

CSDs: KDPW (Poland)

Date: 27 May 2008

SMI Markets: Poland

CMIRR Markets: Poland

## Pre-Matching and Reverse Stock Split Procedures at KDPW

KDPW, the Polish CSD, will introduce a central pre-matching facility and a reverse stock split procedure from 3 June 2008.

The pre-matching facility will offer pre-matching capability for all FOP and DVP trades in the batch settlement system. This will not be available for the RTGS facility. Pre-matching instructions, which will be based on the ESDI messaging system, will be sent to KDPW, who will, in turn, generate information for the other counterparty. Please note however, that pre-matching will not be binding. Instructions will have to be confirmed by participants to proceed with the settlement.

The reverse stock split procedure will allow public companies to reduce the number of shares and increase the nominal value proportionately.

## CSD Risk Impact

### KDPW (Poland)

Impacted Risk Type: Liquidity Risk

Current Rating = AA

Flash Impact = Positive

Impacted Risk Type: Operational Risk

Current Rating = A+

Flash Impact = Positive

Impacted Risk Type: Asset Servicing Risk

Current Rating = A

Flash Impact = Stable

The centralised pre-matching facility will remove the current practice of manual pre-matching (over the phone). This will improve the settlement and straight-through-processing rates in the market by removing the risk of manual error. The reverse stock split procedure will be a new service offered by KDPW for issuers.

## Market Information Impact

### Poland

This information affects the data contained in the Settlement and Corporate Actions sections of the Securities Market Information Service.

## Infrastructure Risk Ratings Impact

### Poland

Market Rating: A

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = Positive

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = Positive

Impacted Risk Type: Asset Servicing Risk

Current Rating = A-

Flash Impact = Stable

The centralised pre-matching facility will remove the current practice of manual pre-matching (over the phone). This will improve the settlement and straight-through-processing rates in the market by removing the risk of manual error. The reverse stock split procedure will be a new service offered by KDPW for issuers.

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