

CSDs: VPS (Norway)

Date: 23 Dec 2008

SMI Markets: Norway

CMIRR Markets: Norway

Oslo Bors VPS to Establish Equity CCP

Following a consultation with the market participants, the group Oslo Børs VPS has decided that a CCP-solution is to be implemented for equities traded on Oslo Børs and on Oslo Axess, including trading in equities, Primary Capital Certificates (PCCs) and Exchange Traded Funds (ETFs).

The Board of the group believes that it is in the best interest of all parties to establish its own CCP, which would be open to requests for interoperability from other CCPs. A potential development of an internal CCP will be done through the subsidiary Oslo Clearing. Settlement will take place at VPS as is the case today. The Board is expected to finalise its decision during 1Q 2008, which will depend, among others on authorisation from the Financial Supervisory Authority of Norway.

Oslo Bors will decide on the solution and the timeframe of implementation after the Oslo Bors VPS group has made its decision on the internal CCP solution.

CSD Risk Impact

VPS (Norway)

CSD Rating: A

CSD Flash Impact: On Watch

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = A+

Flash Impact = On Watch

The implementation of CCP for the equities market will facilitate standardised post-trade processing and reduce counterparty risk exposures. Liquidity risk may also be reduced if the CCP introduces more stringent fails management procedures. The impacts on counterparty and liquidity risks are set 'On watch' until a final implementation plan is unveiled.

Market Information Impact

Norway

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

Infrastructure Risk Ratings Impact

Norway

Market Rating: A

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = A+

Flash Impact = On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = A+

Flash Impact = On Watch

The implementation of CCP for the equities market will facilitate standardised post-trade processing and reduce counterparty risk exposures. Liquidity risk may also be reduced if the CCP introduces more stringent fails management procedures. The impacts on counterparty and liquidity risks are set 'On watch' until a final implementation plan is unveiled.

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