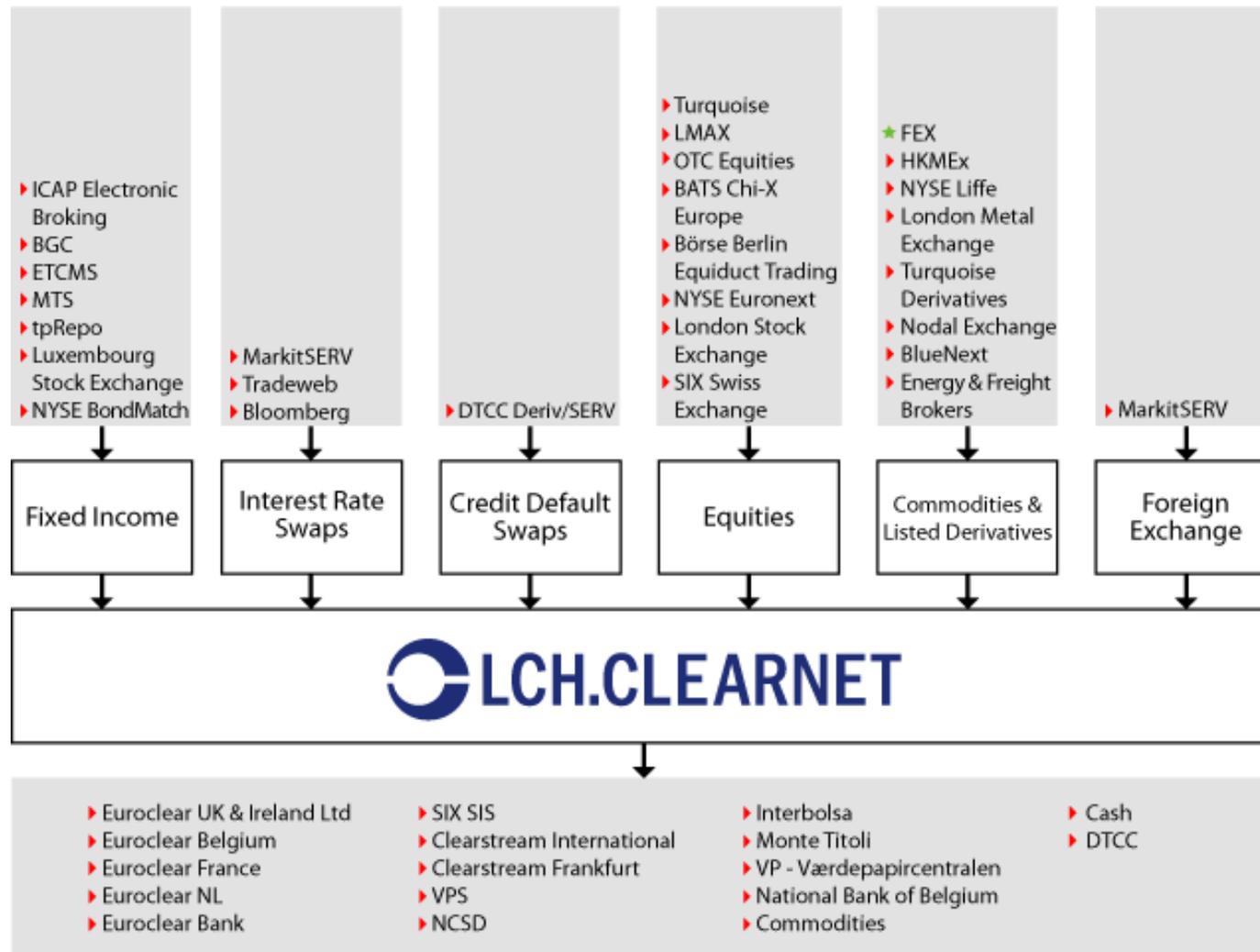
**Porto  
Rep. Branch**

Regulated as a Credit Institution and Clearing House by a Regulatory College consisting of the market regulators and central banks from the jurisdictions of:

- Belgium
- France
- Netherlands
- Portugal

Regulated as a Recognised Overseas Clearing House (ROCH) by the UK Financial Services Authority.

# Markets Served



★ Soon to be launched

# Our Definition of Enterprise Architecture (EA)

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Enterprise Architecture (EA) enables our Company to achieve a set of business goals:

- Analysis of processes and business structures to establish best execution
- Define strategies in order to drive development through
- Control costs and expenditure
- Act as the glue across disciplines

# Our Business Imperatives and Enterprise Goals

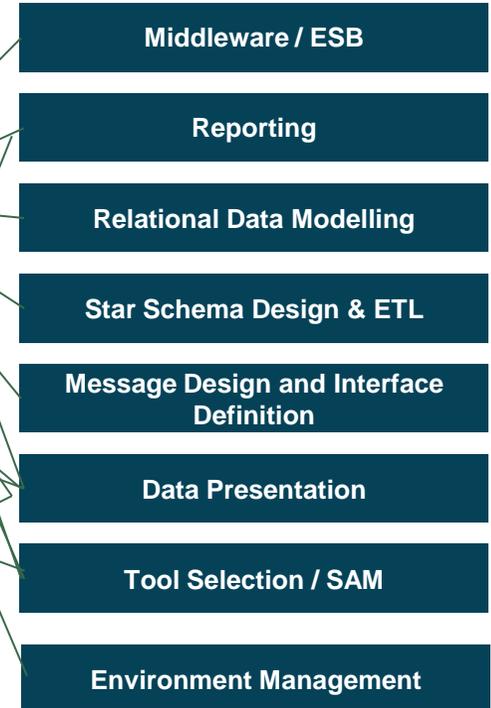
## Business Imperatives



## Enterprise Goals



## Areas addressed



# Our Ecosystem

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It is about the market and the role that we have in the market:

- As a clearing house, LCH.Clearnet's key focus is risk and collateral management
- External market conditions are challenging and fast changing
- We need to support rapid change and remain stable
- The business unit based approach means that LCH.Clearnet is a federated environment with a number of core clearing systems cutting across a set of horizontal functions
- Different business units have different financial behaviours and run at different speeds
  - Some want centralization to lower the costs
  - Some want independence to increase their own control
- LCH.Clearnet, as a federated enterprise, requires complex integration and common standards

# Our Structure

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EA is implemented as an open function:

- A bi-weekly meeting (the Group Technology Forum - GTF) attended by our CIO, COO and business line CTOs
- Small team of dedicated individuals
- A wide pool of resources that are called in when required
- Governance is lightweight but it has heavyweight involvement
- We have a working group structure made of SMEs making the right decisions
  - Two main categories: information architecture and technical architecture
  - Can be permanent or disposable

# Our Approach

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Our approach to architecture fits with the federated model:

- Opportunistic approach - where are the gaps?
- We have a short term plan and we adapt to changes
- We do not have an unrealistic long term road map
- We are not astronauts and we make sure that we focus on the detail
- We keep it small, for example we do not maintain a large number of models but we concentrate on those where there is a contractual requirement
- We have a Wiki that contains our architecture building blocks
- We focus on selecting the right tool and the right people to do the job

# Our Culture

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Culture is a key differentiator:

- Collaborative and not command and control
- No central diktats: no point in EA telling each silo how to structure their tables
- Adaptive and not predictive
- We invest in talented individuals and promote capabilities from within
- We ensure that we have the best people to propose ideas and to keep those ideas moving forward

# Our Typical Process

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The process that we follow is simple:

- A requirement / gap is identified in one or more business areas
- The EA team is contacted directly or via an existing working group
- The requirement is discussed at our Group Technology Forum enabling communication across all business areas
- If the requirement is deemed worth pursuing then an existing working group or a new one is put in charge with relevant terms of reference
- The working group will ensure that all business areas with a relevant interest in the specific requirement are represented
- The working group carries on the work keeping the GTF up to date until completion

# Questions?

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