

LuxCSD – The CSD for Luxembourg and beyond

Patrick Georg, General Manager

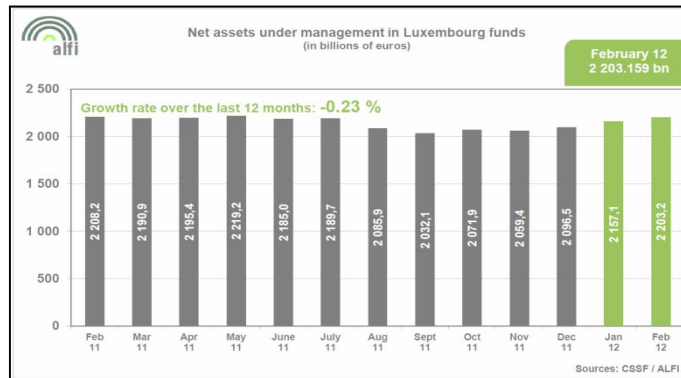
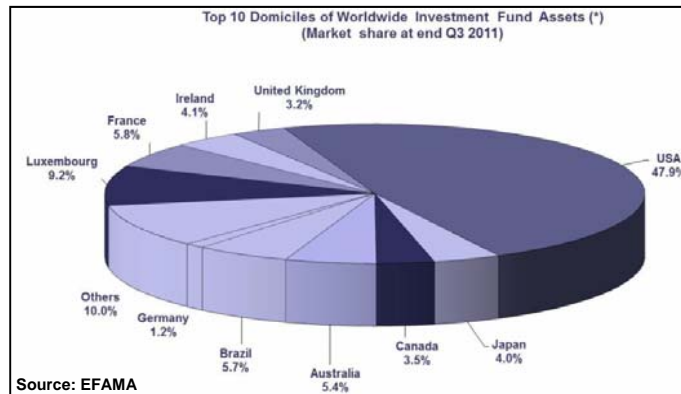
Frankfurt, 8 May 2012



Luxembourg is a cross-border market place

Country of origin of banks	Number
Germany	41
France	14
Belgium	11
Switzerland	10
Italy	8
United Kingdom	8
Sweden	7
USA	6
Japan	5
Luxembourg	5
China	4
Netherlands	4
Israel	3
Portugal	3
Andorra	2
Brazil	2
Denmark	2
Norway	2
Belgium/Canada	1
Canada	1
Greece	1
Liechtenstein	1
Russia	1
Turkey	1
TOTAL	143

Source: CSSF as per 31.3.2012



- Luxembourg has specific needs as a leading centre for:
 - Cross-border investment funds distribution
 - Cross-border collateral management in monetary policy operations

The continued success of the Luxembourg financial centre requires active participation in the T2S project

LuxCSD: history and governance

Company history:

- Incorporated in July 2010 by two founding shareholders
- Go-live of services in October 2011
- Primary objectives:
 - Represent Luxembourg in TARGET2-Securities
 - DVP settlement in EUR central bank money
- LuxCSD allows today for seamless interoperability with 50 international markets and will provide a gateway to T2S for issuers and custodians.



Main objectives of LuxCSD

- Become a national access point to T2S

LuxCSD will provide the Luxembourg financial market infrastructure with a national access point to T2S. It will play a central role in preparing the local financial institutions for T2S and, simultaneously, in allowing Luxembourg's marketplace to remain competitive as a financial centre once the new European settlement infrastructure is implemented.

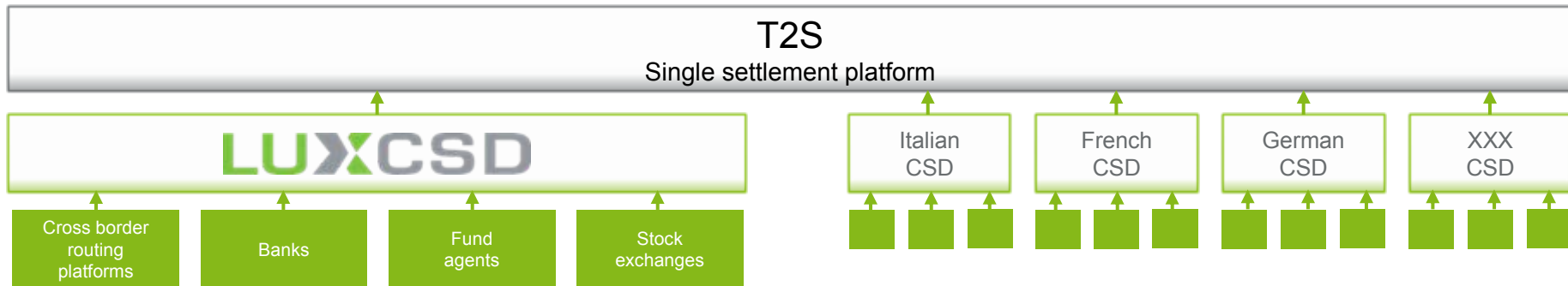
- Offering central bank money settlement

LuxCSD will offer settlement of securities transactions in EUR central bank money and asset servicing to its participants. Its offering in central bank money settlement will thus reduce risk for financial market participants and will add an important complement to the financial centre going forward.

- Re-enforcing Luxembourg fund processing infrastructure

With Luxembourg being a leading centre for the issuance and distribution of investment funds with over € 2 trillion of net assets, LuxCSD is a key element/initiative to re-enforce Luxembourg's fund processing infrastructure. T2S could provide a convincing solution for cross-border delivery of fund shares if relevant fund specificities are appropriately resolved.

LuxCSD service scope – a gateway to T2S



■ Continuity of services

- Issuer CSD services
- Investor CSD services providing access to all T2S markets
- First rate custody services
- High quality connectivity through user friendly suite of products
- Comprehensive set of services (e.g. tax reclaim)

■ Full access to all T2S markets and services

- Issuer CSD capability into the full T2S world
- All T2S markets will be available to LuxCSD customers (already the case now)
- All T2S services will be available to LuxCSD customers (e.g. DCP)

patrick.georg@luxcsd.com

