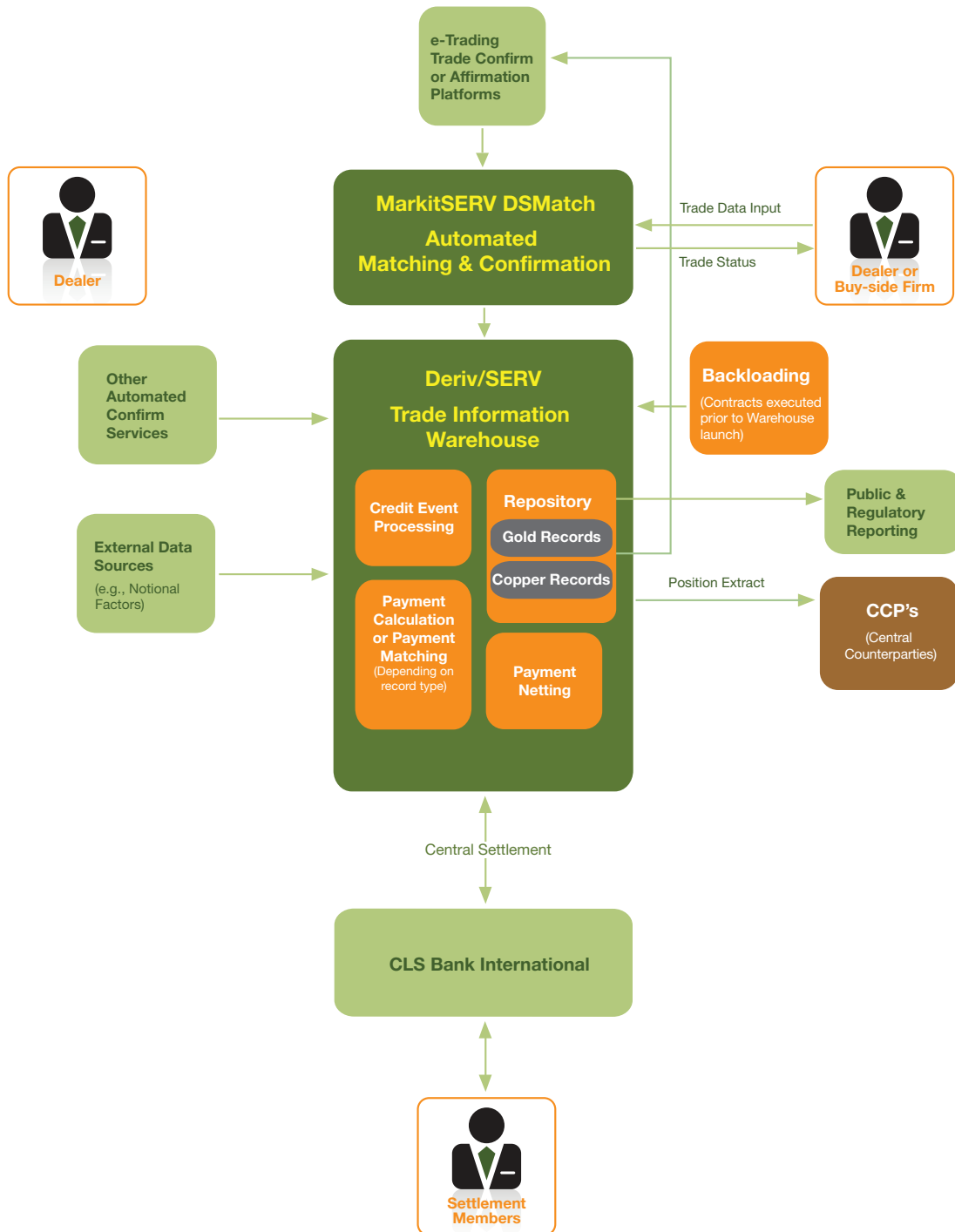
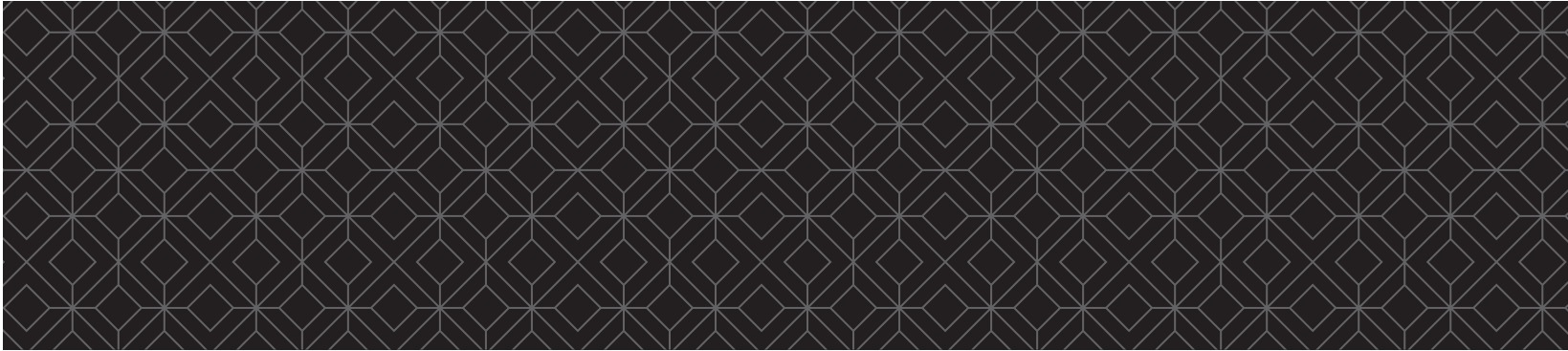


HOW DOES THE WAREHOUSE WORK?

DTCC Deriv/SERV Trade Information Warehouse





1. New contracts that have been matched and confirmed, through Markit/SERV or other confirm services, flow into the Warehouse's repository.

2. A "gold" record represents the current legal state of the contract. A "copper" record is a single-sided, non-legally binding transaction.

3. For gold records, DTCC assigns a unique reference identifier to each contract and performs automated record-keeping to maintain the "current state" contract terms, taking into account post-trade events. This number provides the starting point for reconciliations and processing over the life of the contract.

4. The Warehouse, through its life cycle processing capability, calculates and bilaterally nets payments due on "gold" contracts.

5. DTCC, in partnership with CLS Bank International, provides central, automated settlement of payments for contracts processed through the Warehouse's central settlement service. The Warehouse receives real-time information on the status of all settlement instructions submitted to CLS, and nets payments by customer account, currency and counterparty. All settlement instructions generated by the Warehouse and settled by CLS are final and irrevocable in immediately available central bank funds.

6. The Warehouse provides global regulators with information for "gold" or "copper" records, as appropriate and upon request. This data assists regulators in determining systemic risk to the financial markets.

7. The Warehouse also provides customers with a comprehensive suite of reports that deliver snapshots of all their trades registered in this electronic database. Daily reports are delivered electronically overnight. The service also offers a range of online workflow management and inquiry tools.

8. For credit events, DTCC is notified of an event through a public announcement by the ISDA Determinations Committee, which determines that an event has occurred and the terms of the auction. Following Determinations Committee decision of the event having occurred, DTCC announces the event to its participants via an important notice, website update or other process or commences the full lifecycle event processing for the affected transactions in the Warehouse.

Firms are automatically adhered to events since the ISDA adoption of Big Bang and Small Bang protocols, but firms may manually unadhere individual transactions. The Warehouse calculates payments based on the auction results managed by Creditex and Markit, and where appropriate, sends the payments for central settlement in multiple currencies at CLS Bank International. The Warehouse also adjusts affected index transactions to the new factor and Markit RED ID as provided by Markit once the event processing has completed.

9. For restructuring events, DTCC also supports the trigger notice period that serves to assist the ISDA Determinations Committee in their decision as to which maturity buckets will have auctions held.

10. For renaming events, the Warehouse automatically converts old names to new names for all applicable transactions in the Warehouse. For a reorganization, the Warehouse exits the original trade, creates a new trade based on the new information and recalculates payments based on the new information.

For more information

Please visit www.dtcc.com.

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