ACSDA – Miami Senior Summit 2012

General Theme: Identifying New Product/Service Initiatives

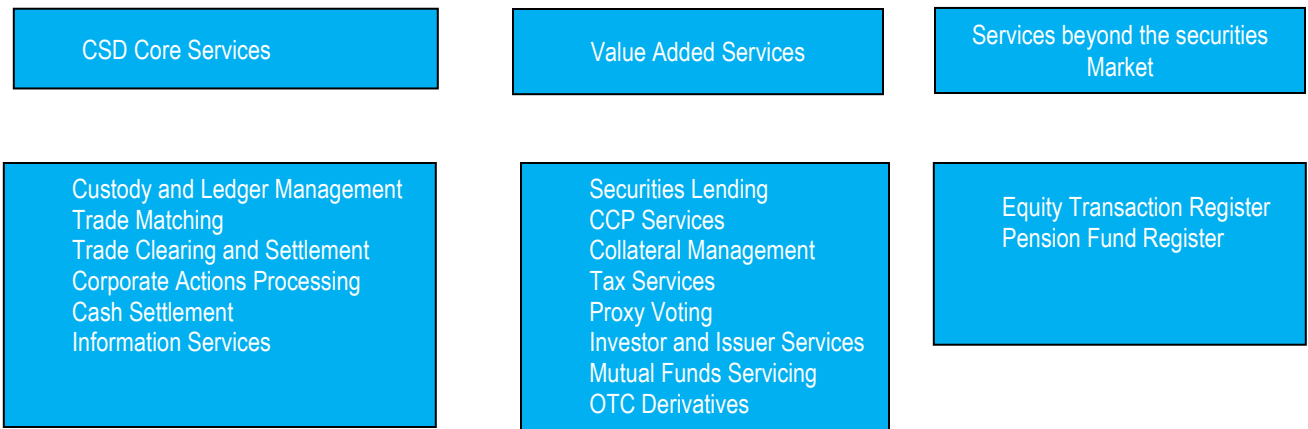Session Leader – Javier Jara (DCV Chile)

Examining experiences and exchanging views on the manner in which CSDs currently handle the following:

- Identification and development of new products/services opportunities.
- Review of the processes for determining new initiatives/products beyond those that make up the CSDs' core business.

Currently, there are numerous models as to how, worldwide, each CSD determines the new products/services to be developed for the market where it performs; taking into account all the different aspects: Legal, regulatory, risks, revenue, value added, amongst others.

The proposal for our coming Senior Summit Miami 2013 has the purpose of evaluating the views and existing situations at the different CSDs in a round table discussion with the participants. We present the following topics in order to provide a basis for the discussion:

1. From the traditional CSD Core Services to the Value Added Services.

CSD Core Services	Value Added Services	Services beyond the securities Market
Custody and Ledger Management Trade Matching Trade Clearing and Settlement Corporate Actions Processing Cash Settlement Information Services	Securities Lending CCP Services Collateral Management Tax Services Proxy Voting Investor and Issuer Services Mutual Funds Servicing OTC Derivatives	Equity Transaction Register Pension Fund Register

- Do you concur that these represent "core" services for a CSD? If not, why not?
- Some CSDs are leveraging their record keeping capabilities to expand into services outside of the securities market. (E.g. insurance records) Do you see potential opportunities in your market for this type of expansion? Is this the sort of initiative that could lend itself to collaboration between CSDs in different

markets?

2. Identifying new product and service opportunities
   - How do you identify ideas for new services and products to offer to the market?
   - In your experience have some services/products that have traditionally been successful/unsuccessful for your organization? If so, why?
   - Probable sources to be used by CSDs:

     o Market requirements, legal or participant requirements.
     o Internally generated development or initiative.
     o Benchmarking with other CSDs.
     o Interaction with others through regional and international associations and events.

3. Focus of the New Services and Products
   - What new business or service initiatives have you pursued in recent years?
   - What were the outcomes from these initiatives? Have the outcomes had an impact on your approach to service development?
   - Does your approach differ when it is a service directed at your traditional clients?

4. Future Development
   - What are the principle incentives for new services and product development in your organization? Why?
     o Tradeoff between services/products generating revenue vs. Infrastructure.
     o Differences with shareholders and regulators: How to deal with them
   - What is the reaction of your Board and other stakeholders as you seek to develop services beyond what is traditionally thought of as the realm of a CSD, or services directed at a new client base?
   - Drivers to take decisions regarding new services /products:
     o Market growth and development of new instruments and issues
     o Diversification of your service offering and sources of revenue
     o Offering centralized services that are currently being done by market participants individually
     o Expansion of your customer base
     o Providing IT services and making up for third party absence.
     o Leveraging organizational competencies to move into new business areas

- o Attracting more transactions and values for processing
- o International expansion
- o Others