

Taking Advantage of T2S

T2S Signing Ceremony

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Strong Commitment to T2S

Clearstream signs Framework Agreement

- ❑ With the signing of the Framework Agreement Clearstream underlines its strong commitment to T2S
- ❑ Clearstream signs the Framework Agreement as T2S
 - ❑ presents Clearstream with opportunities to further leverage strategic initiatives
 - ❑ is closely aligned to Clearstream's strategic intends to ...
 - ✓ ... serve customers at the right price delivering excellent service levels with an unrivalled product and services portfolio
 - ✓ ... address inefficiencies in the securities settlement business
 - ✓ ... further harmonization of processes and infrastructure

Clearstream's Involvement

- ❑ Clearstream is involved in T2S since the concept launch by the Eurosystem in 2006
- ❑ A dedicated Governance team has been setup in July 2008 joined by a dedicated Implementation team in August 2010
- ❑ Already in 2008 Clearstream started to inform and involve the market with the first T2S Roadshow
- ❑ The on-going feasibility assessment will provide a proposal for the preferred migration period. Clearstream intends to take profit of different migration periods being planned, and migrate in one of the later waves



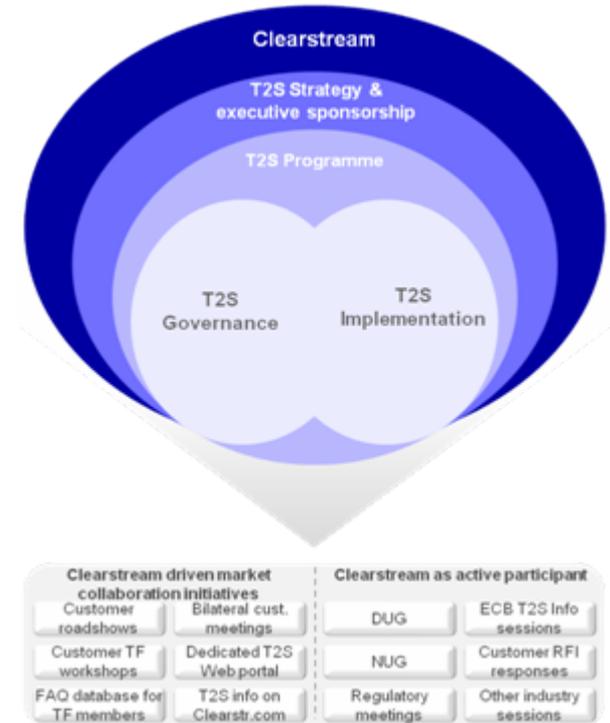
Clearstream's T2S Structure

A dedicated and integrated governance supporting T2S

- ❑ With the launch of the Eurosystem's T2S project Clearstream has gradually set up its T2S structure
- ❑ Aligning internal developments and efforts made but also to help shape the settlement solution from its inception

Internally Clearstream has setup:

- A T2S Governance Team which negotiates the contract with the Eurosystem and which supports internal activities required to achieve project milestones
 - An Implementation Team which assesses the different impacts T2S has on the organization and which prepares for Clearstream's adaptation to T2S
- ❑ The governance structure has been aligned to optimize the T2S external and internal collaboration events



How Clearstream will leverage T2S

Clearstream takes advantages of T2S opportunities

- ❑ Reshape Clearstream's access to European domestic markets in T2S infrastructure
- ❑ Restructuring network management and establish unified asset process
- ❑ Increase the size of the asset pool on which Clearstream can deliver value to its customers
- ❑ Pool liquidity, thereby improving the fungibility of assets, while decreasing the cost of collateral and liquidity management for customers
- ❑ Realise cost efficiencies by removing process duplications

Clearstream's next steps with T2S

With the finalization of the contract negotiation period the project enters into a new phase characterized by the further development, testing and migration of the infrastructure.

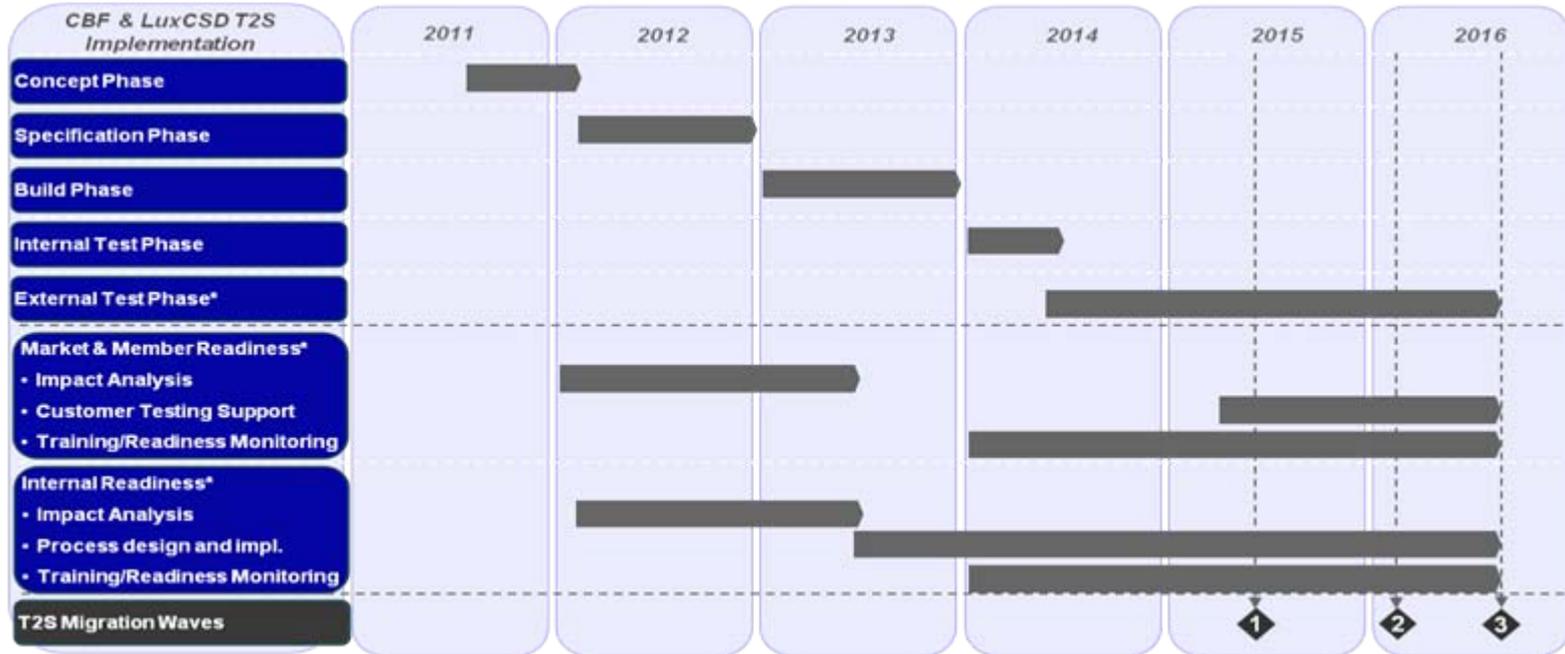
In addition, Clearstream is reviewing its pricing strategy with the objective to determine a price structure in line with the market expectations to benefit from the T2S concept

Upcoming next steps:

- T2S feasibility confirmation and indication of preferred timing of migration by feasibility assessment delivery at the end of June 2012
- Continue bilateral dialogues about key legal issues with the ECB
- Development of detailed adaptation approach and plan
- Continue the client communications held so far via Task Forces and Customer roadshows, align with them and further preparing them to adapt to T2S in a timely manner
- Development of user testing facilities
- Development of test cases and approach

Clearstream's Readiness and Implementation plan

The foreseen readiness and implementation plan might be subject to change based on the feasibility assessment and the composition and timing of T2S migration waves



* Plan is based on an assumption that CBF and LuxCSD takes part in migration wave 3

Thank you!

Contact Clearstream T2S

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T2S: [Home > Issuance & Settlement > CSD Services > TARGET2-Securities](#)

Which contains also Clearstream's adaptation plan as of signature of the MoU.

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T2S: [Home > Payments & Markets > T2S](#)