

# Cross-border Services by Clearstream

## The way forward



## Mission statement

**clearstream**

**“Provide solutions to enable our customers  
to settle against counterparts,  
in any location,  
as efficiently and secure,  
as if they were domestic.”**

# Cross-border Services: value proposition

**First pan-European cross-border settlement solution,  
in central bank money - at close to domestic prices**

## Main features

- **Simple**
  - Single operational account and processes
  - Single central bank cash account
  - Single technical connectivity
- **Comprehensive**
  - All asset classes
  - All trade types and venues
  - Asset servicing at domestic market standards
  - Securities lending and borrowing
  - Collateral management
- **High velocity**
  - Close to market deadlines
  - Real-time settlement (RTS)
- **Compatible**
  - ISO 15022 compliant

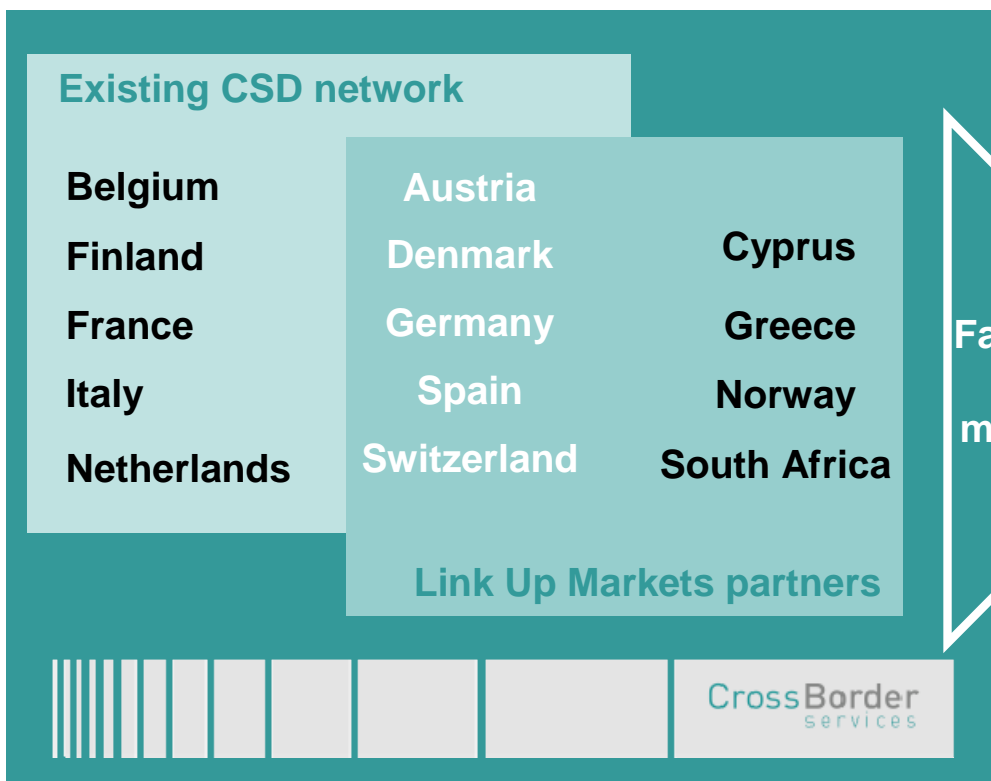
## Customers benefits

- **Market reach**
  - Access to 13 domestic markets accounting for almost 70% of European domestic transaction volumes – today and 100%\* with the advent of T2S
- **Market proximity**
  - Ability to settle against counterparts irrespective of location, as efficiently and secure as if they were domestic
- **Reduced cost**
  - Single access to multiple markets through standardised interface at close to domestic prices
- **Dramatic efficiency gains**
  - Mobilise pan-European asset pools
  - Eliminate cash and collateral overhangs
- **Reduced risk**
  - CSD infrastructure – neutral and AA-rated

\* if UK joins T2S

# Cross-border Services: give you a taste of T2S

Continuous service upgrades realising T2S benefits already by 2011/2012



**Access to domestic liquidity pools – accounting for nearly 70%\* of European domestic transactions**

**Access to remaining 13%\*\* of European domestic transactions**

\* Thereof 50% by Link Up Markets partners  
Source: ECB Bluebook

\*\* Additional 17% accessible if UK joins T2S

# Cross-border Services: lower your costs by interoperability

Cross-border Services via CSDs – an alternative aiming to deliver settlement savings to network managers, of up to 80% ...

Clearstream Banking AG	Reductions 2008 - 2009	Current prices <sup>1</sup>	Levers for further reductions	Target potential
Settlement leg	- 30%	EUR 1.40	Discounts as usage increases	Cost reduction of cross-border settlement by up to 80% (depending on market setup)
Cash leg	- 50%	EUR 0.15		
Communication leg	- 15%	EUR 0.20	Continuous negotiation with domestic CSDs on further fee reductions	
Issuer CSD	- 50% <sup>2</sup>	CSD-specific		
<b>Total transaction costs</b>				

1. Applicable for cross-border transactions with an counterpart outside of German CSD

2. Depending on the specific CSD link set-up

# Clearstream: enjoy our unique solutions

Clearstream delivers benefits even beyond T2S

## “Bringing simplicity to a complex world”

<b>FOCUS</b>	<b>Funds industry</b>	<b>Custody + Settlement</b>	<b>Collateral Management</b>	<b>Multi-market access</b>
<b>PRODUCT</b>	CFF Vestima + Vestima <sup>LINK</sup>	Cross-border Services	Global Securities Financing	Creation / CASCADE application
<b>SERVICE SCOPE</b>	Settlement / Custody Order routing for funds	All trade types All asset types Central Bank money Comm. Bank money	Collateral Management Triparty Repo Strategic lending Failure lending	Single access to settlement locations: ■ 13 markets via CSD network ■ 46 markets via Agent Bank network
<b>BENEFITS</b>	<b>Funds market optimisation</b>	<b>Asset optimisation</b>	<b>Financing optimisation</b>	<b>Market access optimisation</b>

# Why Clearstream?

Superior services bringing together domestic and international liquidity pools – secure and efficient

<b>clearstream</b>		
	Clearstream Banking Frankfurt (CSD)	Clearstream Banking Luxembourg (ICSD)
<b>GLOBAL REACH</b>	<ul style="list-style-type: none"> <li>■ 400 German and intl customers</li> <li>■ 13 European markets – giving access to 70% of European domestic settlement volumes</li> </ul>	<ul style="list-style-type: none"> <li>■ 2,500 customers in over 110 countries</li> <li>■ 46 markets worldwide and primary depository for Eurobond market – 96% of global outstanding debt</li> </ul>
<b>PROVEN CAPABILITY</b>	<ul style="list-style-type: none"> <li>■ Assets under Custody exceeding EUR 10 trillion</li> <li>■ More than 200,000 transactions per day across 46 local markets</li> </ul>	
<b>LEADING POSITION</b>	<ul style="list-style-type: none"> <li>■ “Top rated” by industry surveys, every year since 2004</li> <li>■ In the frontline of reshaping the securities industry</li> </ul>	
<b>SAFE HAVEN</b>	<ul style="list-style-type: none"> <li>■ Neutral (risk-free) market infrastructure</li> <li>■ Stable AA credit rating</li> </ul>	

**Global settlement, extensive collateral refinancing facilities and asset servicing excellence**