



2007 FAS ANNUAL CONFERENCE
FAIRMONT CHATEAU MONTEBELLO
SEPTEMBER 27 – 30, 2007

**REPORTS FROM KEY INDUSTRY INSTITUTIONS – CANADIAN
DEPOSITORY FOR SECURITIES (CDS)**

Keith Evans
Executive Director, Operations

CDS Update

CDS

2007

FAS Conference - Montebello, Quebec

September 2007

Keith Evans - Executive Director, Operations

Agenda

- Review of 2007
 - Financial Results
 - Development Initiatives
 - Other Initiatives
- Looking ahead to 2008

Review of 2007 - Financial

- Trade Discount - Exchange/Non-Exchange
 - Full - year reduction of 33% over 2006
 - Effective February 2007 a further 33% discount
 - Community savings = \$5.8 million, as of July

Review of 2007 - Financial

- Revenues as of July 2007
 - Clearing (after discount) - \$22.5 million
 - Depository - \$22.2 million
 - International - \$5.1 million
 - Other (ATON/Courier etc) - \$11.3 million
- Excess Revenue over Costs
 - \$8 + million

Review of 2007 - Development

■ SDRC Releases

- Release 1 - February 2007
 - Data Management - streamlining/automating entitlement event information
 - Report/Message enhancements
 - 1042s reporting enhancements for 2006 tax year
- Release 2 - May 2007
 - 1042s Business requirements for 2007 tax year
 - Auto Claims on Security Loan items

Review of 2007 - Development

■ SDRC Releases

- Release 3 - August 2007
 - \$50MM trade limit installed (activated Sept.10th)
 - Buy In messages (out bound)
 - Euroclear UK (formerly CREST)
 - Exclude auto claims on stock splits
- Release 4 - November 2006 (Proposed)
 - 1042s Reporting
 - data capture
 - monthly reporting
 - Trade Reconciliation tolerance limits
 - CNS failed trade enhancement/fee

Review of 2007 - Other Achievements

- Dividend Eligibility Service (T5)
 - collection of CDSX eligible dividends
 - identification of tax status
 - web-based information
- 1,000,000+ exch. trades on Aug 16th
- Thomas Murray rating of CDS
 - AA rating - highest CSD rating in the world

Looking Ahead to 2008

- Permanent reduction in the cost of a trade, and continued discount structure
- New fee to cover the cost of the dividend eligibility status
- Expansion of Euroclear UK
- Streamlining of entitlement payments (elimination of paper cheques)
- New Issue certificates to go electronic
- Fixed income efficiencies - business case
- Inbound deposit and withdrawal messages

Questions?

CDS

2007

