SLIB POSITION MANAGEMENT SYSTEM

GENERAL OVERVIEW

SLIB Position Management System is for institutions that want to monitor a cash and / or a derivative clearing activity.

SLIB Position Management System is mainly designed for clearing members but can also be used by traders.

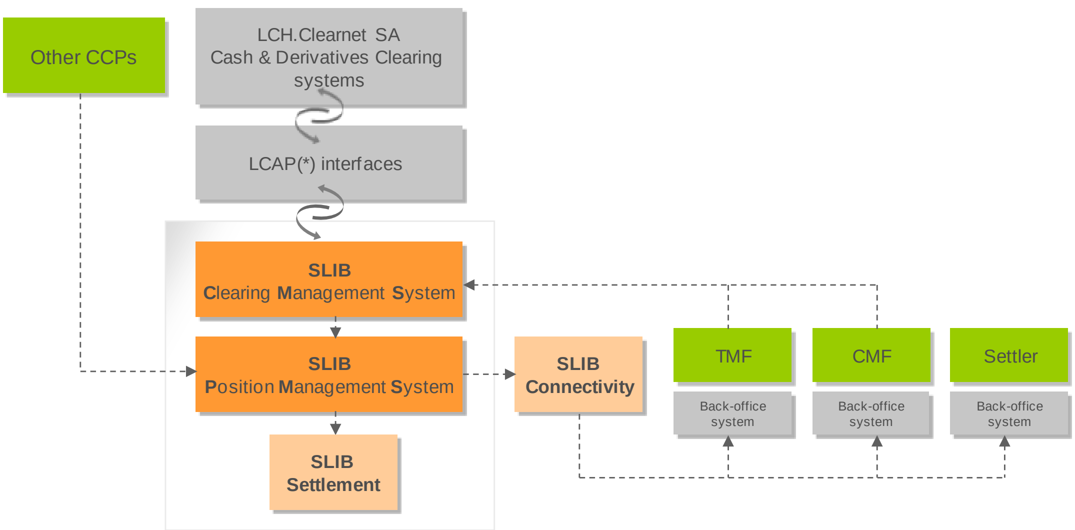
SLIB Position Management System gives the latter total autonomy to supply their client/market matching process in STP, regardless of the number of global clearing institutions with which they are in contact.

KEY BENEFITS

Among other, SLIB Position Management System enables:

- Monitoring of information specific to each CCP:
  - **LCH.Clearnet SA:**
    Reference systems, trades, clearing actions on trades and positions, suspended trades and corporate actions
  - **Other CCPs:**
    Trades (GROSS)
- Monitoring of positions
  - **LCH.Clearnet SA:**
    Real time monitoring of positions at various levels of aggregation: Position accounts, Performance Bond Accounts, Delivery Accounts
  - **Other CCPs:**
    Positions (NET)
- Real time supply of the SLIB Matching module (client/market matching)
- Supply of the SLIB Settlement module (Settlement Instructions Book)
- Market accounting (clearing)
- Management and accounting for corporate actions on flows (clearing)
- Production of forecasted settlement balances between TD and TD+2 (CNS algorithm)
- Settlement preparation processing and difference accounting
- Real time or batch supply of any external system according to its requirements

FUNCTIONS



(*) Logical Certified Access Point

Reference system management

SLIB Position Management System integrates a number of reference systems:

- Third party reference system describing the players involved in clearing
- Financial instruments reference systems describing the financial products managed by LCH.Clearnet SA Cash & Derivatives Clearing Systems
- Clearing channels describing the processing parameters
- Clearing channels (LCH.Clearnet SA Cash & Derivatives Clearing Systems or other clearing systems)
- Dictionary of flow processing rules
- LCH.Clearnet SA Cash & Derivatives Clearing Systems reference systems
- Private and public messages from LCH.Clearnet SA Cash & Derivatives Clearing Systems

Position keeping

SLIB Position Management System keeps a database of operations (trades, regularisations in response to a corporate action) and updates management positions.

SLIB Position Management System also calculates the “net to settle” positions reflecting the market aspect of the settlement flow by integrating the appropriate netting algorithms (LCH.Clearnet SA Cash & Derivatives Clearing Systems, Settlement Connect, others).

LCH.Clearnet SA CNS management (Continuous Net Settlement)

Between TD and TD+2, SLIB Position Management System applies CNS to the flows received from LCH.Clearnet SA Cash & Derivatives Clearing Systems by keeping the forecast balances to be settled on the Delivery Accounts identical to the market systems.

In the evening of TD+2, SLIB Position Management System reconciles the forecast balances and the calculations made by LCH.Clearnet SA (SIF file) and produces accounting reports on the differences.

Integration with external systems

Upstream, SLIB Position Management System is connected to modules that supply clearing flows, like SLIB CMS (Clearing Management System) module. It can also integrate additional client files.

SLIB Position Management System provides line by line or “net to settle” instructions for either SLIB Settlement, a tool managing Payment/Delivery activities, or any other back-office system.

Furthermore, SLIB Position Management System generates instructions for downstream back-office systems. Acting as an intermediary between the real time market system platform and client systems, SLIB Position Management System operates in real time or in batch mode, supplying information for client systems in the format and at the periodicity required through SLIB Connectivity module.