



Growth and consolidation is the forecast with which DCV envisages the year 2013

International custody service, forward contracts registry, Omgeo and new depositors

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Between 2010 and 2012 Depósito Central de Valores (DCV) has incorporated an important list of new services, among which international custody, forward contracts registry and transaction comparison service through Omgeo CTM stand out. In addition, a plan focused on attracting new participants was established prior to the end of this year, and which is hoped to be strengthened during 2013.

In order to make an appraisal and projections, we talked with the business chief at DCV, Juan Carlos Melys, who points out that “during 2012 we have been working to continue strengthening these three services in order to achieve important growth during 2013, that is what we are looking forward to, and we hope to grow at an average of 25% to 30%.”

International Custody Service

The international custody service, for which we completed the infrastructure in the year 2011 with the incorporation of Euroclear, has the purpose of offering settlement and custody services to those DCV customers who hold investments abroad. The challenges for the year 2012 regarding the goals that had been set, were extremely high and the efforts have borne good results, achieving the attraction of important customers who have trusted the service with satisfying results. The hard work has been carried out in order to highlight the benefits that the DCV

service bears in contrast with those of competitors as well as having a good opportunity to strengthen the bonds with other securities depositories. On the other hand, work is being done in order to automate certain processes linked to the service; all this is in line with the expectation that both the business area and the DCV have for the year 2013, whose goals are quite ambitious.

Presently, the amounts in custody for this service average approximately 800 million dollars, and the goal for 2013 is to double this number.

Forward contracts registry service

Meanwhile, the forward contracts registry service, released in 2011, began slower than had been planned, principally because an initial set up is required and this takes some time. This service enables the provision of an end to all physical processes linked to the contract, and takes it to an electronic world, thus granting more security and speed.

The business chief stated “this service began slower than we had expected but finally we have seen how it has been speeding up, and how our customers have incorporated this new way of executing contracts. Currently we have 22 customers operating with an average contract amount of 2,600 monthly registrations, which demonstrates a strong growth in the service and the reliance that the customers have placed on DCV.



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Transaction comparison service through Omgeo CTM

Furthermore, there is the transaction comparison service through Omgeo CTM, released nearly three months ago, which provides to the stock brokers more efficiency in relation to the confirmation of transactions with foreign investors, contributing to an improved communication and comparison process, through secure means, enabling to ratify that both parties, stock broker and investors, agree 100% on the terms of the operation, thus reducing potential risks of failed transactions during the day of settlement.

The executive added, "what's more relevant regarding Omgeo is that it has a potential growth and that we are working hard on this. Although today it involves quite a small group, the idea is to work in order to incorporate more players, see how the local investors (General Funds Administrators) may make use of this platform to communicate with international brokers in their cross border transactions, and also see how to include new operations in the current flows of this service. The final stage of this project is to see how DCV can offer this service in the region, which is an option that is being considered."

The purpose of the services at DCV is to provide infrastructure to customers

New participants

"This plan is an idea that was shaped during this year, but it will formally start in 2013 and involves engaging customers who have never previously considered being depositors with DCV, as for instance, family offices. In this regard, a plan to get to know these companies and their needs has been designed, so that they become acquainted with DCV, and therefore be able to submit a value proposition which will bring benefits to them and that they will find appealing in order to become direct customers in DCV.

We will work on this plan, and we will also continue increasing the current services so that we can offer the market a complete service solution and custody infrastructure that will fulfill present and future needs", stated Juan Carlos Melys.