

Eligible criteria for Clearing services of LCH.Clearnet

Shares and Bond instruments which will be cleared and settled through LCH.Clearnet will be selected on the basis of the following criteria:

Technical & Operational criteria

- ✓ Eligibility of the **trading currency** in Clearing and Settlement systems (16 currencies)
- ✓ Eligibility of the instrument in **Euroclear Bank** and **Clearstream Bank Luxembourg**
- ✓ Eligibility based on **LCH.Clearnet** Risk Department criteria

Market criteria

- ✓ Presence of **market makers** (see Trading manual)

Or

- ✓ **Sufficient volume** of trades (Min. 2000 trades / year)

At starting date on 2008 March 14, full CCP services will be offered on the following financial instruments:

- 11 Shares from the continuous trading groups:
LuxX Index shares : RTLGroup, Cegebel, Luxempar, SES, Dexia, BIP, Foyer, Arcelor, Fortis, KBCGroup, Arcelor Mittal
- 55 Bonds from the continuous trading groups, currently traded by a Market Maker. Bonds issuers are : ABN AMRO, EIB, CITIGroup, ING Bank, SNS Bank, Siemens etc...

Bourse de Luxembourg		Trading Groups				
		Shares	Continuous Trading	11 securities	C-ACTC	(E) Liquid Shares
Bourse de Luxembourg	Obligation	Corporate, non convertible, non refundable	Continuous Trading	50 securities	C-MR	(E) Liquid corporate Bonds
		Non corporate or convertible or refundable	Continuous Trading	5 securities	LC-MR	(E) Liquid Non-corporate Bonds
		Corporate, non convertible, non refundable	Continuous Trading		C-MTF	(L) Liquid Corporate Bonds
	EURO-MTF	Corporate, non convertible, non refundable	Continuous Trading		C-MTF	(L) Liquid Corporate Bonds
		Non corporate or convertible ou refundable	Continuous Trading		LC-MTF	(L) Liquid Non-corporate Bonds

Principles of the Luxembourg Stock Exchange Post-trade model

Financial instruments will remain allocated to trading groups. This allocation will consider the following principles:

- ✓ LCH.Clearnet will provide clearing services on Shares and Bond instruments
- ✓ Continuous trading and CCP services for liquid instruments
- ✓ Fixing and No CCP services for instruments with low liquidity

Instruments	Liquidity	Trading groups	Clearing services	Estimated number of instruments
Shares	High	Continuous trading	CCP Services	10
Bonds				5 000
Shares	Low	Fixing	Pass Through Settlement	300
Bonds				24 000
Warrants	Low	Fixing	Bilateral Settlement	5 200
Investment Funds				7 200
Bonds*				1 000

* Bond instruments not eligible in LCH.Clearnet or Euroclear Bank

Financial instruments allocation to trading groups will be reviewed on a regular basis in order to promote the overall market liquidity on the Luxembourg Stock Exchange.