

Will the Market Deliver the Cost Efficiencies Envisaged by T2S?

Current average cost of CSD settlements in EU	T2S Pricing Proposal
Range Eur 0.45 ~ 0.75 Cross-border settlement costs even higher (NB: current CSD prices are inclusive of the connectivity and reporting services)	Best case scenario: Eur 0.35 ~ 0.40 Worst case scenario: Eur 0.55 ~ 0.60 ⇒ potentially an improvement (especially for cross-border settlements)

- We will endeavor to pass on the cost efficiencies – However:
 - Difficult to analyze the impact of information service costs – to be charged by T2S
 - The T2S Pricing does not include the cost of Connectivity – dependent upon Network Provider fees
 - The T2S Pricing does not include the CSD add-ons – dependent upon amount of CSD reshaping costs and markups
- Challenge for the industry - as we move to unbundle the services/tariff, will the clients derive savings or will the unbundled tariff simply be a zero sum game?