

Tuesday 31 January 2012

Markets: all
Products: Cash,
Derivatives and Fixed
Income

CHANGES IN LCH.CLEARNET SA'S DEFAULT FUND RISK CALCULATION METHODOLOGY ON THE CASH AND DERIVATIVES DEFAULT FUND AND ON THE FIXED INCOME DEFAULT FUND.

The decision to change was made following ACP (Autorité de Contrôle Prudentiel) recommendation to improve the Default Fund calculations.

The change consists in removing the current cap of maximum uncovered risk over the last 60 trading days and to calculate the total amount of the default fund (and contributions) on the basis of the Uncovered Risks Average, increased by 3 times the observed standard deviation (with respect to the 99.73 % confidence level).

This change will either increase or decrease your next contribution to the default fund that will occur the 6th February 2012.

At this date, the impact cannot be anticipated straightforwardly, as it depends on both the variability of your positions upon the last 60 days and the level of standard and stress margin parameters, as well as on the cap & floor mechanism of the default fund when applicable (cf. Fixed Income).

Should you require any further information, and/ or an estimate of the financial impact of this new calculation methodology, please contact your account manager (contacts available [here](#)) or alternatively Arielle Combes, Head of Customer Relationship management (arielle.combes@lchclearnet.com).

Customer and Market Management LCH.Clearnet SA

Contacts: lchclearnetsa_info@lchclearnet.com

For more information, please visit our web site: www.lchclearnet.com