

AFTERNOON WORKSHOPS

MTS deep dive

01

CSD deep dive

02

Data Center and
Optiq[®] migration
deep-dive

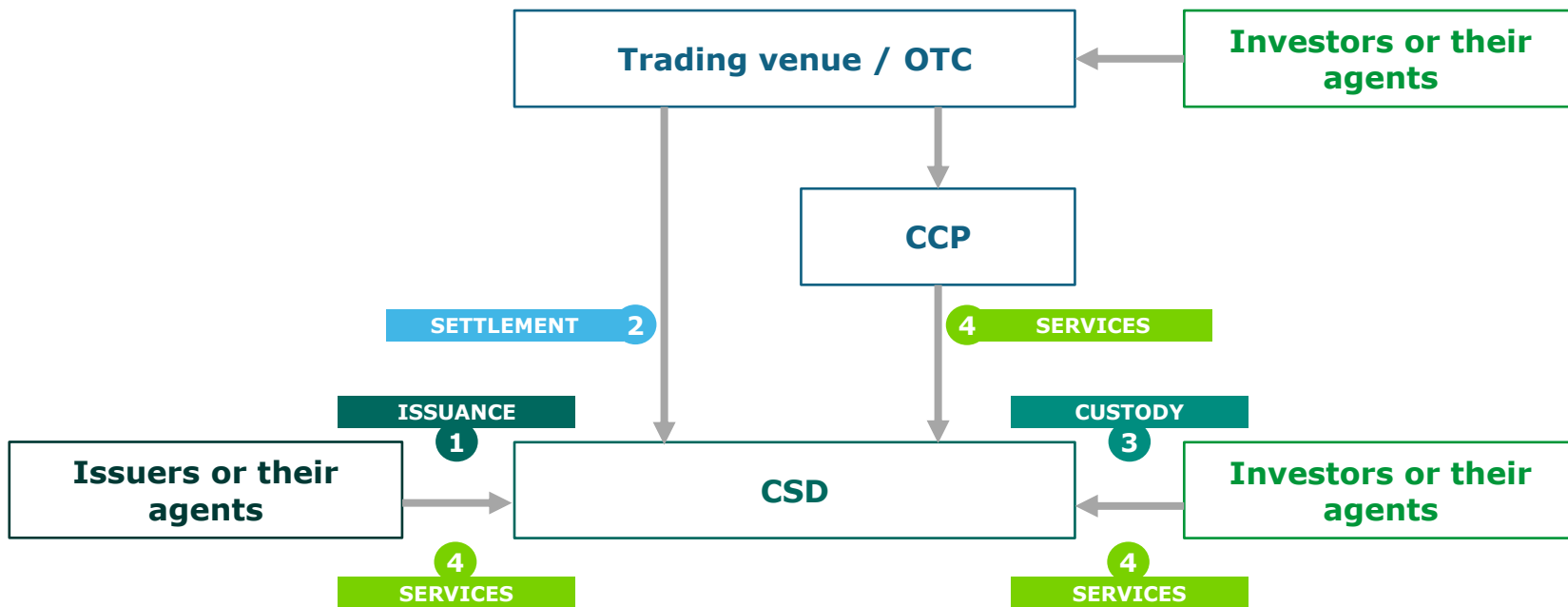
03

CSD deep dive



1

What does a Central Securities Depository (CSD) do?



1 - Issuance: initially record securities in a book-entry system

2 - Settlement: operate a securities settlement system and deliver finality

3 - Custody: maintain securities accounts and service securities recorded on accounts

4 - Services: provide added-value functionalities to customers (data, tax, issuer services, etc.)

2

The CSD landscape in Europe*

The market

International CSDs

2

International CSDs

€23tn

Asset under Custody

T2S participating CSDs

21

T2S participating CSDs

€29tn

Asset under Custody

Other CSDs

13

Other CSDs

€4tn

Asset under Custody



EURONEXT SECURITIES



3

T2S participating CSDs

c.€5tn

Asset under Custody

1

Other CSD

c.€1tn

Asset under Custody



*Source: European Central Bank

Euronext Securities in a nutshell

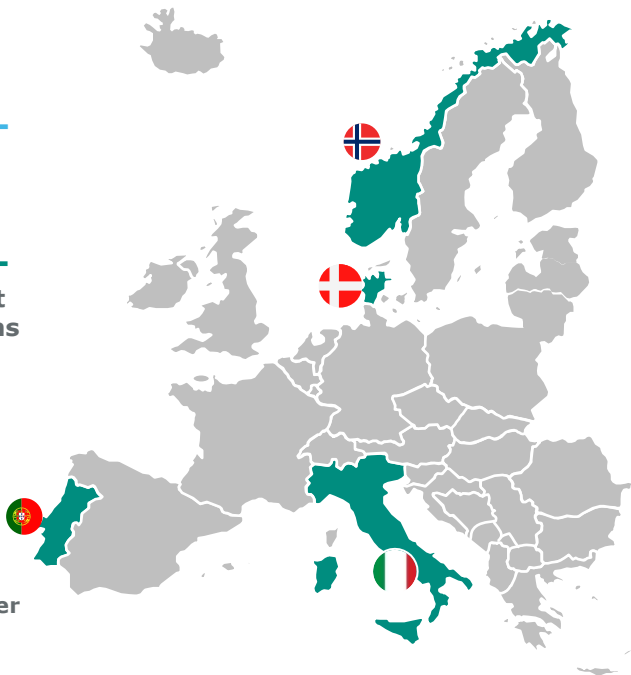
400+
clients

7,700+
issuers

120m+
settlement
instructions

5m
securities
accounts

€6tn+
Assets Under
Custody



OSLO

- Norway is a direct holding market, with end investor accounts in the CSD
- CeBM settlement in NOK through a local platform
- Targeted Investor CSD offering through indirect links

AUC: **€0.7 trillion**
 #Security Accounts: **2 million**
 #Settlement Instructions **25 million**
 #Corporate Actions: **35k**
 #ISINs: **9k**

COPENHAGEN

- Denmark is a direct holding market with end investor accounts in the CSD
- CeBM settlement in EUR, DKK and SEK through T2S and a local platform

AUC: **€1.5 trillion**
 #Security Accounts: **3 million**
 #Settlement Instructions **45 million**
 #Corporate Actions: **11k**
 #ISINs: **9k**

PORTO

- Portugal is an omnibus market CeBM settlement in EUR through T2S
- CoBM settlement in other currencies through a partner bank

AUC: **€0.4 trillion**
 #Settlement Instructions **2 million**
 #Corporate Actions: **8k**
 #ISINs: **3k**

MILAN

- Italy is an omnibus market.
- CeBM settlement in EUR through T2S.
- Well-developed Investor CSD offering through direct and indirect links.

AUC: **€3.7 trillion**
 #Settlement Instructions **51 million**
 #Corporate Actions: **38k**
 #ISINs: **20k**

3

Focus on Euronext Securities in the Nordics

DIRECT HOLDING MODEL



In most European countries, CSDs only maintain large **omnibus accounts** for banks who in turn maintain **retail accounts** in their own systems.

In Denmark and Norway, local retail investors have a **direct account** with CSDs although banks still acts as intermediaries facing end clients.

Euronext Securities manages **5 million** retail accounts in both countries - which is a source of enhanced protection for investors, and significant direct and indirect revenues.

ADDED-VALUE SERVICES



Retail accounts are a unique dataset which we leverage through a range of services: data, tax, general meetings, etc.

As most Nordic sub-custodians exit the value chain, international customers growingly rely on Euronext Securities' expertise and services.

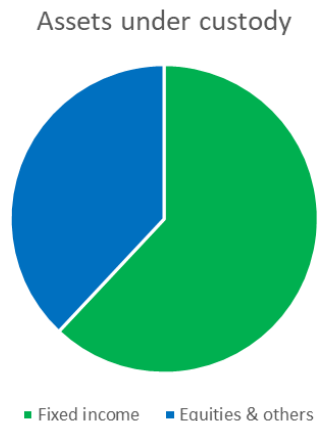
SPECIFIC PRICING MODEL



Nordic CSDs charge fees to both **issuers and their agents**, and **investors and their agents**.

Nordics CSDs operate their own settlement systems with a specific price model

Euronext Securities revenue model



The largest revenue driver is assets under custody (AUC)

- Revenues = AUC (in €) * unit price (in bps)
- AUC = assets issued in Euronext Securities (Issuer CSD) + assets issued outside but kept in custody in Euronext Securities (Investor CSD)
- Unit price = sliding scale (for a given client, unit price decreases with AUC)
- AUC is calculated based on market value for equities, funds and structured products, and nominal value for fixed income.

The second largest revenue driver is settlement volumes

- Revenues = number of settlement instructions * unit price (in €)
- Number of settlement instructions = number of trades * netting rate
- Unit price = constant / sliding scales (for a given client, unit price decreases with the settlement volume)

The rest of revenues are driven by a multiplicity of other factors

- Factors include number of securities (ISINs), corporate actions (dividends), retail accounts, subscription fees, etc.

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Our strategy: pan-Europeanise and scale up Euronext Securities

#1 EXPAND SERVICES

Further develop local and Nordic added value services for financial institutions and issuers.

#2 CONVERGE

Mutualize and harmonize infrastructure to facilitate access to local markets served by Euronext Securities (Corporate Actions).

#3 SCALE EUROPEAN ACTIVITIES

Support Euronext's primary and secondary markets across Europe, and leverage Euronext Securities digital securities issuance capabilities.

#4 IMPROVE CUSTOMER EXPERIENCE

Roll-out targeted new client interfaces and client service model, addressing the needs of both local and global clients.

Q&A





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