

Overview of Group activities

This page shows our business areas and activities across:

- Data and Analytics
- Risk, Collateral and Processing Solutions
- Capital Formation and Trade Execution

The tables describe who are our customers, the revenue drivers and key performance indicators.

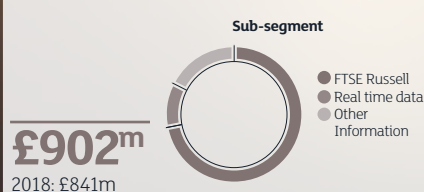
Data and Analytics

Information Services

Provides a wide range of information and data products including indices and benchmarks, analytics, real time pricing data, product identification and trade reporting and reconciliation services.

Group total income: 39%

Total Income Contribution



Customer Profile

FTSE Russell

– Asset owners and managers, active and passive buy-side firms and trading venues

Real time data

– Direct to trading firms and via service providers, such as Bloomberg and Refinitiv, that incorporate our data with other information

Other information

– Our customers vary based on the service provided; they include banks, brokers and fund managers

Main Types of Revenue

FTSE Russell

– Licence fees for benchmarks and subscription fees for data and analytics services

– Asset-linked fees for ETFs, passive funds and derivatives tracking indices

Real time data

– Fees based on access charges to our data, on a display or non-display basis and licence fees from third party redistributors

Other information

– Fees vary based on the nature of service provided, mostly subscriptions and licence fees

FTSE Russell

Highlights

– Launch of the Climate WGBI, based on risk modelling from Beyond Ratings, a business acquired in the year

– Dutch pension fund, Pensioenfondsen Detailhandel, selected a custom FTSE Russell ESG benchmark to align with the UN's Sustainable Development Goals (SDGs)

KPIs

– ETF assets benchmarked to FTSE Russell indices at the end of 2019: **US\$765bn** (at end of 2018: US\$606bn)

Real time data

KPIs

– Number of professional terminals taking Group data 2019: **167,000** (2018: 174,000)

Other Information

Highlights

– UnaVista processed 9.3bn reports across 2019 (2018: 8.6bn)

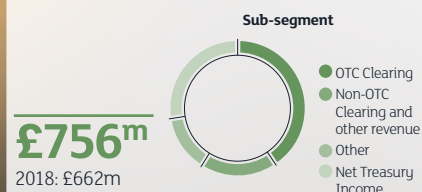
Risk, Collateral and Processing Solutions

Post Trade Services LCH

Provides clearing services through which counterparty risk is mitigated across multiple asset classes for sell-side clearing members and buy-side clients in conjunction with trading venues globally.

Group total income: 33%

Total Income Contribution



Customer Profile

Clearing services

– A wide base of banks, brokers and fund manager firms worldwide for OTC derivatives and listed equities, exchange traded derivatives, fixed income and commodities

Main Types of Revenue

Clearing and related services

– Fees for SwapClear interest rate swap service and other OTC derivative clearing primarily based on membership fees or client trades

– Fees based on trades or contracts cleared and CCP services provided

– Fees for managing non-cash collateral and compression services

Net Treasury Income

– Net Treasury Income on cash held as collateral for margin and default funds

Clearing services

Highlights

– SwapClear continues to grow with record clearing and compressed volumes

– ForexClear saw record volumes and launched clearing of deliverable FX forwards

– RepoClear saw record volumes cleared and successfully consolidated a large majority of Euro debt clearing into LCH SA

KPIs

– SwapClear notional cleared 2019: **US\$1,229tn** (2018: US\$1,077tn)

– SwapClear notional compressed 2019: **US\$920tn** (2018: US\$773tn)

– SwapClear Client trades cleared 2019: **1,681,000** (2018: 1,487,000)

– RepoClear nominal value cleared 2019: **€106.0tn** (2018: €98.7tn)

– Average cash collateral held 2019: **€98.4bn** (2018: €86.7bn)

Note: Other income £12 million

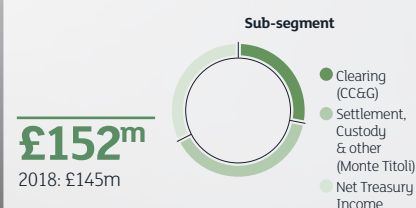
Risk, Collateral and Processing Solutions

Post Trade Services CC&G and Monte Titoli

Offers efficient clearing, settlement and custody services for cash equity, derivative, commodity and fixed income markets, mostly in Italy.

Group total income: 7%

Total Income Contribution



Customer Profile

CC&G

– 91 members, 38% of which are international

Monte Titoli

– Wide range of Italian and international banks and brokers for both on market and OTC trades. Issuers of equity and fixed income products (Italian and international)

Main Types of Revenue

Clearing – CC&G

– Fees based on trades or contracts cleared and CCP services provided
– Net Treasury Income on cash and securities held as collateral for margin and default funds

Settlement and Custody – Monte Titoli

– Revenue mostly from the settlement of equity and fixed income trades
– Custody fees are charged on the issuance of an equity or fixed income instrument, when dividend and interest payments are made and on any corporate action

CC&G

Highlights

– Notional cleared for fixed income products rose 26% to **€25bn** (2018: €20bn)

KPIs

– Number of equity trades and derivative contracts cleared 2019: **99.5m** (2018: 111.9m)
– Average initial margin held 2019: **€14.4bn** (2018: €11.0bn)

Monte Titoli

Highlights

– Settlement rate of 96% of trades

KPIs

– Settlement instructions handled 2019: **44.4m** (2018: 45.4m)
– Monte Titoli's assets under custody 2019: **€3.32tn** (2018: €3.29tn)

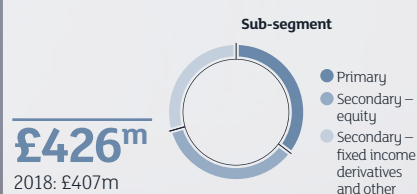
Capital Formation and Trade Execution

Capital Markets

Provides access to capital for domestic and international businesses and efficient electronic platforms for secondary market trading of equities, bonds and derivatives.

Group total income: 18%

Total Income Contribution



Customer Profile

Primary Markets

– Companies from more than 60 countries around the world have come to our markets to raise money, together with issuers of bonds, ETFs and other instruments

Secondary Markets

– Sell-side banks and brokers and buy-side investors worldwide, trading on the Group's equities, derivatives and fixed income trading platforms

Main Types of Revenue

Primary Markets

– Admission fees for initial listing or raising further capital
– Annual fees for securities traded on our markets

Secondary Markets

– Fees based on value traded (UK equities) or number of trades or contracts (Italian equities, retail bonds and derivatives)

Primary Markets

Highlights

– **109** new companies joined our markets in the year (2018: 176)

KPIs

– Number of companies on our markets 2019: **2,400** (2018: 2,467)
– Capital raised by new and further equity issues 2019: **£23.4bn** (2018: £28.7bn)

Secondary Markets

Highlights

– UK cash equity value traded decreased by 18%
– Borsa Italiana cash equity average daily number of trades decreased 10%
– Turquoise average daily value traded decreased by 36%, Turquoise Plato Block Discovery value traded increased 11% to **€103bn** (2018: €93bn)

KPIs

– Average order book equity value traded per day in London 2019: **£4.7bn** (2018: £5.8bn)
– Average number of equity order book trades per day in Italy 2019: **255,000** (2018: 282,000)
– MTS Repo notional value traded in 2019: **€113.5tn** (2018: €87.4tn)

Group Technology

Our businesses and customers depend on our secure technology that performs to high levels of availability and throughput.

Group total income: 3%

Total Income Contribution



Customer Profile

LSEG Technology

– LSEG divisions, other exchange groups and capital market clients
– Banks, trading firms and depositories in Europe, North America, Africa and Asia-Pacific region

Main Types of Revenue

Technology

– Sales of capital markets software, including trading, market surveillance and post trade systems
– Fees for network connections, server hosting and systems supplied by Group businesses

Highlights

– The Securities Clearing Corporation of the Philippines selected Millennium's Post Trade product to improve its post trade processes
– Successfully implemented Millennium Exchange and Millennium Surveillance platforms for the Johannesburg Stock Exchange for its Equity, Equity Derivatives and FX Derivatives market

KPIs

– Availability of UK equity market during the year 2019: 99.99% uptime (2018: 99.99%)