

CSDs: KELER (Hungary)

Date: 15 May 2009

SMI Markets: Hungary

CMIRR Markets: Hungary

## KELER Increases Guarantee for KELER CCP

Following a members' meeting on 13 May 2008, Keler Central Counterparty Ltd (KELER CCP Ltd.) has approved the agreement on the guarantee undertaken by the Hungarian Central Depository (KELER) with regards to the operation of KELER CCP.

According to the agreement, KELER will guarantee the operations of KELER CCP with unconditional and irrevocable liability. Based on the AGM of KELER held on 6 May 2009, effective from 4 August 2009 (and until 90 days after the next AGM), the amount of the guarantee is set at HUF 12 billion (around USD 56 million).

## CSD Risk Impact

### KELER (Hungary)

CSD Rating: A+

CSD Flash Impact: On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = A+

Flash Impact = Positive

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = Negative

The guarantee increase from KELER to KELER CCP will provide an additional layer of protection for CCP members in the event of a large default in the market. However, the fact that KELER is providing a higher level of guarantee for the CCP function will have a negative Financial Risk impact, as ultimately KELER could become liable for losses in the event of the CCP experiencing difficulties. There could potentially affect the depository activities of KELER.

## Market Information Impact

### Hungary

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

## Infrastructure Risk Ratings Impact

### Hungary

Market Rating: A

Market Flash Impact: On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = A

Flash Impact = Positive

Impacted Risk Type: Financial Risk

Current Rating = A

Flash Impact = Negative

The guarantee increase from KELER to KELER CCP will provide an additional layer of protection for CCP members in the event of a large default in the market. However, the fact that KELER is providing a higher level of guarantee for the CCP function will have a negative Financial Risk impact, as ultimately KELER could become liable for losses in the event of the CCP experiencing difficulties. There could potentially affect the depository activities of KELER.

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Registration Number: 2964231 Place of Registration: England & Wales.

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