

T2S Settlement – Example 1: Delivery vs. Payment (DvP)

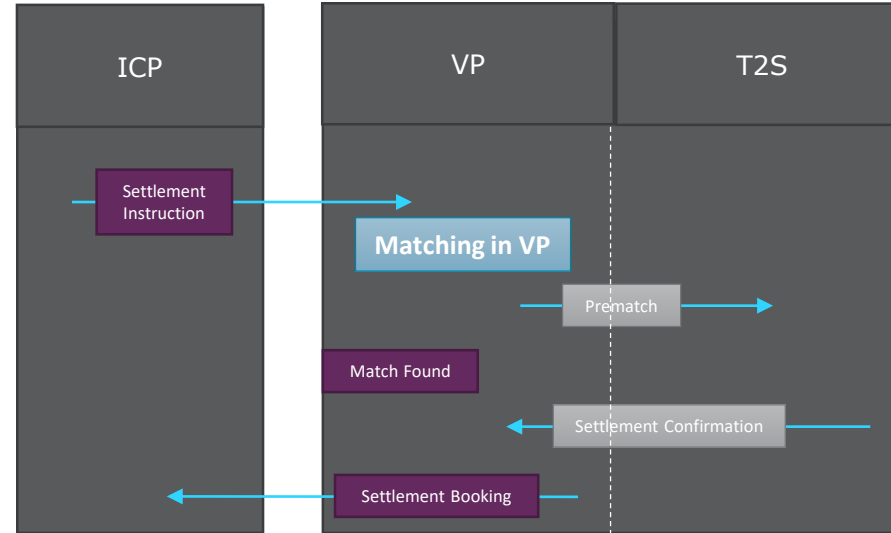


ICP:

1. DvP flow between Indirectly Connected Participant (ICP), VP and T2S; settling against another ICP.

- Settlement instruction between VP and T2S.

VP attempts prematch before sending to T2S. When settlement has occurred at T2S, VP forwards the confirmations to the involved parties.
In case of prematching has been possible at VP, no T2S matching fee will be incurred.



DCP:

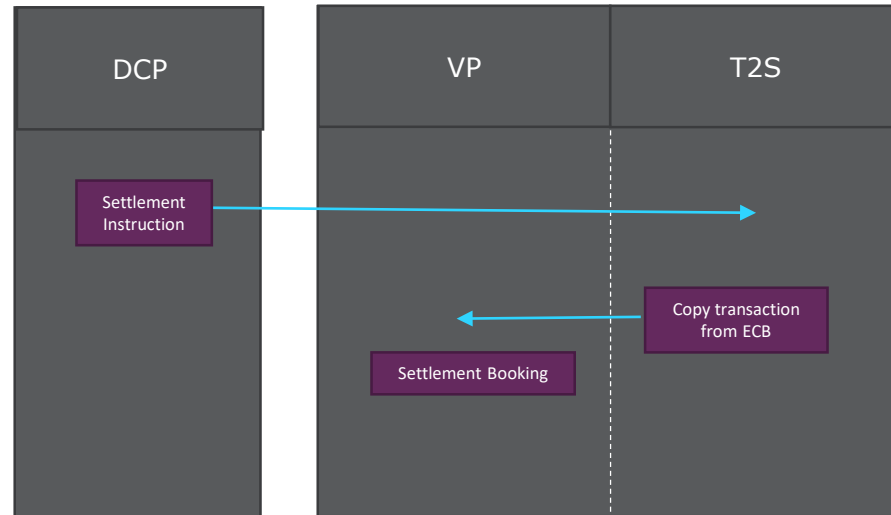
2. DvP flow between Directly Connected Participant (DCP), VP and T2S.

- VP receives a copy transactions from ECB, of communication between T2S and the DCP participant.

As match will take place at T2S, the T2S matching fee will be applied.

The remaining flow resembles the ICP flow.

NB: Each settlement instruction will be treated as normal settlement instruction (professional trade) subject to price bands in VPs fee schedule, for both the ICP and DCP.



For each Delivery vs. Payment (DvP) transaction:

(Both DCP and ICP)

1 settlement fee DKK 1-2

Will be treated as normal settlement instruction (professional trade) subject to price bands in VPs fee schedule

1 DvP instruction: DKK 1.75

T2S Communication Fee: DKK 0.33

If matching takes place at T2S DKK 0.35

DKK 3.08-4.43

Plus any T2S information services cost (39715 and 39720) assigned to involved T2S account(s) by the ECB.



Example

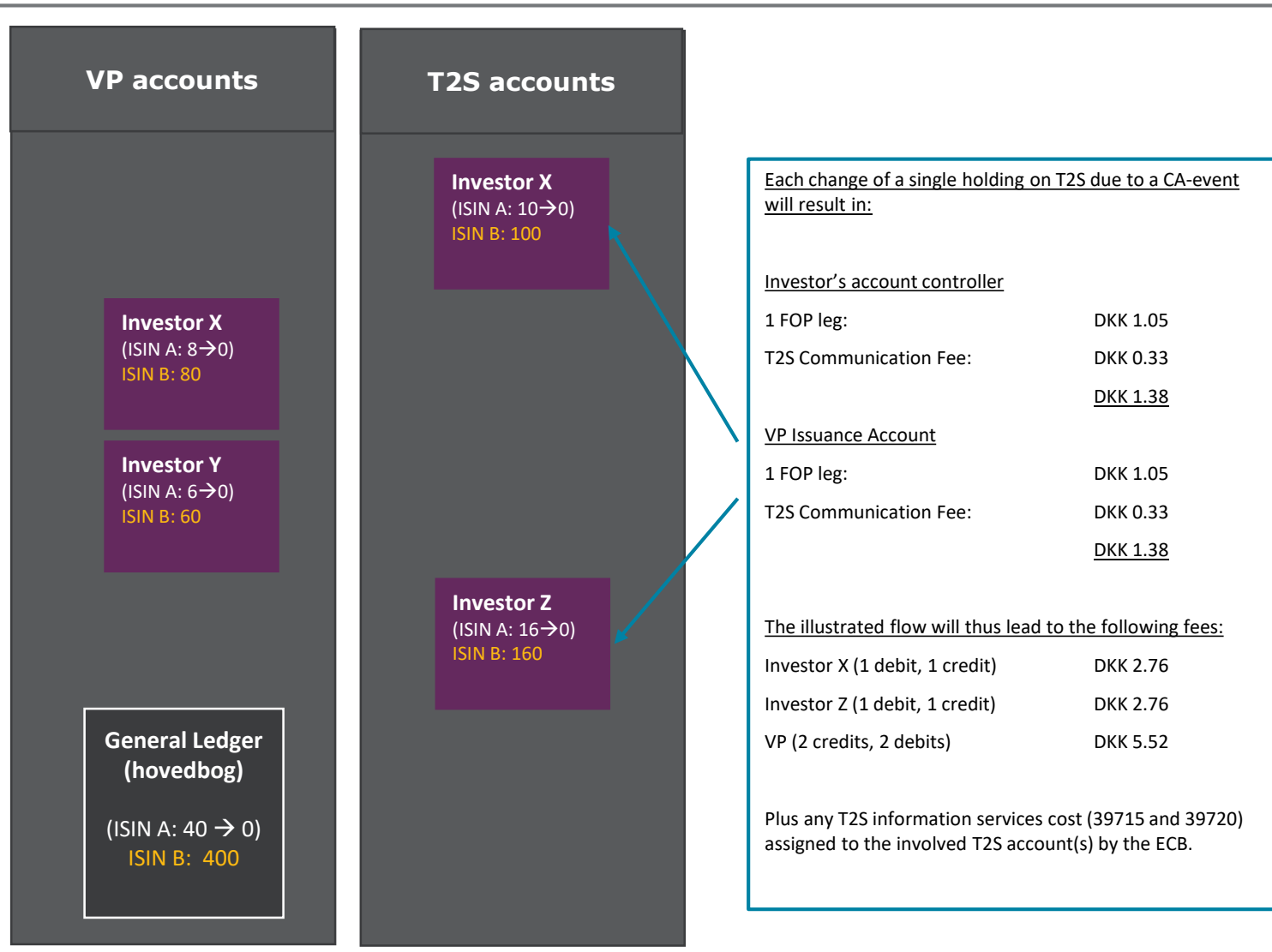
ISIN A: 40 are split into ISIN B: 400

Flow

ISIN A are split into ISIN B with a ratio 1:10:

- Investor X on T2S account 10 in ISIN A to 100 in ISIN B
- Investor X on VP account 8 in ISIN A to 80 in ISIN B
- Investor Y on VP account 6 in ISIN A to 60 in ISIN B
- Investor Z on T2S account 16 in ISIN A to 160 in ISIN B

The solution also caters for Corporate Actions with fractions as VP always updates VP accounts prior to updating the T2S accounts.





Example

Issuing Agent A to pay dividend DKK 100 to Investor X, Y, Z.

Issuing Agent A are also to be seen as the Cash Settlement Agent (primær betalingsstiller)

Flow

1. Issuing Agent A to pay DKK 100 to
 - Investor X on T2S account DKK 35
 - Investor X on VP account DKK 50
 - Investor Y on VP account DKK 10
 - Investor Z on VP account DKK 5

2. Payment method depends on whether the investors' account is a VP account or T2S account

For T2S accounts:

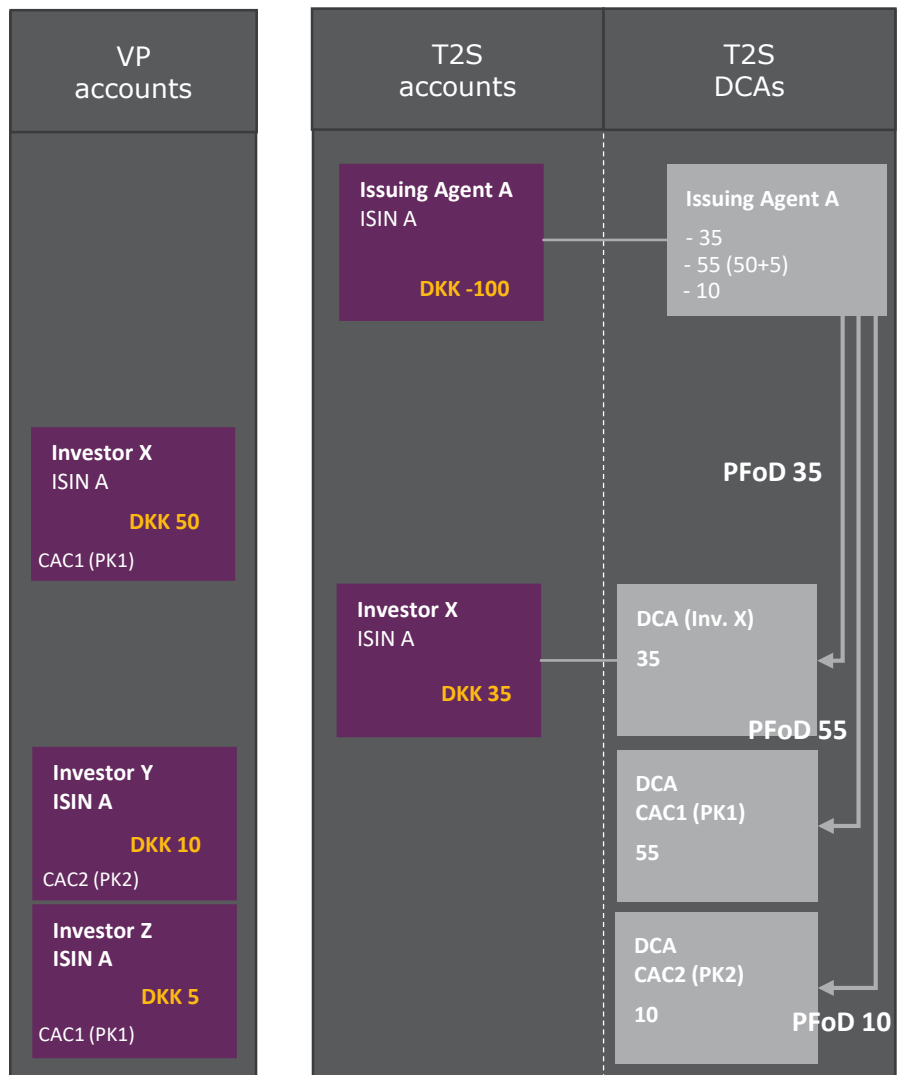
Payment takes place from the Issuing Agent A DCA to the Investor X DCA

For VP accounts:

Payment takes place from the Issuing Agent A DCA to the DCA of the Cash Account Controller (Pengekontofører) for each ISIN.

- Investor X uses CAC1 (PK1)
- Investor Y uses CAC2 (PK2)
- Investor Z uses CAC1 (PK1)

NB: All PFoDs are instructed at the same time as an all-or-none per ISIN.



Each CA-payment (PFoD) :

Investor Cash Account Controller (CAC)

1 PFoD leg:	DKK 1.05
T2S Communication Fee:	DKK 0.33
	<u>DKK 1.38</u>

Issuing agents (or its paying agent)

1 PFoD leg:	DKK 1.05
T2S Communication Fee:	DKK 0.33
	<u>DKK 1.38</u>

The illustrated flow will thus lead to following fees:

Issuing agent	DKK 4.14
CAC 1 on behalf of Investor X and Z	DKK 2.76
CAC 2 on behalf of Investor Y	DKK 1.38

Plus any T2S information services cost (39715 and 39720) assigned to the involved T2S account(s) by the ECB.

T2S Transfer Example 4

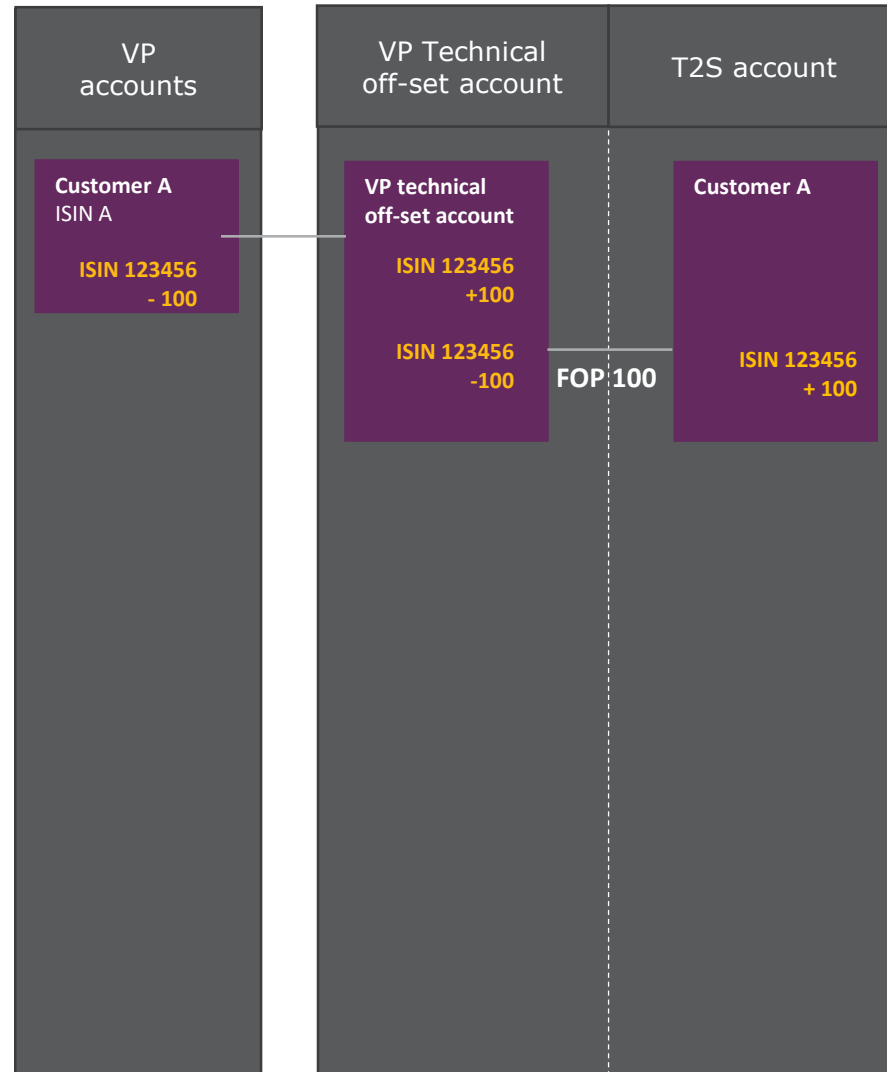


Example

Customer A transfers holding from his account in VP to his account in T2S

Flow

1. Customer A sends a "T2S Transfer" instruction to VP
2. VP validates that there is sufficient holding and executes transfer
3. T2S FOP between VPs Technical off-set account and Customer A T2S Account



Each T2S Transfer will result in:

Customer A

1 T2S Transfer: DKK 1-2

Will be treated as normal settlement instruction (professional trade) subject to price bands in VPs fee schedule

1 T2S FOP: DKK 1.05

T2S Communication Fee: DKK 0.33

Above covers VP costs invoiced by T2S for FOP related to VPs Technical Off-set account move – pass-through invoicing by VP

1 T2S FOP: DKK 1.05

T2S Communication Fee: DKK 0.33

Above covers Customer A FOP cost invoiced by T2S for FOP – pass-through invoicing by VP