

Strategy in action

Strategy

We recognise the vital role which our Group plays in the global economy and therefore our responsibility in promoting sustainable economic growth and financial stability for our stakeholders. We monitor the evolving landscape in which we operate and the positioning of our businesses to ensure that we can best fulfil our purpose and achieve our ambition of being the leading global financial markets infrastructure business. Underpinning our strategy is a commitment to our core principles of Open Access and customer partnership.

Our Purpose

We support global financial stability and sustainable economic growth by enabling businesses and economies to fund innovation, manage risk and create jobs

Our Vision

To become the leading global financial markets infrastructure group

Our Business Divisions

Information Services

Capital Markets

Post Trade

Our Strategy

Data and analytics

Capital formation and trade execution

Risk, collateral and processing solutions

Group operating model and culture supported by operational and technological excellence

Our Core Principles

Open access

Customer partnership

Refinitiv

The proposed acquisition of Refinitiv will accelerate our strategy and transform LSEG's position as a global financial markets infrastructure leader of the future. In particular, Refinitiv will enhance our customer proposition in data and analytics, will create a global multi-asset class capital markets business and will strengthen our global footprint. As LSEG and Refinitiv share the core principles of open access and customer partnership, these will continue to differentiate our offering and ability to deliver world-leading financial infrastructure services.

Strategy in action (continued)

Strategic pillars

Data and analytics

The increasing importance of data in the investment and trading process is shaping what customers require from financial markets infrastructure businesses. Our Information Services division is driving the development of our data and analytical capabilities. At a Group-wide level, we also aim to develop and refine the datasets we source and the capabilities that we have in all of our businesses to support our objective to become a global leader in data and analytics.

Examples

- We continue to invest and grow our product offering with over 340 new equity indices launched in 2019 and developed new Fixed Income indices including the Climate Risk-Adjusted World Government Bond Index
- We have continued to drive organic initiatives across our Group to further explore how we can utilise our proprietary datasets and capabilities, alongside targeted inorganic initiatives such as the acquisition of Beyond Ratings in June and the proposed acquisition of Refinitiv

Capital formation and trade execution

Building on our existing capital markets capabilities, we aim to further grow our global footprint and ability to offer cross-border trading and investment opportunities, in addition to developing our multi-asset class capabilities and increasing our participation in the private markets capital raising process. This is supported by a strong focus on developing our technology capabilities to enable us to build and run high performing and resilient platforms.

Examples

- This year we launched the Shanghai-London Stock Connect initiative which provides investors with access to investment opportunities in China through the London markets
- In February, we announced an investment in Nivaura, a digital platform for issuing and administering corporate bonds, loans and equity, which will help us in developing innovative solutions to assist companies in the capital raising process. We also increased our investment in CurveGlobal, the interest rate derivatives venture formed between LSEG and a consortium of dealer banks
- In October we launched the Global Equity Segment which allows investors to trade some US blue chip and US-listed Asian ADRs during London hours. This helps to advance the London Stock Exchange's ability to operate as a truly international exchange

Risk, collateral and processing solutions

Providing stable, transparent and efficient post trade solutions globally where risk is appropriately managed is a key priority for our business. We continue to invest in the stability and resilience of our clearing and settlement businesses and in growing our regulatory reporting and post trade capabilities to increase transparency for our customers and help them meet their regulatory reporting requirements.

Examples

- In October we announced the creation of a Post Trade division, in effect from 1 January 2020, which brings together our leading clearing and settlement businesses: LCH Group, CC&G and Monte Titoli and our regulatory reporting business, UnaVista. The LSEG Post Trade division will allow us to deliver greater customer value by pooling expertise, resources and servicing capabilities in Post Trade
- We further grew our ForexClear offering by linking ForexClear with FX Connect TradeNeXus, enabling simpler buy-side access to clearing

Group operating model and culture

Creating a strong and diverse culture built around our values and nurturing a Group mindset is a key enabler in building a Group operating model focused on delivering our business strategy. Additionally, we are committed to developing new ways of facilitating Group-wide collaboration across our business divisions. The drive towards creating an effective Group operating model is underpinned by our efforts in developing a stable, resilient and efficient technology infrastructure for our customers and businesses.

Examples

- We have continued to refine our organisational structure across the Group. Our Group COO is focused on building the operating model required to support our next phases of growth and proposed integration of Refinitiv. Key progress made in 2019 included, the appointment of a new Chief Information Officer who will be a member of LSEG's Executive Committee, the creation of a single Post Trade division bringing together our post trade assets across the UK and Europe and the creation of a Group wide compliance function
- We have continued to upgrade our underlying technology infrastructure to address the evolving needs of the business whilst simultaneously integrating a strong cyber security competency within our operational processes
- We have made improvements in employee mobility and diversity within the Group, enabled by the introduction of a Group-wide career framework and the creation of inclusion networks