COMITÉ CONSULTIVO GERAL
GENERAL ADVISORY COMMITTEE

TEAMS

INTERBOLSA
A EURONEXT COMPANY

November 11, 2020

1. POST-TRADE STRATEGY AND MARKET TRENDS

IN A NUTSHELL, EURONEXT OF CSDS AIMS TO…

Transform **3 independent, local CSDs**
into a **competitive network**,
leveraging **economies of scale** and **local presence**
and **delivering value to our customers**.

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EURONEXT OF CSDS SHORT TERM PRIORITIES

Governance & organisation

1. Implement a harmonised governance model: boards, committee and policies
2. Design the target organisation for Euronext of CSDs
3. Implement the CSD Service Board and project management policy

Business and clients

4. Engage with customers to identify pain points and business opportunities
5. Launch key defensive initiatives
6. Grow revenues: ancillary services and cross-border bond issuance

Technology

7. Finalise CSD study and identify business process optimisations
8. Identify IT architecture de-risking solutions
9. Plan infrastructure and data centre convergence
10. Analyse integration of network, End User Services, cybersecurity & Level 1 IT operations

Work culture

11. Create an efficient & collaborative work culture across CSDs

Finance

12. Refine financial ambitions of Euronext of CSDs

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Country-leading market infrastructure group with strong and diversified assets

Regulated markets — Borsa Italiana

Fixed income trading — MTS

Clearing house — CC&G GRUPPO BORSA ITALIANA

CSD — MONTE TITOLI GRUPPO BORSA ITALIANA

- **Core exchange infrastructure of Italian** financial markets, covering **the full financial value chain**

- Cross-asset coverage in Italy, with significant **fixed income** presence **across European markets**

- Strong, multi-asset clearing house with pan-European capabilities

- Resilient growth, with **strong contribution from post-trade** operations

370 listed companies (of which approximately 300 SMEs)[1]
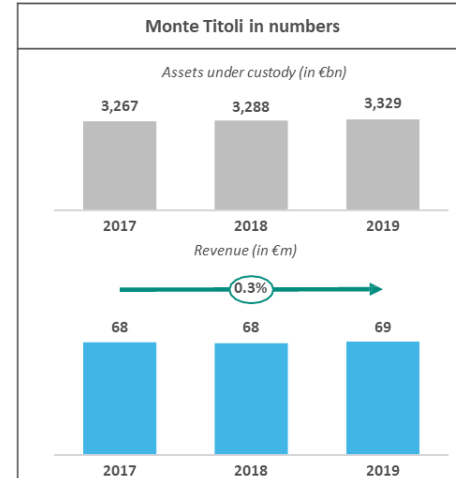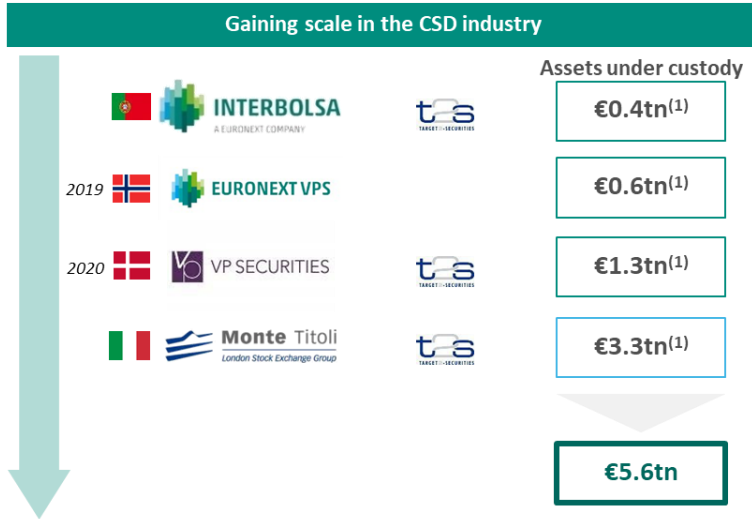
€545bn[2] domestic market caps[3]

€2.5bn cash equity ADV on Regulated Market[3]

>€200bn Fixed Income ADV on MTS

+10% EBITDA CAGR 2017-2019

€264m reported EBITDA 2019 (**~57%** margin)

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MONTE TITOLI, THE ITALIAN CSD, TO BECOME A KEY PILLAR IN THE "EURONEXT OF CSDs" AMBITION

Gaining scale in the CSD industry

Assets under custody

🇵🇹 INTERBOLSA *A EURONEXT COMPANY*	t2s	€0.4tn[1]
2019 🇳🇴 EURONEXT VPS		€0.6tn[1]
2020 🇩🇰 VP SECURITIES	t2s	€1.3tn[1]
🇮🇹 Monte Titoli *London Stock Exchange Group*	t2s	€3.3tn[1]

€5.6tn

Monte Titoli in numbers

Assets under custody (in €bn)

2017	2018	2019
3,267	3,288	3,329

Revenue (in €m)

0.3%

2017	2018	2019
68	68	69

A KEY MILESTONE IN THE "EURONEXT OF CSDs" AMBITION

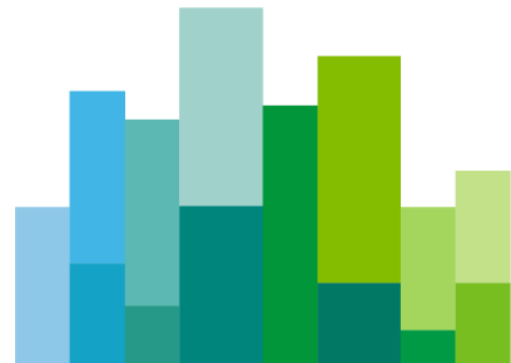| **Euronext's assets under custody to more than double**	**Significant business stability with tailwinds for fixed-income issuance**	**Strong network of CSD links across Europe**

2. SRD II

SRD II - TIMELINE

September 3
Commission Implementation Regulation 2018/1212 of the European Parliament and of the Council is published and entered into in force on 23 of September 2018

September 3
Deadline for compliance of the Commission Implementation Regulation 2018/1212 regarding shareholder identification, transmission of information and voting

August 3
Transposition and implementation deadline for SRD I

2007   **2009**   **2017**   **2018**   **2019**   **2020**

July 11
Directive 2007/36/EC (SRD I) of the European Parliament and of the Council is published and entered into force on 31 of July 2007

May 17
Directive 2017/828 (SRD II) of the European Parliament and of the Council is published and entered into force on 6 of June 2017

June 10
Transposition and implementation deadline for SRD II for each member state (Apart from articles 3a/3b/3c)

August 25
Shareholders Rights Directive was transposed into the national legislation through Law No. 50/2020

September 3
Interbolsa implemented SRD II
- Shareholders Identification
- General Meetings Notification

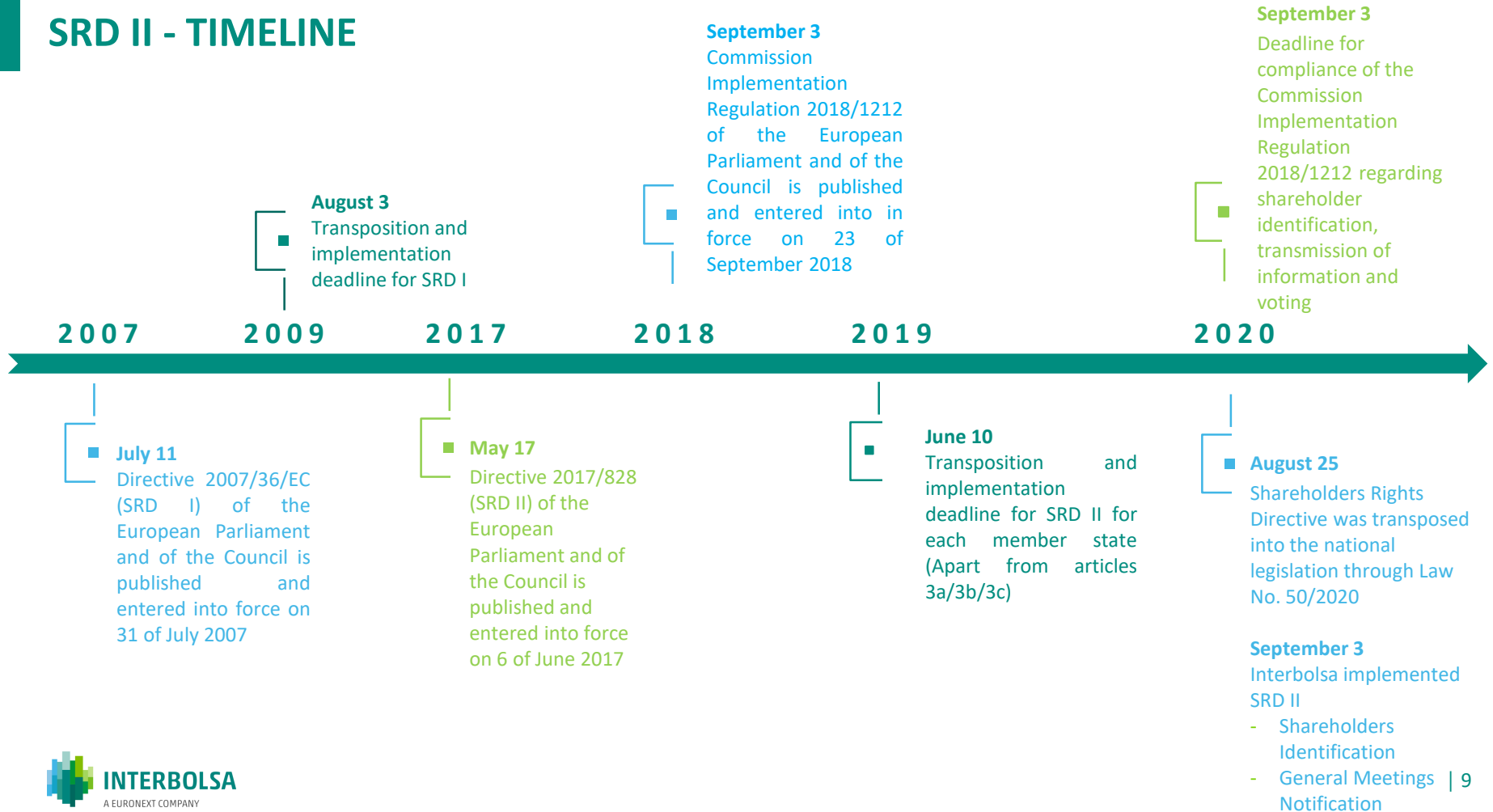**INTERBOLSA**
A EURONEXT COMPANY
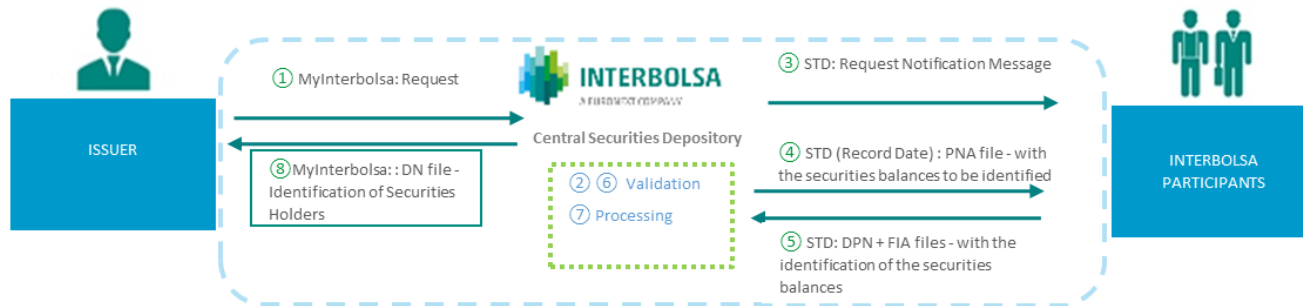
| 9

SRD II - SHAREHOLDERS IDENTIFICATION

- On September 3, 2020 Interbolsa adapted the identification of securities holders service in order to comply with SRD II

- Channel used: Proprietary messages compliant with SRD II requirements and with ISO 20022 messages

- # requests processed after September 3, 2020: 59

① - Issuer sends the request to Interbolsa through My INTERBOLSA
② - Interbolsa validates de request
③ - Interbolsa sends the notification of the request to its participants, through STD
④ - On record date Interbolsa sends to its participants, through STD , the positions to be identified (PNA file)
⑤ - Interbolsa participants send, through STD, the information of the end investors identification (FIA file) and the detailed securities positions (DPN file). For the financial intermediaries over the custody chain the information must be sent, for the moment, by email (DPN-CLI file)
⑥ - Interbolsa validates the information received
⑦ - Interbolsa consolidates the information received
⑧ - Interbolsa sends to Issuer, through My INTERBOLSA, the information of the end investors identification (DN file)

SRD II - GENERAL MEETINGS

- As of September 3, 2020 Interbolsa started to notify the General Meetings notices received from the Issuers with securities registered at Interbolsa

- Channel used:
  - Proprietary messages - compliant with SRD II requirements and with ISO 20022 messages
  - 15022 messages - compliant with SRD II requirements and with ISO 20022 messages

- # notifications processed after September 3, 2020: 7

① - Issuer sends the request to Interbolsa through My INTERBOLSA
② - Interbolsa validates de request
③ - Interbolsa sends the notification of the request to its participants, through STD and ISO 15022 messages (MT564 + MT568)

SRD II - PHASE 2

CHANGES TO BE IMPLEMENTED

Shareholders Identification

| Issuer/ Issuer Agent | → My Interbolsa → | INTERBOLSA A EURONEXT COMPANY | seev.045 seev.046 → seev.047 ← seev.048 seev.049 → | Financial Intermediaries |

- **seev.045** – Shareholder Identification Disclosure Request
- **seev.046** – Shareholder Identification Disclosure Request Cancellation Advice
- **seev.047** – Shareholder Identification Disclosure Response
- **seev.048** – Shareholder Identification Disclosure Response Cancellation Advice
- **seev.049** – Shareholder Identification Disclosure Response Status Advice

General Meetings

| Issuer/ Issuer Agent | → My Interbolsa → | INTERBOLSA A EURONEXT COMPANY | seev.001 seev.002 → | Financial Intermediaries |

- **seev.001** – Meeting Notification
- **seev.002** – Meeting Cancellation
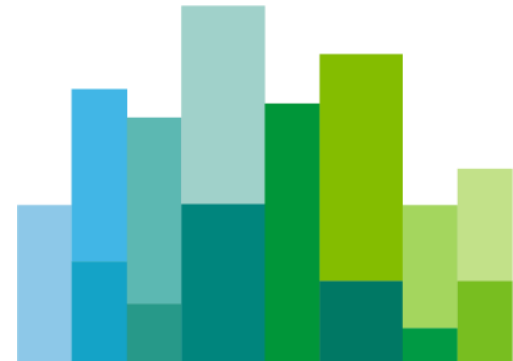
Changes to be implemented in phase 2:

- ISO 20022 messages for Shareholders Identifications
- ISO 20022 messages for General Meetings notification
- Adapt Interbolsa web portal, My INTERBOLSA, to receive the answers to shareholders identification requests from FIs that are not Interbolsa participants or are over the intermediation chain
- Implement Shareholders Identification with record date in the past
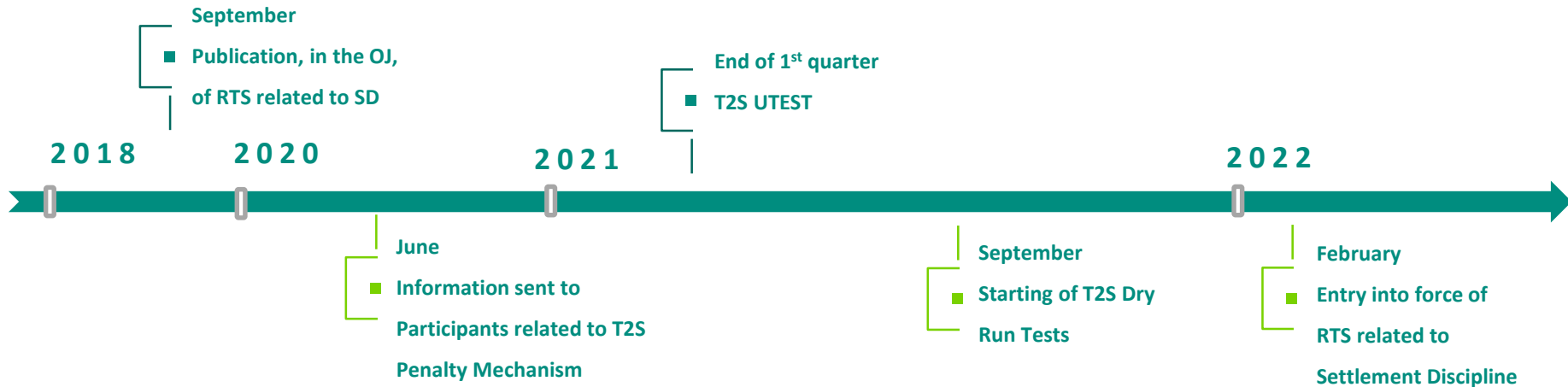- Implementation date: September 2021 (plan to be provided)

3. CSDR - SETTLEMENT DISCIPLINE

TIMELINE SETTLEMENT DISCIPLINE

Regulatory Technical Standards / T2S Penalty Mechanism

September
Publication, in the OJ,
of RTS related to SD

End of 1st quarter
T2S UTEST

2 0 1 8　　**2 0 2 0**　　**2 0 2 1**　　**2 0 2 2**

June
Information sent to
Participants related to T2S
Penalty Mechanism

September
Starting of T2S Dry
Run Tests

February
Entry into force of
RTS related to
Settlement Discipline

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CSDR - SETTLEMENT DISCIPLINE

Measures to prevent settlement fails
CSDR Art. 6

Measures to address settlement fails
CSDR Art. 7

Automated settlement and fully automated, continuous real-time matching (harmonised matching fields)

Mechanisms for participants to manage settlement instructions

Bilateral cancellation

Partial settlement

Access to relevant information

Hold and release

Recycling

Monitoring, reporting and disclosure of settlement fails

Penalties

Buy-in / cash compensation

Suspension of participant

CASH PENALTIES

TIMETABLE

Following MONTH (provision of aggregated amounts and payment)

Daily reporting of penalties computed for last business day of previous month (i.e. First month)

End of appeal period: 10th BD = Last day to ask for corrections on penalties from previous month

12th BD COB = Last day to input amendments

14th BD = **Provision of Monthly aggregated amounts** for penalties of previous month (i.e. of First month including cross-CSD penalties)

15th BD = Calculation of the **net amount to be received OR paid including cross-CSD penalties –** Reporting of the Cash pre-advice

17th BD = **Payment**

1 – Collection
2 - Redistribution

CASH PENALTIES

ECSDA FRAMEWORK

To whom the ECSDA Framework will apply?

Objective:
Harmonisation of rules and procedures. Focuses on the penalties related questions of the settlement discipline regime of the CSDR

Principles to be applied by all EU CSDs:
- ✓ Provision of a cash penalty mechanism
- ✓ Cash Penalties:
  - Daily calculated, after intended settlement date (ISD) until the actual settlement or cancellation
  - Apply to: matched settlement instruction (free or against payment) that fails to settle after its ISD, including Hold instructions and late matching fails

Daily information to Participants	Collection before redistribution
Special situation of the CCPs	Penalties not a revenue source for the CSD

Redistribution of the penalties collected to the participant that suffered from the fail at least on a monthly basis

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CASH PENALTIES

IMPACTS FOR PARTICIPANTS

Penalties reports

Daily and monthly penalties reports:
- via INTERBOLSA:
  SWIFT ISO 15022 (MT537) or STD (new file)

- via T2S:
  SWIFT ISO 20022 (semt.044)

Dedicated Cash Account

Fund the Cash Account on time, by the payment date

It will be possible to appoint a specific cash account for the penalties management

Reconciliation

Carry out internal reconciliation
(based on INTERBOLSA and T2S reports)

Clients penalties

Management of underlying client's penalties

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BUY-INS

GENERAL PRINCIPLES

Buy-in mandatory

for transactions which fail to settle within the '**extension period**'

(4BD after ISD for transactions in liquid securities / 7BD after ISD for transactions in illiquid securities/ 15BD after ISD for transactions in securities listed on a SME growth market

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The **triggering of the buy-in** and its process will be taken care of at trading level, by:

- ✓ The CCP (for transactions cleared by a CCP)

- ✓ The receiving trading member (for transactions not cleared by a CCP and executed on a trading venue)

- ✓ The receiving trading party (for transactions not cleared by a CCP and not executed on a trading venue)

INTERBOLSA responsabilities

- ✓ Process the buy-in instruction as any other settlement instruction

- ✓ Report the settlement transactions resulting from a buy-in to the National Competent Authorities

- ✓ INTERBOLSA will neither detect buy-ins, nor will take on the role of buy-in agent

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NEXT STEPS

- **ECSDA FRAMEWORK**
  - ✓ Close of the open questions with the ESMA and the European Commission

- **T2S PENALTY MECHANISM**
  - ✓ Reporting of Cash Penalties (daily/monthly/modified)
    - ✓ Information already sent to the participants

  - ✓ Appeals Process
    - ✓ Information to be sent to the participants

  - ✓ Tests with participants (UTEST) – 1st quarter of 2021
  - ✓ Tests with participants (Dry Run Tests) – September 2021

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4. T2S AND SWIFT RELEASES

LAST T2S RELEASES

Since last *Operational Advisory Committee*, on 2019/11/28, the following releases were implemented:

- **R 3.3 - 2020/02/15 - resolution of 22 Problems (PBIs)**
- **R 4.0 - 2020/06/13 - implementation of 6 Change Requests (CRs) and resolution of 39 PBIs (plus 2 release defects)**
  - ✓ **T2S-0658-SYS -** *T2S should allow and process already matched instructions with deviating SLMS-SETT parameters on DELI and RECE legs*
  - ✓ **T2S-0668-SYS -** *Provide the T2S reference of the linked instructions preventing SLMS-SETT*
  - ✓ **T2S-0671-SYS -** *Storage and reporting of the Beneficial Ownership indicator for SLMS-SETT Instructions in T2S*
  - ✓ **T2S-0677-SYS -** *During partial SLMS-SETT windows, recycling should only be triggered after an optimization attempt*
  - ✓ **T2S-0689-SYS -** *New process to maximise SLMS-SETT of transactions at DVP cut-off*
  - ✓ **T2S-0719-SYS -** *Common Reference Data Management for T2-T2S Consolidation – Modified Objects*

R 4.1 was cancelled due to the complexity of R 4.2

NEXT T2S RELEASES

Release	# CRs	# PBIs #rel. deffects	First deployment in EAC	Deployment in UTEST	Deployment in Production
4.2	**14**	14+41	2020/07/17	2020/09/25	2020/11/21
4.3	-	11+…	2020/12/11	2021/01/22	2021/02/20
5.0	**19+…**	10+…	2021/02/05	2021/04/09	2021/06/12
5.1	-	1+…	2021/07/23	2021/08/06	2021/09/18
5.2	**7+…**	…	2021/08/12	2021/09/24	2021/11/20
5.3					
6.0	**June 2022**: T2S →European Single Market Infrastructure Gateway (**ESMIG**)				
6.1					
6.2	**November 2022**: T2/T2S Consolidation				
…					
7.2	**November 2023**: Eurosystem Collateral Management System (**ECMS**)				

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T2S RELEASE 4.2

T2S-0684-SYS - *Handling for outbound messages with amount exceeding 14 digits*
- ✓ T2S shall populate all amount fields within T2S outbound messages with '99999999999999' in case 14 digits are exceeded

T2S-0691-URD – *Recycling period of 60 days for matched instructions*
- ✓ In Production since 2020/10/05

T2S-0695-SYS - *Trade date to become mandatory within a settlement instruction*
- ✓ Impacted message: sese.023 (message schema changed to enforce mandatory field)
- ✓ No impact for ICPs - trade date is already mandatory for ICPs

T2S-0713-SYS - *Alignment of T2S Messages with ISO Maintenance Release 2018 - 2019*
- ✓ Impacted ISO 20022 messages: #=60 (10 sese; 15 semt; 10 reda; 20 camt; 3 admi; 2 head)   **No automatic update from BIYI to BYIY**
- ✓ STD inputs/outputs: '**BYIY**' code will replace 'BIYI' in the Securities Transaction Type for buy-in

T2S-0728-SYS – *T2S must be able to identify, store, and report settlement information related to settlement instructions created as a result of partially successful buy-in*
- ✓ New **BSSP** Settlement Transaction Condition code can be used to identify that the settlement instruction has been created as a result of a partial successful buy-in – needed for the Penalty Mechanism (February 2022)
- ✓ MT messages (ISO 15022) and STD will be adapted only with T2S R 5.0 (June 2021) for the new **BSSP** code

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T2S RELEASE 4.2

CRs related to T2-T2S Consolidation:

T2S-0698-SYS - *Business Day Management Development*

T2S-0702-SYS - *Internal communication within the consolidated platform*

T2S-0703-SYS - *camt.050 exchanged between T2S and Central Liquidity Management (CLM)*

T2S-0721-SYS - *Common Reference Data Management - Reused Objects*

CRs related to CSDR Settlement Discipline (postponed until 1st Feb. 2022 **):**

T2S-0654-URD - *T2S Penalty Mechanism*

T2S-0715-URD - *Optimizations to the T2S Penalty Mechanism's user requirements*

T2S-0718-SYS - *Daily provision of Euro Foreign Exchange Rates for the penalty mechanism*

T2S-0727-URD - *Removal of ISO transaction code "REDM" as exemption from the T2S Penalty Mechanism (CR654)*

T2S-0730-SYS - *Securities Subject to Penalties: allow setting Valid To equal to the current business day -1*

tbc: Tests (UTEST env.) by Feb. 2021 and Dry-run (PROD env.) by Sept. 2021

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T2S RELEASE 4.2 MIGRATION TO PRODUCTION
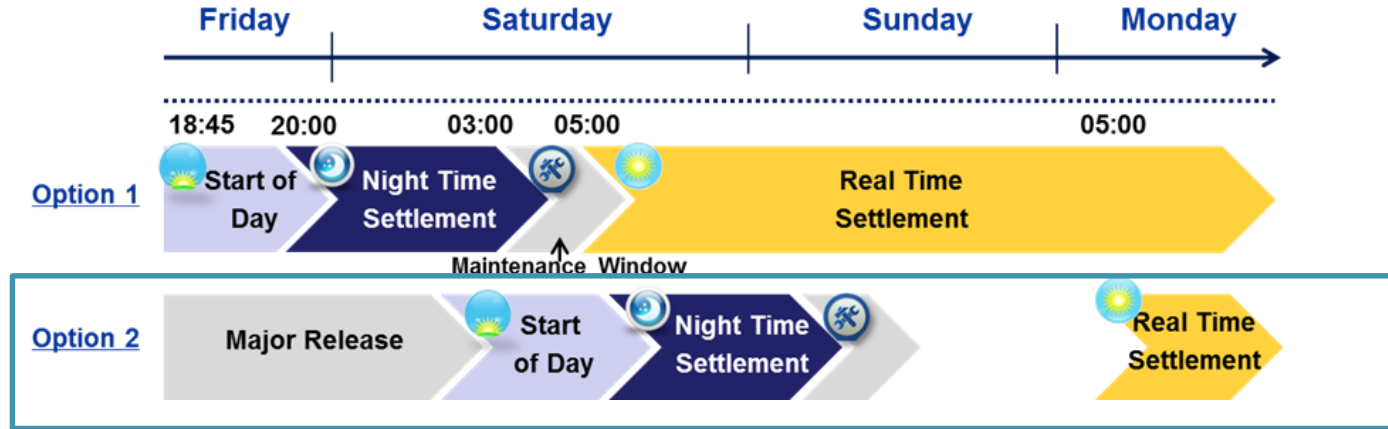
- **Close T2S - A2A and U2A Channel** and stop time relevant T2S Applications   21:00 CET 2020/11/20
- Migration activities   …
- Open T2S - U2A Channel and restart time relevant T2S applications   09:10 CET 2020/11/21
- Nigth Time Settlement (NTS) activities   ...
- **Open T2S A2A Channel**   13:30 CET 2020/11/21
- Green light for real-time settlement   13:45 CET 2020/11/21

T2S RELEASE 5.0

T2S-0383-URD - *Possibility of submitting already matched cross-CSD settlement instructions*

T2S-0503-SYS - *T2S Actor Reference and T2S Reference of counterparty's settlement instruction should be included in T2S messages sese.024, sese.025 and sese.032 after matching*
- ✓ The purpose is to improve the processing of status updates on T2S users side.

T2S-0556-SYS - *Modification of cash forecast for the current and following business day after DVP cut-off*

T2S-0615-SYS - *Enrich values in "Transaction activity field" of the "Securities Transaction Posting Report (**semt.017**)", of the "Securities Transaction Pending Report (**semt.018**)" and in "Bank Transaction Code" in the "End of Day Account Statement (**camt.053**)" with all ISO 20022 codes*
- ✓ Fixed "transaction activity" code 'SETT' to be replaced by BOLE (Borrowing and Lending Activity), CLAI (Market Claim), CORP (Corporate Action Activity), COLL (Collateral Activity), SETT (Settlement and Clearing Activity)

T2S-0629-SYS - *Enhance Cash Forecast Query and Report to display CORP related cash movements separately*

T2S-0630-SYS - *Enhance Cash Forecast Query and Report to display expected aggregated cash movements, with separate status Hold or Released*

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T2S RELEASE 5.0

T2S-0681-SYS - *T2S should allow updates of securities data with an issue date lower than current date*

T2S-0688-SYS - *Enhanced reporting of cancellation reason*
   ✓ New reason codes used in cancelation message (sese.020), subsequent status update (sese.024), Statement of pending transactions (semt.018), and other reports: CANI, CSUB, CXLR, CANT, CANZ, CORP, SCEX, OTHR, CTHP

T2S-0690-SYS - *Unprune fields in settlement allegements*
   ✓ 7 fields provided in the settlement instruction (sese.023), which can be relevant for the counterparty, will be available in the allegement

T2S-0692-SYS - *Send status update message upon transition to 'Failing'*
   ✓ Related to CSDR Settlement Discipline

T2S-0717-URD - *T2S penalty mechanism: exemption from LMFP on settlement instructions created as a result of partially successful buy-ins*

T2S-0722-SYS - *Upgrade of non-repudiation for U2A*
   ✓ **Go>Sign Desktop** using JavaScript will replace Go>Sign Applet, because web browsers no longer accept Java applets

T2S-0738-SYS - *Bypass check on Issuance account for PFODs on a multiissued ISIN*

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Plus 6 CRs related to T2-T2S Consolidation (next slide)

T2-T2S CONSOLIDATION

Release 4.0 Jun 2020	Release 4.2 Nov 2020	Release 5.0 Jun 2021	Release 5.2 Nov 2021	Release 6.0 Jun 2022
CR-719 Common Reference Data Management - Modified Objects	CR-698 Business Day Management Development	CR-696 Common Reference Data Management for T2-T2S Consolidation - New Objects	CR-697 Billing common component development	CR-699 Data Warehouse functionalities (historical data)
	CR-702 Internal communication within the consolidated platform	CR-704 Common Reference Data Management	CR-734 Allow 18 digits in Amount fields of messages camt.004/052/053	CR-700 Legal Archiving common component for T2S
	CR-703 - camt.050 exchanged between T2S and Central Liquidity Management (CLM)	CR-708 Allow Liquidity Transfers from a T2S DCA to a RTGS or TIPS DCA		CR-701 Eurosystem Single Market Infrastructure Gateway (ESMIG) impact on T2S
	CR-721 Common Reference Data Management - Reused Objects	**CR-709 Make the automated cash sweep at 17:45 optional**		CR-705 Common Reference Data Management
		CR-710 Daily maintenance window only for urgent changes and shift of the schedule time		CR-706 Billing common component - T2S Migration
		CR-729 Extend the maximum length of references to 35 characters for T2S liquidity transfers in EUR and ensure valid cross service LTs with camt.050		CR-707 Business Day Management - T2S Migration

T2-T2S CONSOLIDATION
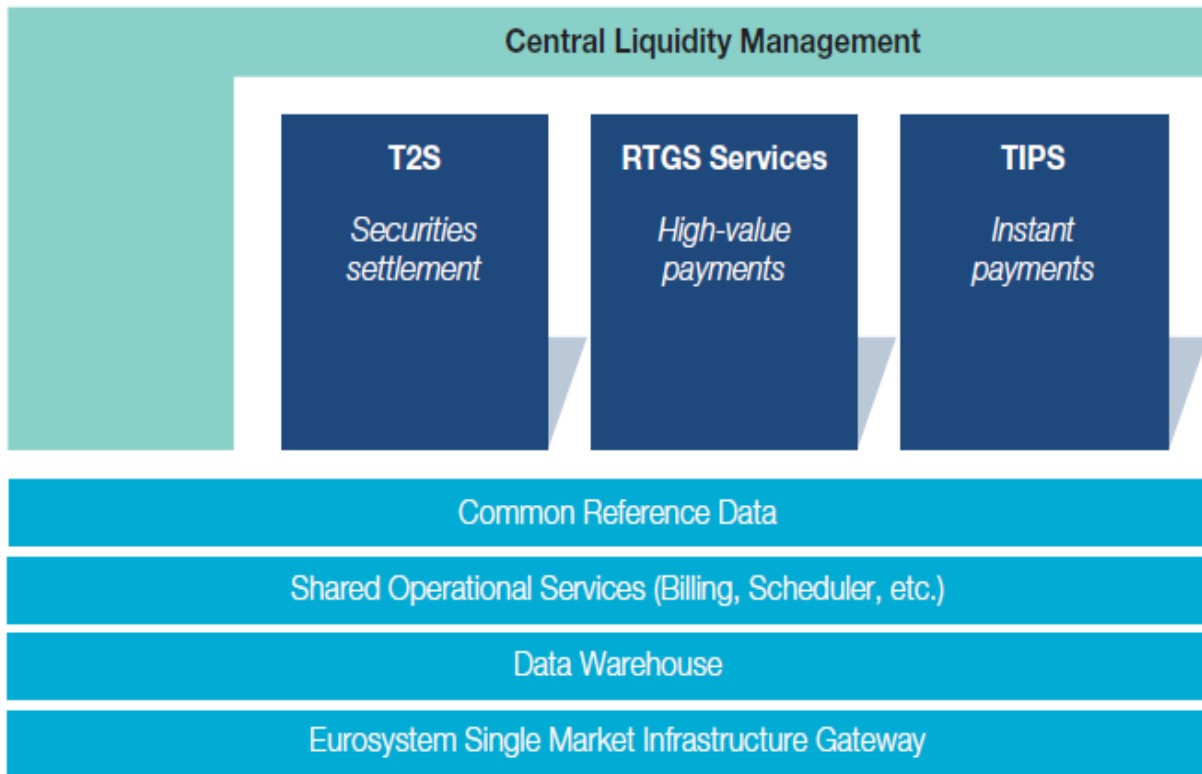
SWIFT RELEASES

STANDARDS RELEASE 2020 (SR 2020)

The changes for this release are limited to Category 5 (Securities - MT5xx).

Main changes (more details at https://www.swift.com/standards/standards-releases/release-highlights):

- Linked to CSDR - Updates/additions on MT 537, MT 548 to the sequence "Penalties" that was introduced in SR 2019.
  - The additional changes are needed to ensure reporting in line with the regulation and compatibility between the ISO 20022 message and the ISO 15022 messages.
    - **plan: Tests – Feb. 2021 tbc; Dry-run (PROD env.) – Sept. 2021; Production - Feb. 2022**

- Linked to SRD II - An indicator added to ensure that intermediaries are able to identify easily when an announcement comes from the first intermediary compared to other sources so to know when their SRD II compliance obligations kick-in.
  - This is done via a new qualifier for the Indicator field17B in sequence D in MT 564.
    - **plan: Tests – 23 Nov 2020; Production – 14 Dec 2020**

5. SCORE

ADAPTATION PLAN

TIMELINE

Adaptation Plan validated by the market

Sep 2019

Sep-Dec 2019

Dec 2019

Interbolsa presented the Adaptation Plan

Revised Adaptation Plan sent to ECB

- **Standards to comply:**
  - Corporate actions: 15 standards
  - Billing: 4 standards

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KEY DELIVERABLES/MILESTONES

FORMER PLAN

Analysis Started	Analysis Complete/ Adaptation Started	Internal Testing Started/ User Communication	Adaptation Complete / User Testing Started	User Testing in Progress / User Communication	**Standards Implemented**
April 2020	Nov 2020	May 2021	Nov 2021	May 2022	Nov 2022

NEW LAUNCH DATE FOR THE IMPLEMENTATION OF SCORE - NOVEMBER 2023

- AMI-SeCo has decided to reschedule the implementation of **Single Collateral Management Rulebook for Europe (SCoRE)** Standards **from November 2022 to November 2023**, covering the first wave adoption of the Standards on Triparty Collateral Management, Corporate Actions and Billing Processes.

- This follows the earlier decision to reschedule the launch of the Eurosystem Collateral Management System (ECMS) by one year to November 2023

- New plan will be published for Wave 1 and Wave 2

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CORPORATE ACTIONS STANDARDS

POINTS UNDER DISCUSSION

Standard 6: Business day rule

- If the payment date of a corporate action falls on a non-business day (in the country of the currency in which the payment is due), the payment shall be made on the next business day.

Standard 8: Payment time

- Corporate action cash proceeds shall be distributed as early as possible, but no later than 12 noon, on the corporate action payment date. For any corporate action event involving a partial or full redemption, the cash proceeds should be made available by the Issuer CSD at the same time as the processing of the partial or full redemption on the payment date so that relevant parties are compensated/paid in a timely fashion for the partial or full redemption.

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6. HARMONISATION INITIATIVES

CORPORATE EVENTS GROUP (CEG)

1st MEEETING HELD ON NOVEMBER 2, 2020

- The core objective of the CEG is to consolidate and enhance the monitoring of the compliance with the sets of CA standards endorsed at the European level. This includes the:
  - Market Standards for Corporate Actions Processing (defined by the CAJWG)
  - T2S Corporate Action Standards (defined by the CASG) and,
  - AMI-SeCo SCoRE Corporate Action Standards (defined by the CMH-TF), after a transition period.

- In a next step, the CEG's responsibilities could include the monitoring and assessment of the implementation of, and compliance with, additional standards, e.g. the Shareholder Rights Directive II (SRD II) related standards and the General Meeting standards.

- The CEG will act as the single point of contact at European level for:
  - all relevant national markets;
  - monitoring and assessing the progress of the markets against their adaptation plans;
  - reporting on the monitoring and assessment activities;
  - interacting with the owners of each set of standards in questions of interpretation or clarifications of their standards.
  - In addition, the CEG takes over all the other tasks of the AMI-SeCo's Corporate Actions Sub-Group (CASG).

CEG Members

Industry Associations

Asset Managers

Issuer Agents

(I)CSDs

Issuers

Global Custodians

Retail Investors

Brokers

Sub-Custodians

CCPs

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CORPORATE ACTIONS - 2020 MONITORING EXERCISE

OVERALL RESULTS

- **Participation**
  - Very high response rate overall
  - ICSDs have participated in the survey on the Market Standards for the first time this year thus helping to provide a more comprehensive picture on the level of compliance in Europe
  - Information on compliance with the Market Standards is typically provided only by the (I)CSD(s) in each market
  - 4 entities have not submitted some or all of the requested progress reports on time
    - SKD - Czech Republic
    - ID2S - France
    - Keler - Hungary
    - SaFIR - Romania

- **Progress**
  - Few markets presents fully compliance
  - Most markets had no progress
  - Some markets reported progress or a plan for the implementation of the standards

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CORPORATE ACTIONS - 2020 MONITORING EXERCISE

INTERBOLSA REPORT
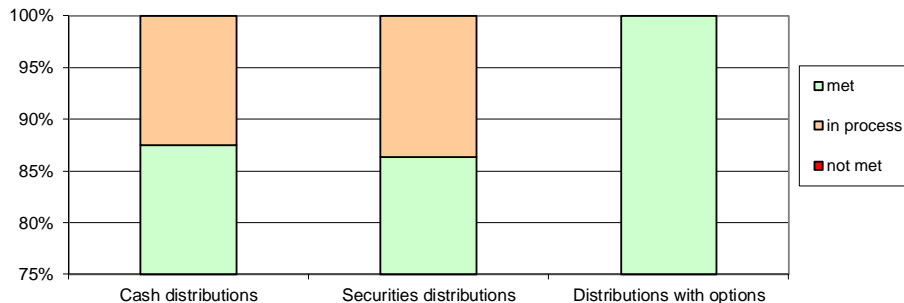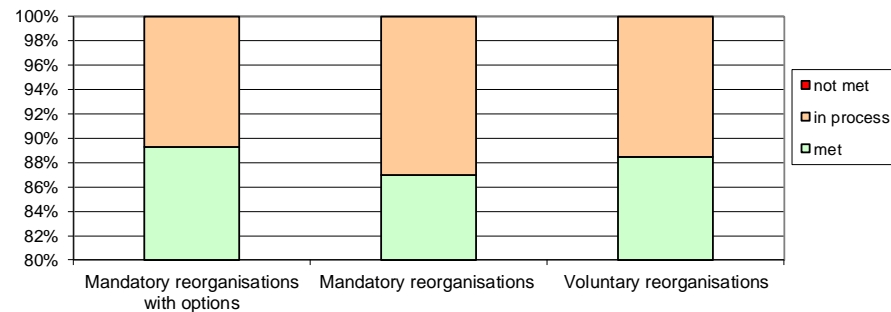
	Number of standards	Number met	Number in process of being met	Number not met
Distributions				
Cash distributions	24	21	3	0
Securities distributions	22	19	3	0
Distributions with options	6	6	0	0
Reorganisations				
Mandatory reorganisations with options	28	25	3	0
Mandatory reorganisations	23	20	3	0
Voluntary reorganisations	26	23	3	0

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7. FOLLOW-UP OF INTERBOLSA'S ACTIVITY

ASSETS UNDER CUSTODY

	2015	2016	2017	2018	2019	Sept 2019	Sept 2020
Nr. Issues	2 918	3 028	2 433	2 297	2 524	2 737	2 460
Amount (10^6€)	305 811	314 228	338 022	337 366	347 452	345 249	366 220
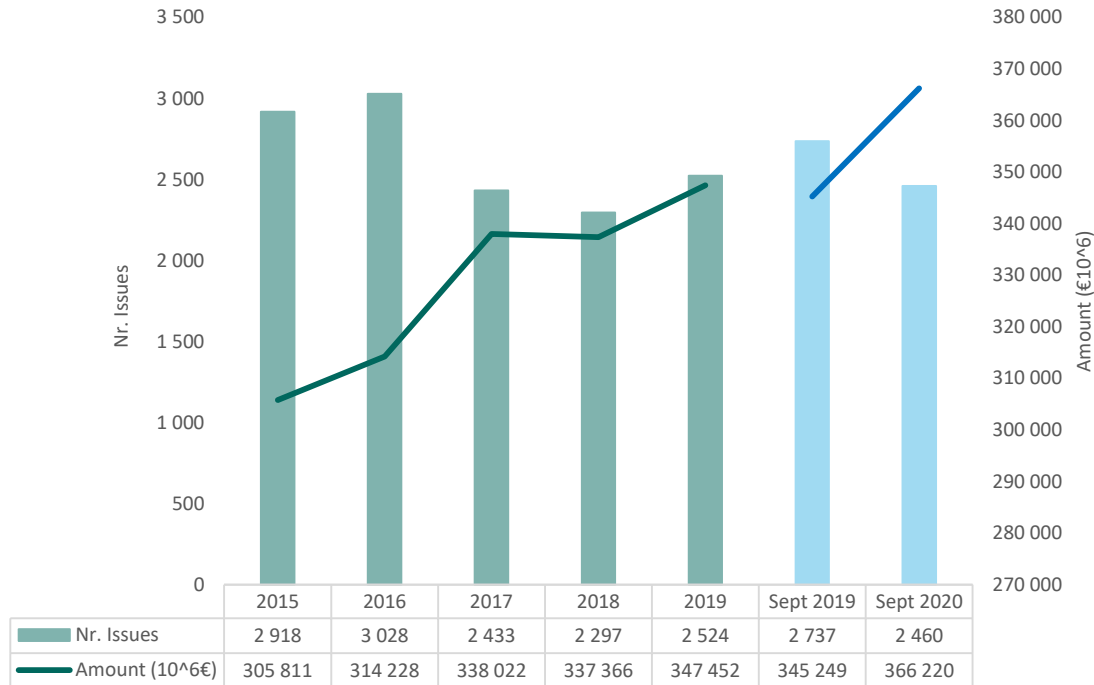
The number of issues decreased from 2,737 to 2,460 issues in Sept 2020 (-10,1%)

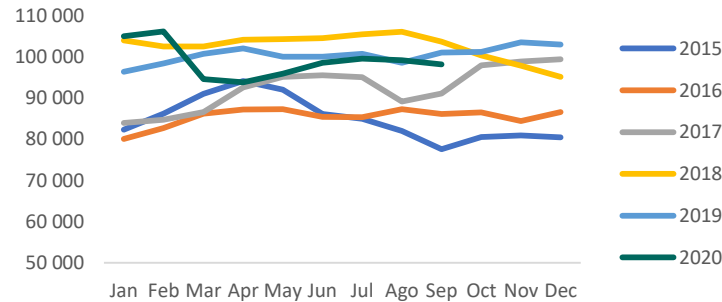The amount under custody increased 6,1%, from 345 bi€ to 366 bi€ in Sept 2020

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AVERAGE AMOUNT OF ASSETS UNDER CUSTODY

PUBLIC DEBT
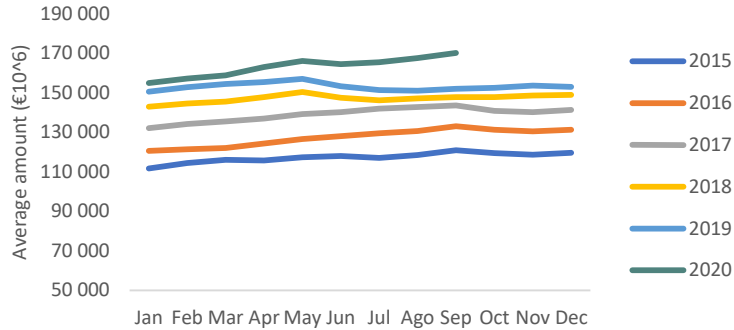
PRIVATE DEBT
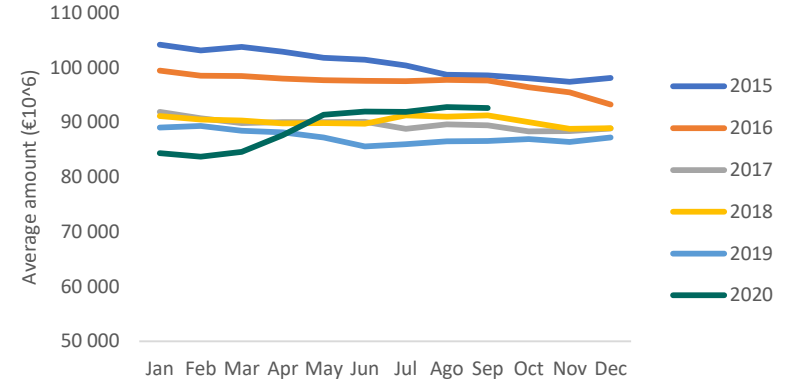
EQUITIES (SHARES & FUNDS)

CORPORATE ACTIONS

	2015	2016	2017	2018	2019	Sept 2019	Sept 2020
Nr. Corporate Actions	7 947	7 357	6 564	6 716	6 356	4 618	5 835
Amount (10^6€)	60 278	54 556	53 086	51 929	53 949	43 321	37 993
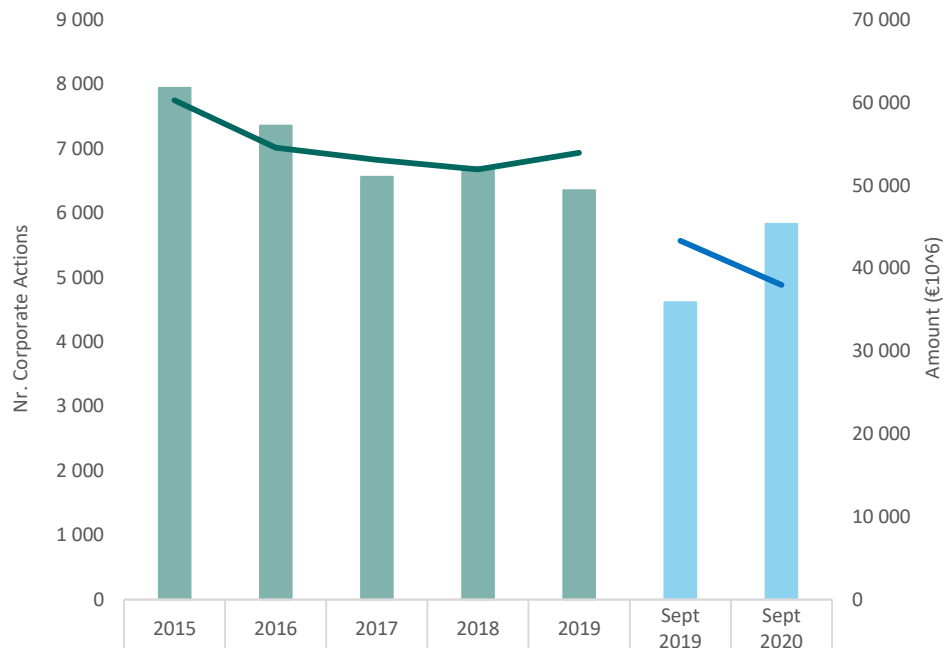
The number of corporate actions increased from 4,618 to 5,835 in Sept 2020 (+26.4%)

The amount decreased by 12,3%, from 43,3 bi€ to 38,0 bi€ in Sept 2020

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SETTLED OPERATIONS

GUARANTEED AND NON GUARANTEED TRANSACTIONS, CARRIED OUT IN A REGULATED MARKET AND IN A MULTILATERAL TRADING FACILITY

	2015	2016	2017	2018	2019	Sept 2019	Sept 2020
Nr. Transactions	500 663	446 173	447 482	447 834	490 762	362 380	427 623
Amount settled	158 405	160 363	163 924	145 743	154 223	120 035	139 289
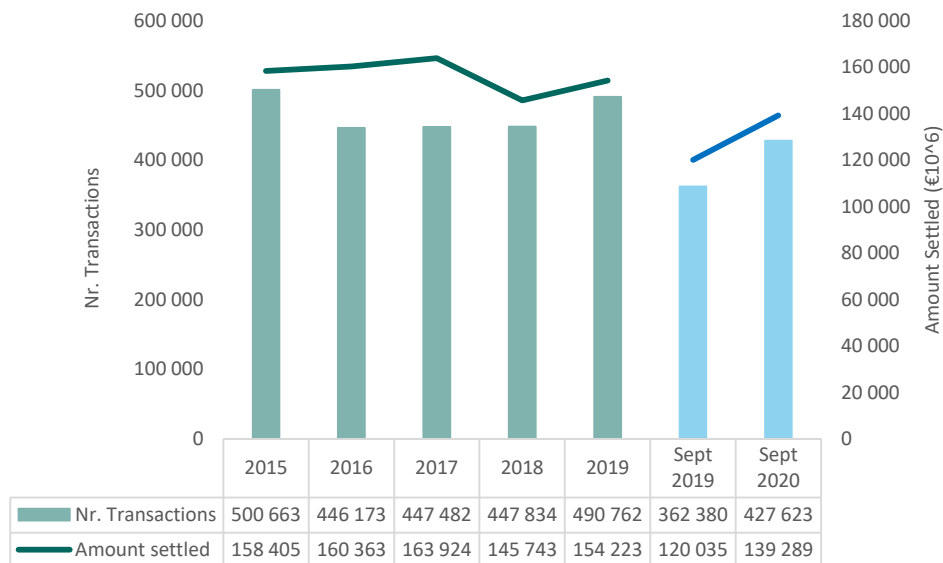
The number of market operations increased 10,8% from 218.224 to 241.847 in Sept 2020

The amount settled increased 27,1% from 20,3 bi€ to 25,9 bi€

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SETTLED OPERATIONS

OTHER OPERATIONS - DVP

	2015	2016	2017	2018	2019	Sept 2019	Sept 2020
Nr. Transactions	500 663	446 173	447 482	447 834	490 762	362 380	427 623
Amount settled (€10^6)	158 405	160 363	163 924	145 743	154 223	120 035	139 289
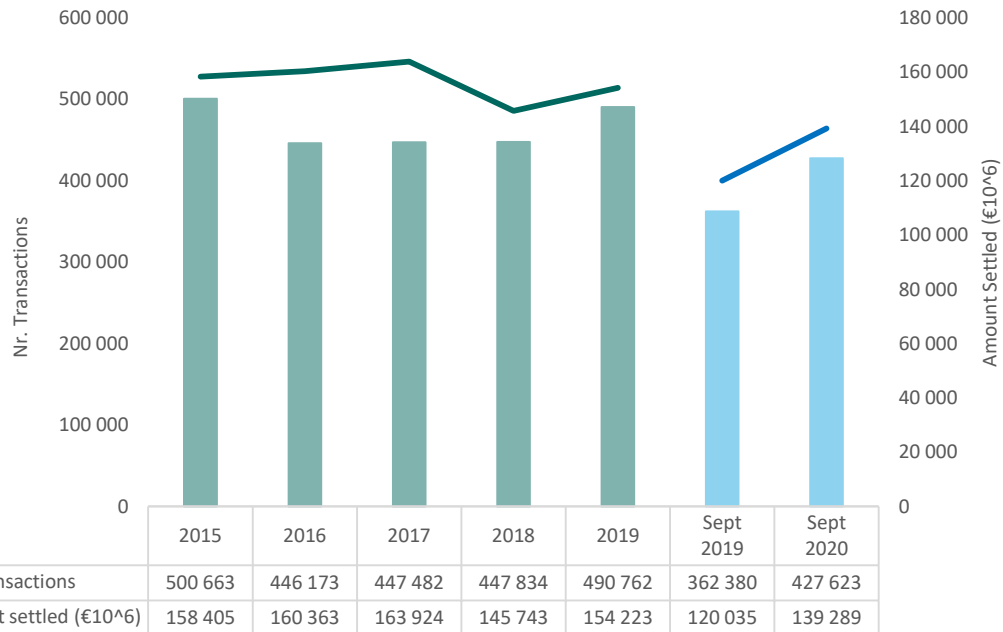
The number of OTC operations increased 18,0% from 362.380 to 427.623 in Sept 2020

The amount settled increased 16,0% from 120 bi€ to 139,2 bi€

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REVENUES - YTD SEPT 2020 VS SEPT 2019

Euro

REVENUES	30/09/2020	30/09/2019	Var.	Var.%
Usage of the Systems & accounts	559.760	628.969	-69.209	-11,0%
Settlement and Account movements	1.375.821	1.215.038	160.783	13,2%
Corporate actions	420.700	452.540	-31.840	-7,0%
Maintenance fee	13.488.402	13.058.240	430.162	3,3%
Registration of issues	231.930	203.565	28.365	13,9%
Cancellation of Issues	205.540	161.930	43.610	26,9%
T2S reports	70.434	66.888	3.546	5,3%
Other services	507.062	446.431	60.631	13,6%
Services Provided	16.859.649	16.233.601	626.048	3,9%
Other revenues (1)	134.944	109.547	25.397	23,2%
Total revenues	16.994.593	16.343.148	651.445	4,0%

The **usage of systems & accounts** dropped 11,0% explained by the decrease of the use of restriction references in accounts

Due to the high volatility in the market the **settlement revenues** up 13,2%. The market transactions increased by 8% and OTC transactions up 18%.
Account movements dropped 27%.

The **corporate actions** decreased 7,0% explained by the decrease of the number of dividends payments from 87 to 68 in September 2020

Maintenance fees up 3.3% due to an increase in the average amount of public and corporate debt (+9,4%) and a decrease (-1,1%) in the average amount of equities registered at Interbolsa.

Issues registration and cancellation increased by 13,9% and 26,9% respectively.

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COSTS - YTD SEPT 2020 VS SEPT 2019

Euro

COSTS	30/09/2020	30/09/2019	Var.	Var.%
Salaries and employees' benefits	2.221.772	2.155.003	66.769	3,1%
Systems & Communications	522.650	551.872	-29.222	-5,3%
Professional Services	969.888	1.347.915	-378.027	-28,0%
Equipment & Accommodation	123.083	129.392	-6.309	-4,9%
Provisions	17.285	13.742	3.543	25,8%
CMVM - Regulator fees	570.000	570.000	0	0,0%
Other expenses	146.244	176.669	-30.425	-17,2%
Total	**4.570.922**	**4.944.593**	**-373.671**	**-7,6%**
Depreciation and amortizations	317.833	425.458	-107.625	-25,3%
Operational Costs	**4.888.755**	**5.370.051**	**-481.296**	**-9,0%**

Salaries and employees' benefits - The cost of salaries and employees' benefits increased by 3,1%. New FTE/trainees were hired in 3Q 2019 and in 1Q 2020

Systems and communications decreased by 5,3% due to a decrease in costs related to SWIFT communications.

Professional fees decreased 378K€ explained by correction of the T2S invoices

Depreciations & Amortization decreased 25,3% due to the end of life of software development internally and a new IT lease contract framed in the IFRS 16.

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