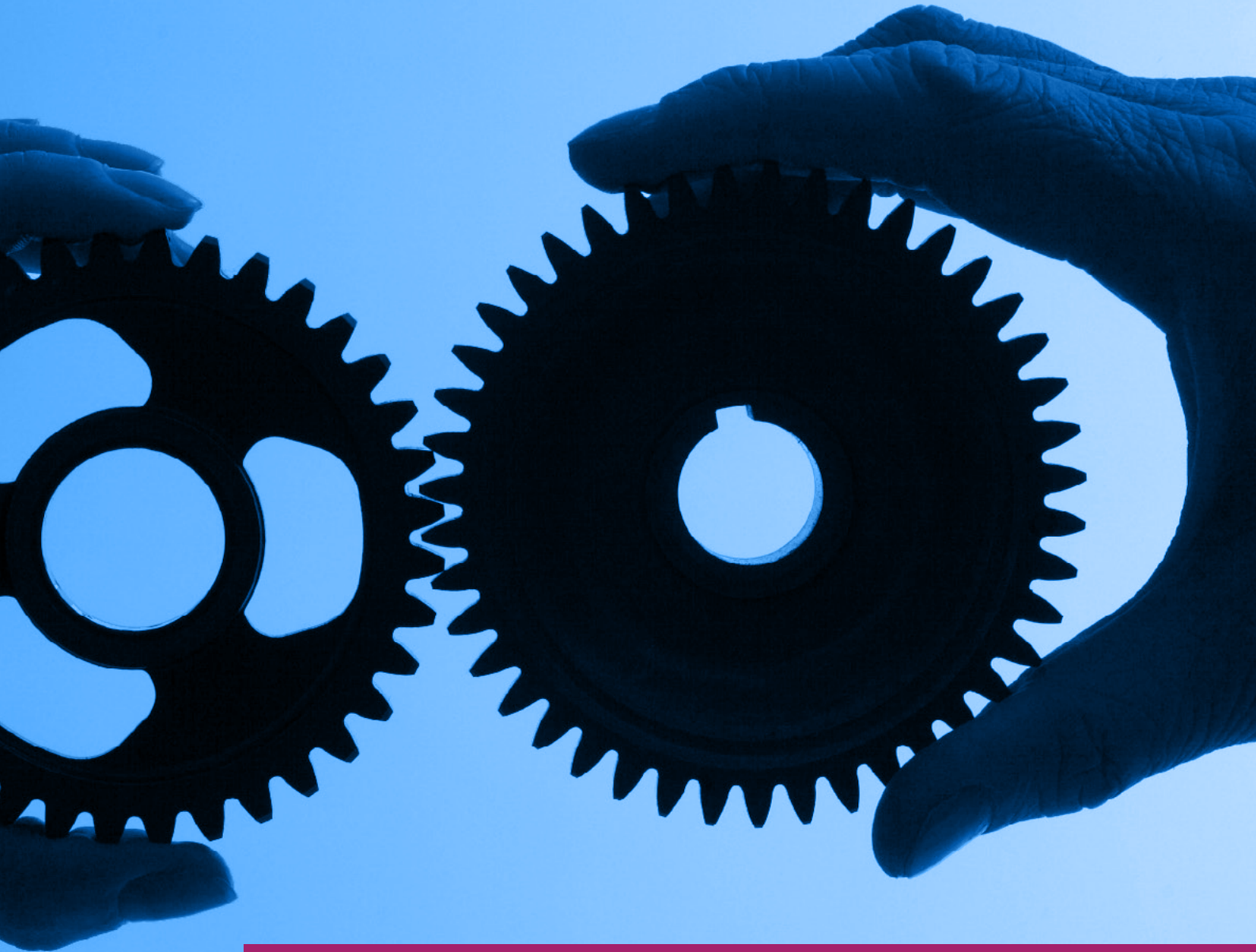




KELER CCP Central Counterparty Ltd.



# ANNUAL REPORT 2011

ANNUAL REPORT 2011

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# 1. CHAIRMAN'S MESSAGE

▶ The year of 2011 has brought significant changes, challenges and demanding professional tasks for KELER CCP.

The most important change of this year was the transformation into a private company limited by shares as of 1 April 2011, owing to which we continue to operate as an internationally competitive, timely and flexibly adaptive to market changes and trends, compliant with international recommendations and the formulating European regulations and capable of meeting capital requirements. Furthermore, the Board of Directors, formed at the time of transformation, also facilitates for the transparent operation.

During the year we expanded the scope of our services to new market segments. So commencing the summer of 2011, similarly to the previously existing HUPX day ahead market, we provide clearing services for the physical futures market. It was also in the summer of 2011 when we started to lay down the basic terms of the settlement provided by the KELER Group for the BÉTa market that allows trading securities through a multilateral trading platform in addition to traditional stock exchange trading; and towards the end of the year we prepared to provide services for the clearing members of the MTS market operated by EuroMTS and launched at the beginning of 2012.

The entry into new markets brought continuous improvement of our risk management tools, better understanding of the requirements of our new clients, improved communication and the need for a more satisfying level of service that meets the expectations of our partners. Accordingly, our clients could attend several partner forums in 2011 where current financial and risk management issues were discussed, our existing and new services were introduced to participants, and on top of that these occasions offered a chance to create a dialogue of experts.

In 2011 we continued to check the compliance of the level of guarantee funds. As a result of the stress tests the Board of Directors passed a decision on the modification of certain elements of capital market guarantee funds in two phases, consequently both minimum and maximum parameters were increased; however, the percentage parameters of the cash market guarantee fund were significantly decreased and a new maximum parameter was set in the case of the Gas Market Collective Guarantee Fund (GKGA).

We were pleased that during last year the power market non-clearing membership system expanded considerably as nine new members entered the system; companies with registered seats abroad amongst them, thus the number of members in the system almost doubled. The launch of futures trading scheduled for the second half of the year continued to increase interest in the market, 12 companies out of the 19 companies active in the day ahead market acquired the special non-clearing membership right designated for futures trading.

In terms of financials we closed 2011 with satisfying results. KELER CCP closed the business year starting on 1 April 2011 with an operating result of HUF 133.6 million and a financial result of HUF 82.7 million, amounted to HUF 216.3 million on the profit on ordinary activities line that is 27% above planes.

We can conclude that in 2011 we successfully achieved our business goals and have been providing high level services to our clients in new markets and in an international environment. Based on the experience gained in 2011 we will continue the momentum in the forthcoming year.

**Csaba Lantos**  
Chairman



## 2. REGULATORY ENVIRONMENT OF KELER CCP LTD.

KELER CCP Central Counterparty Ltd. (hereinafter: KELER CCP) is a business association operating as central counterparty guaranteeing the fulfillment of stock exchange transactions and over-the-counter capital market transactions pursuant to Act CXX of 2001 on the capital market (hereinafter: Tpt.).

KELER CCP operates in line with the provisions of the above regulation, its regulatory documents and the requirements of the decrees of the Financial Supervisory Authority of Hungary (hereinafter: Supervisory Authority). KELER CCP undertakes the central counterparty activity licensed by Decree E-III/1012/2008. of the Supervisory Authority as an exclusive activity pursuant to Section 340/D (1) of the Tpt. In accordance with the agreement concluded with the Central Clearing House and Depository (Budapest) Ltd. (hereinafter: KELER) KELER CCP outsources certain elements of its activity to KELER in compliance with the prevailing requirements of the Tpt. and other relevant legal regulations.

The Members' Meeting of KELER CCP Ltd. held on 26 January, 2011 passed a decision on transformation into a private company limited by shares with effective date of 31 March, 2011. The Members' Meeting also made a decision on the share capital of the company that was stated in the amount of HUF 20 million, equal to the amount of share capital before the transformation.

The transformation did not change the ownership structure and the owners' percentage of ownership in the Company.

The transformation of KELER CCP Ltd. was registered by the Court of Registration on 17 May, 2011. Members of the first Board of Directors of the Company are Csaba Lantos, Csaba Balogh, Margit Brauner, György Dudás, Dr György Mohai, Ferenc Pittner and György Sándor.

The ordinary annual general meeting of KELER CCP was held on May 18, 2011. Agenda items of the General Meeting included:

- acceptance of the financial statements in compliance with Act C of 2000 and distribution of profit for the period,
- acceptance of the consolidated financial statements in compliance with Act C of 2000,
- acceptance of the interim statement as of 31 March, 2011.

KELER CCP held an extraordinary general meeting on 15 June, 2011 where as the final step of the reorganization of KELER CCP Ltd. the final statements of holdings of the legal predecessor and legal successor Companies as of 31 March, 2011 were accepted.

### 3. BUSINESS RESULTS OF KELER CCP

- ▶ As of 31 March, 2011 KELER KSZF Ltd. was transformed into a private company limited by shares. Prior to the reorganization in the first quarter of 2011 profit for the same period was HUF 36.3 million, the entire amount of which was transferred into retained earnings.

The Company closed the business year after the transformation as of 31 March, 2011 with net results of HUF 194.6 million.

In 2011 revenues from guaranteeing transactions concluded on the BSE contracted significantly compared to the same period in the previous year and to the planned level. Due to decreased activity at the stock exchange KELER CCP realized HUF 85 million less in revenues in this market segment. This drop in revenues could not be compensated by revenues from guaranteeing the power market launched in 2011, increased revenues from clearing members and revenues related to the power market. As a result the amount of revenue realized by KELER CCP was HUF 65 million (11%) less than planned in the business year starting on 1 April, 2011.

In the same period the amount of costs and expenditures was better than planned. Total operational expenditures were 6.5% less than planned, thus the operating result of KELER CCP was HUF 133.6 million.

Sequence of the weakening HUF KELER CCP realized a financial result of HUF 83 million on foreign exchange assets. The financial result that was considerably more than planned had a favorable influence on the profit before tax of KELER CCP.

All in all in the business year starting on 1 April, 2011 of KELER CCP the operating result was HUF 133.6 million, the financial result was HUF 82.7 million, therefore the result on ordinary activities was HUF 216.3 million that is 27% more than planned. As there were no extraordinary items the ordinary business result equals profit before tax. Profit before tax is subject to the payment of corporate income tax in the amount of HUF 21.7 million, profit for the period after tax of KELER CCP is HUF 194.6 million.

<b>PROFIT AND LOSS STATEMENT (in HUF million)</b>						
Nº	Item description	KELER CCP 2010	Plan 2011. IV-XII	Subject year 2011. IV-XII	KELER CCP 2011	Act. / Plan 2011
1. (a)	Net domestic sales - guarantee undertaking	636.2	569.6	506.5	672.2	88.9%
1. (b)	Net domestic sales - gas sale	43,922.2	45,000.0	44,050.4	69,748.3	97.9%
2.	Net export sales					
<b>I.</b>	<b>Sales from guarantee undertaking (1.+2.)</b>	<b>44,558.4</b>	<b>45,569.6</b>	<b>44,556.9</b>	<b>70,420.5</b>	
<b>II.</b>	<b>Other operating income</b>	<b>0.3</b>		<b>1.0</b>	<b>1.1</b>	
<b>III.</b>	<b>Own performance capitalized</b>					
3.	Raw materials and consumables	0.0	0.1	0.0	0.1	
4.	Cost of services used	309.5	300.5	273.7	355.7	91.1%
5.	Other services	104.4	79.6	81.7	110.3	102.8%
6.	Cost of goods sold	43,922.2	45,000.0	44,050.4	69,748.3	
<b>IV.</b>	<b>Material type expenditures (3.+4.+5.+6.)</b>	<b>44,336.1</b>	<b>45,380.2</b>	<b>44,405.9</b>	<b>70,214.4</b>	
<b>V.</b>	<b>Staff expenses</b>	<b>1.8</b>	<b>0.8</b>	<b>1.1</b>	<b>1.5</b>	<b>148.4%</b>
<b>VI.</b>	<b>Depreciation and amortization</b>	<b>1.2</b>	<b>3.8</b>	<b>1.1</b>	<b>1.4</b>	<b>27.8%</b>
<b>VII.</b>	<b>Other expenditures</b>	<b>17.2</b>	<b>14.3</b>	<b>16.1</b>	<b>20.7</b>	<b>112.2%</b>
<b>A.</b>	<b>OPERATING RESULT (I.+II.+III.-IV.-V.-VI.-VII.)</b>	<b>202.5</b>	<b>170.5</b>	<b>133.6</b>	<b>183.4</b>	<b>78.4%</b>
VIII.	Financial income	141.1		249.6	297.8	
IX.	Financial expenditures	139.5		167.0	224.6	
<b>B.</b>	<b>FINANCIAL RESULT (VIII.-IX.)</b>	<b>1.6</b>		<b>82.7</b>	<b>73.2</b>	
<b>C.</b>	<b>RESULT ON ORDINARY ACTIVITIES (+-A.+-B.)</b>	<b>204.1</b>	<b>170.5</b>	<b>216.3</b>	<b>256.7</b>	
<b>D.</b>	<b>EXTRAORDINARY RESULT</b>					
<b>E.</b>	<b>PROFIT (OR LOSS) BEFORE TAX (+-C.+-D.)</b>	<b>204.1</b>	<b>170.5</b>	<b>216.3</b>	<b>256.7</b>	
<b>X.</b>	<b>Income tax</b>	<b>29.8</b>	<b>17.0</b>	<b>21.7</b>	<b>25.8</b>	
<b>F.</b>	<b>PROFIT (OR LOSS) FOR THE PERIOD (+-E.-X.)</b>	<b>174.3</b>	<b>153.5</b>	<b>194.6</b>	<b>230.9</b>	
7.	Use of accumulated retained earnings for dividends and profit sharing					
8.	Dividends paid (approved)					
<b>G.</b>	<b>NET RESULT (+-F.+6.-7.)</b>	<b>174.3</b>	<b>153.5</b>	<b>194.6</b>	<b>230.9</b>	

## 4. ACTIVITY OF KELER CCP

Transformation of KELER CCP into a company limited by shares supports increased competitiveness, compliance with international recommendations and the European regulations that are being formed (EMIR) and compliance with regulations (Basel II) on the capital adequacy of KELER, furthermore it facilitates faster and more flexible decision making in the future.

The ownership structure of the Company did not change as a result of the changing of corporate form: the NBH has a share of 53.33% (direct and indirect), the BSE has a share of 46.67% (direct and indirect) in the Company.

In the past period KELER CCP materially increased the range of services provided, entered new markets and acquired a number of domestic and international customers.

In the middle of the year the physical futures market of HUPX, the Hungarian regulated power market was launched. Similarly to the existing day-ahead market KELER CCP provides services to clearing members in this market.

In the autumn the BSE opened its BÉTa market, a multilateral trading facility (MTF) in line with the related Hungarian regulation (Act CXXXVIII of 2007 on investment enterprises and commodities exchange service providers and the rules relating to activities that can be undertaken by them), and towards the end of the year KELER CCP also had to prepare to provide services to the clearing members of MTS operated by EuroMTS that went live at the beginning of 2012.

Entering new markets required the ongoing development of tools in risk management, a thorough knowledge of the requirements of new clearing members and power market non-clearing members, improved communication and providing service quality in line with the requirements of our partners. Partner meetings held to meet the requirements above were a forum to discuss actual financial and risk management issues and introduce existing and new services.

### COUNTERPARTY RISKS

#### *Clearing membership system*

In 2011 the services of KELER CCP expanded to include the future power market. Additionally, we took steps to prepare for the BÉTa and MTS markets, however, these markets had no major changes on our membership system.

There were no significant changes as far as the stock exchange clearing membership is concerned. At the end of the year altogether 31 credit institutions and investment companies had membership in certain sections / range of transactions, this number of members is 2 less than it was in 2010. The reason of this change is that two investment companies requested to terminate their clearing membership at the beginning of the year and in the middle of 2011. Another factor influencing the structure of members is that the clearing right of a domestic credit institutions with foreign owners was transferred as part of termination by succession to the newly established branch office in Hungary of the parent company. The BÉTa market launched in the last four months of the year practically meant the automatic expansion of clearing membership in the equities section, while 13 clearing members already active in the government securities section informed us of their intention to join the MTS market.

In the past year 2 new gas market players joined the existing 11 clearing members of the Daily Natural Gas Capacity Trading Market. There were no other changes related to membership in the past year.

During the last year the power market non-clearing membership system saw the highest level of growth. This increase meant 9 new members. Companies with headquarters abroad, primarily in nearby countries entered the market where customer volumes nearly doubled. Interest in the market was further increased by the launch of futures trading scheduled for the second half of the year and related to which a separate non-clearing membership right was assigned, 12 out of the 19 companies active in the day-ahead market joined futures trading.

In summary by the end of 2011 there were 63 active members in our clearing membership system: 31 stock exchange clearing members (3 commodities market service providers, 5 Hungarian branches of foreign credit institutions, 1 Hungarian branch of a foreign investment firm, 14 investment companies and 8 Hungarian credit institutions), 13 gas market clearing members and 19 power market non-clearing members. (There are two players that have membership in both of the last two markets named above.)

## MARKET RISKS

### *Individual clearing member collaterals*

A key basic operation of KELER CCP is the continuous monitoring of individual collateral compliance and the maintenance of the collateral system. Depending upon the change in risks initial margins were changed on several occasions in 2011, with respect to new products initial margin requirements were defined based on information available to us.

### *Collective Guarantee Fund*

In 2011 also KELER CCP continuously monitored compliance with requirements on the amount of guarantee funds. Based on the results of stress tests the Board of Directors of KELER CCP made a decision on the revision of certain parameters of the capital market guarantee funds in November 2011 and March 2012. As a consequence of revision both minimum and maximum parameters were increased, however, the percentage parameters of the cash market guarantee fund (TEA) were significantly reduced. With respect to the Gas Market Collective Guarantee Fund (GKGA) the Board of Directors established a maximum level.

### *Joint and several liability by KELER*

From 16 August, 2011 the joint and several liability undertaken by KELER was renewed with unchanged amount of HUF 12 billion. The current amount of the guarantee undertaken will be in force until the 90th day following the day of the annual ordinary general meeting of KELER for the fiscal year 2011. .

### *Collateral instruments*

In the period discussed there was no major change in the range of collateral instruments accepted. However, with respect to initial margins, a part of non-clearing member collaterals in the power market, it became necessary to require providing them in Euro.

### *New markets*

The new markets in which KELER CCP started to provide services in 2011 presented new challenges and significant regulatory and risk management tasks. Compliance with both market requirements and regulatory / supervisory requirements was an important factor when creating new services.



## 5. INTERNAL AUDIT

- ▶ KELER CCP does not undertake internal audit on its own, therefore based on case by case requests of the Members' Meeting the internal audit unit of KELER completes audits at KELER CCP.

In 2011 tasks related to the guarantee system of the gas market created and operated by KELER CCP were audited.

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## 6. INTERNATIONAL RELATIONS

▶ KELER CCP is a member of EACH (European Association of Central Counterparty Clearing Houses). The Company is an active participant at the regular meetings of the organization and plays an active role in the activity of certain sub committees.

KELER CCP is a signatory of the Code of Conduct, the joint code of conduct of certain capital market infrastructural institutions and international organizations (FESE, EACH, ECSDA).

## 7. PROTECTION OF THE ENVIRONMENT

- ▶ In 2010 KELER started to introduce green measures in the interest of the protection of the environment and to integrate green thinking in the corporate culture to reduce costs and the use of paper.

As a result in 2010 the KELER Group was the winner in the medium sized enterprise category of the Green Office Competition.

The following major measures and actions contributed to the long term green operation of KELER CCP as part of the KELER Group and facilitated the green operation of the KELER Group in 2011 also:

- In order to upgrade office equipment and to cut down on the use of paper in our offices printers and copiers were upgraded and instead of a high number of smaller capacity printers now we have a smaller number of machines of increased performance and we started to use recycled paper also. Some statements that so far were sent in printed form to customers are no longer sent, thus several thousands sheets of papers are saved each month by decreasing the frequency of sending printed account statements.

- We installed several bottle pressers and selective waste bins as part of our commitment to selective waste collection, thus our staff members can collect and store office waste selectively. Several battery collection points can be found at our premises.
- With respect to stationery and procurement KELER CCP also prefers suppliers applying green technologies.
- The KELER Group considers the development of electronic services a high priority to help reduce the quantity of paper used. In 2011 eInvoice services were launched to create the background required for electronic administration.

In the following years the KELER Group will maintain the measures taken in the interest of the protection of our environment in 2010-2011 and will introduce new green measures.

# REPORT BY THE INDEPENDENT AUDITOR



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## Independent Auditors' Report

To the shareholders of KELER KSZF Zrt.

### Report on the Financial Statements

We have audited the accompanying financial statements of KELER KSZF Zrt. ("the Company"), which comprise the statement of financial position as at 31 December 2011, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the EU and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU.

Budapest, 26 April 2012

KPMG Hungária Kft.

Gábor Agócs  
Partner

KPMG Hungária Kft., a Hungarian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Company registration: Budapest, Fővárosi Bíróság, no. 01-09-063183



## 9. STATEMENT OF FINANCIAL POSITION

<b>Statement of Financial Position As of 31 December 2011 (All amounts in THUF)</b>			
		<b>31.12.2011</b>	<b>31.12.2010</b>
Cash and cash equivalents	5	5,277,199	3,685,586
Receivables relating to gas market		9,818,762	18,084,415
Receivables relating to central contractual party service		63,677	58,373
Accrued interest receivables		21,853	13,422
Other assets	6	1,012,911	128,925
Current tax assets		4,084	12,357
Intangible assets	7	2,513	3,924
<b>TOTAL ASSETS</b>		<b>16,200,999</b>	<b>21,987,002</b>
Liabilities for Guarantee Funds	8	4,451,606	3,230,828
Accrued interest payable		223,671	98,761
Current tax liabilities		0	4,545
Accounts payable from gas market		9,818,762	18,084,415
Accounts payables	9	150,397	141,040
Accruals and other liabilities	10	903,045	4,783
<b>TOTAL LIABILITIES</b>		<b>15,547,481</b>	<b>21,564,372</b>
Share capital	11	20,000	20,000
Capital Reserve		30,000	30,000
Retained earnings		603,518	372,630
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>653,518</b>	<b>422,630</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>16,200,999</b>	<b>21,987,002</b>

# 10. STATEMENT OF COMPREHENSIVE INCOME

<b>Statement of Comprehensive Income for the year ended 31 December 2011 (All amounts in THUF)</b>			
		01.01.2011 31.12.2011	01.01.2010 31.12.2010
Income from central contractual party service	12	672,169	636,221
<b>Other operating income</b>	<b>13</b>	<b>64,778</b>	<b>289</b>
Fees and commissions expenses		(105,503)	(99,754)
Personnel expenses	14	(1,545)	(1,752)
Depreciation and amortization		(1,412)	(1,199)
Other expenses		(381,317)	(338,448)
<b>Other operating expenses</b>	<b>15</b>	<b>(489,777)</b>	<b>(441,153)</b>
Interest income		222,284	128,886
Interest expense		(212,771)	(120,180)
Net interest income		9,513	8,706
<b>PROFIT BEFORE INCOME TAX</b>		<b>256,683</b>	<b>204,063</b>
Taxation	16	(25,794)	(29,767)
<b>NET PROFIT FOR THE YEAR</b>		<b>230,889</b>	<b>174,296</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>230,889</b>	<b>174,296</b>

# 11. STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Statement of Changes in Equity For the year ended 31 December 2011 (All amounts in THUF)				
	Share Capital	Retained Earnings	Capital Reserve	Total
<b>Balance as of 1 January 2010</b>	<b>20,000</b>	<b>198,333</b>	<b>30,000</b>	<b>248,333</b>
Total comprehensive income for the year	-	174,296	-	174,296
<b>Balance as of 1 January 2011</b>	<b>20,000</b>	<b>372,629</b>	<b>30,000</b>	<b>422,629</b>
Total comprehensive income for the year	-	230,889	-	230,889
<b>Balance as of 31 December 2011</b>	<b>20,000</b>	<b>603,518</b>	<b>30,000</b>	<b>653,518</b>

## 12. STATEMENTS OF CASH FLOWS

<b>Statement of Cash Flows For the year ended 31 December 2011 (All amounts in THUF)</b>		
	<b>01.01.2011 31.12.2011</b>	<b>01.01.2010 31.12.2010</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT</b>	<b>230 889</b>	<b>174 296</b>
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Income Taxes	39,239	42,491
Depreciation and amortization	1,411	1,199
Net (increase) / decrease in accrued interest receivables	(8,431)	(11,875)
Net (increase) / decrease in CCP receivables	8,260,349	(18,099,946)
Net (increase) / decrease in other assets	(871,811)	(136,000)
Net (increase) / decrease in Placement and loans from partners	1,220,778	3,230,828
Net increase / (decrease) in accrued interest payable	124,910	98,761
Net increase / (decrease) in other liabilities	(7,808,034)	18,090,621
Income Taxes paid	(47,687)	(96,967)
<b>Net cash provided by operating activities</b>	<b>1,141,613</b>	<b>3,293,408</b>
<b>INVESTING ACTIVITIES</b>		
Net additions to premises, equipments and intangible assets	-	(232)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(232)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Founding capital payment	-	-
Net increase / (decrease) in loans from the KELER Ltd.	450,000	-
<b>Net cash flow from financing activities</b>	<b>450,000</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,591,613</b>	<b>3,293,176</b>
Cash and cash equivalents at the beginning of the year	3,685,586	392,410
Cash and cash equivalents at the end of the year	5,277,199	3,685,586
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>1,591,613</b>	<b>3,293,176</b>



## 13. NOTES TO FINANCIAL STATEMENTS

### NOTE 1: GENERAL

KELER CCP Ltd. (The Company or KELER CCP) was founded as a limited liability company according to the Hungarian laws. The original registration of the company was 6 June, 2008. In 2011 KELER CCP was transformed to a private company limited by shares. The court of registration registered KELER CCP Ltd. as a private company limited by shares on 17 March, 2011, the Company started operation as a private limited company on 31 March, 2011. Company's seat: H-1075 Budapest, Asbóth str. 9-11.

#### KELER CCP Ltd.'s owners when established

KELER Ltd.	74.5%
Budapest Stock Exchange	25.5%

#### KELER CCP Ltd.'s owners since 26 February 2009.

KELER Ltd.	74.5%
National Bank of Hungary	13.6%
Budapest Stock Exchange	11.9%

KELER CCP is a central counterparty business association pursuant to the requirements of the Tpt. (Act on the Capital Market of Hungary) operating and guaranteeing the settlement of stock exchange and over-the-counter transactions. KELER CCP as central counterparty undertakes guarantee for transactions concluded on the Budapest Stock Exchange, BÉTa market, EuroMTS Limited and for the financial performance of gas market (Daily natural gas and capacity trading market) transactions.

KELER CCP as general clearing member undertakes guarantee for the financial performance of power market transactions towards European Commodity Clearing AG. KELER CCP's direct partners are commodities service, securities service providers, financial institutions, participants of an organized market, or organizations performing clearing house activity. KELER CCP's activity ensures that market participants' guaranteed trades are settled risk free.

KELER CCP Ltd. has started its business activity as a central counterparty service provider, as of 1 January 2009.

KELER CCP is consolidated in the financial statement of KELER Ltd (address: H-1075 Budapest, Asbóth str. 9-11)

### NOTE 2: BASIS OF PREPARATION

#### a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the EU and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the EU.

These financial statements were approved by the Board of Directors on 26 April 2012. The financial statements are subject to shareholders' approval on the General Meeting to be held 29 May 2012.

**b) Basis of measurement**

The financial statements are prepared on a fair value basis for derivative financial instruments, financial assets or liabilities at fair value through profit or loss, and available-for-sale financial assets, except those for which a reliable measurement of fair value is not available. The latter items are stated at either amortised or historical cost. Other financial assets and liabilities and non-financial assets and liabilities are stated at either amortised cost or historical cost. These financial statements are presented in Hungarian Forints rounded to the nearest thousand ("THUF").

**c) Functional currency**

Items included in the financial statements are measured using Hungarian Forint, the currency of the primary economic environment in which the Company operates ('the functional currency').

**d) Use of estimates and judgements**

The preparation of financial statements in accordance with IFRS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate revised and in any future period affected.

**NOTE 3: SIGNIFICANT ACCOUNTING POLICIES****a) Comparatives**

Certain items previously reported in the prior years' financial statements have been restated and reclassified to provide consistency for presentation purposes, if applicable.

**b) Foreign currency transactions**

Transactions in foreign currencies are translated to Hungarian forint at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Hungarian forint at the foreign exchange rate ruling at that date.

Foreign exchange differences. Arising on translation are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Hungarian forint at foreign exchange rates ruling at the dates the values were determined.

**c) Cash and cash equivalents**

Cash equivalents are liquid investments with original maturity of three months or less. Cash and cash equivalents are carried at amortised cost in the balance sheet.

**d) Financial assets and financial liabilities****Classification**

Financial assets or financial liabilities at fair value through profit or loss are financial assets and financial liabilities that are classified as held for trading mainly for the purpose of profit-taking, are derivative instruments that are not designated and effective hedging instruments or upon initial recognition are designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss contain state bonds, treasury bills and discount bonds issued by National Bank of Hungary ("NBH").

Receivables relating to guarantee activities are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Held-to-maturity assets are non-derivative assets with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity.

Available for sale financial assets are non-derivative instruments that are not designated as another category of financial assets.

Other liabilities contains all financial liabilities that were not classified as at fair value through profit or loss.

Other liabilities contain placements and loans from other banks, deposits from customers, liabilities relating to guarantee activities.

**Recognition**

Financial assets and liabilities are entered into the Company's books on the settlement day, except for derivative assets, which are entered on the trade day. Financial assets or financial liabilities are initially measured at fair value plus (for an item not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to its acquisition or issue.

**Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets expire or the Company transfers substantially all risks and rewards of ownership of the financial asset.

**Measurement**

Subsequent to initial recognition, all financial assets or financial liabilities at fair value through profit or loss and all available for sale assets are measured at fair value. If no quoted market price exists from an active market and fair value cannot be reliably measured, the Company uses valuation techniques to determine fair value.

All financial liabilities other than at fair value through profit or loss, held to maturity financial instruments and originated receivables are measured at amortised cost less impairment. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss shall be recognised in profit or loss, as financial income or expense.

A gain or loss on an available-for-sale financial asset shall be recognised directly in equity, through the statement of changes in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity shall be recognised in profit or loss, as financial income or expense.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

**Fair value measurement**

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using valuation models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on the Company's economic estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where valuation models are used, inputs are based on market related measures at the balance sheet date.

The fair value of derivatives that are not exchange-traded are estimated at the amount that the Company would receive upon normal business conditions to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties.

**Amortised cost measurement**

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company shall estimate cash flows considering all contractual terms of the financial instrument but shall not consider future credit losses.

**Impairment of financial assets**

If there is an objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in profit or loss, as other expense. ►

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Company on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a Company of assets such as adverse changes in the payment status of borrowers or issuers in the Company, or economic conditions that correlate with defaults in the Company. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed through profit or loss, as other income.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss, even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

Financial assets are assessed individually or collectively. All individually significant financial assets above 1 MHUF are assessed for specific impairment. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

#### *e) Impairment of non-financial assets*

If there is any indication that the carrying amount of a non-financial (within the scope of IAS 36) asset exceeds its recoverable amount, the Company makes estimates for the recoverable amount of the asset. The Company considers external and internal information in assessing the amount of impairment. Impairment loss is recognised or reversed according to the individual rating of the asset.

Inventories within the scope of IAS 2 are measured at the lower of cost and net realisable value. The Company makes estimates for the realisable amount on a quarterly basis. Write-downs are recognised or reversed according to these estimates. If the carrying amount / cost of the non-financial asset exceeds its recoverable amount / realisable value, write-down shall be recognised, if not, write-down shall be reversed to increase the carrying amount of the asset. The carrying amount of the asset after reversal can not exceed the original net carrying amount.

#### *f) Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and impairments, if any. Depreciation is provided using the straight-line method at rates calculated to write off the cost of the asset over its expected economic useful life. The rates used by the Company are 14.5% for building improvements, 14.5% for office machines and 33% for office equipment and computers.

Expenditures incurred to replace a component of an item of property, plant and equipment that are accounted for separately, including major inspection and overhaul expenditures, are capitalized. Other subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognized in the income statement as expense as incurred.

#### *g) Intangible assets*

Intangibles are stated at cost less accumulated depreciation and impairments, if any. Depreciation is provided using the straight-line method at rates calculated to write off the cost of the asset over its expected economic useful life. For software 25% depreciation rate is used on a straight-line basis.

**h) Trading on gas market**

Based on the theory of the anonymity of the customers and the suppliers on the Daily natural gas and capacity trading market, the transactions are made with the participation of KELER CCP. KELER CCP stands between the counterparties as a technical partner (customer or supplier) during the buying and selling transactions. The stock of gas held by KELER CCP is always zero at the end of a day. Therefore, buying and selling of the gas is recorded by net method settlement in the statement of comprehensive income while in the balance sheet accounts (receivables-liabilities) it is recorded gross.

**i) Trading on power market**

KELER CCP as a general clearing member of European Commodity Clearing Ag (ECC) maintains positions and clears the cash side of the trades to its nonclearing members towards ECC. KELER CCP receives all relevant information from ECC who is acting as central counterparty of all trades of the power market, and KELER CCP does guaranty all account transfer according the received information between ECC and the nonclearing members.

**j) Sale and repurchase agreements and lending of securities**

Securities sold subject to linked repurchase agreements ('repos') are retained in the financial statements as trading or investment securities with concurrent recognition of the counterparty liability. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to customers. The difference between sale and repurchase price is treated as interest and accrued over the life of repo agreements using the effective yield method. Securities lent to counterparties are also retained in the financial statements.

**k) Revenue recognition****• Fee revenue**

KELER CCP receives revenue for its guarantee and settlement activities, such revenue are recognized when these services are performed.

**• Interest income**

Interest income is recognized in the statement of comprehensive income for all interest bearing instruments on an accrual basis using the effective interest method.

**• Trading activity**

Sales income is recognized on the trading day when the actual sales (and purchase) happen. See also above for trading on gas and power marked.

**l) Income taxes**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Deferred income tax is provided, using the balance sheet liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

**m) Provisions**

A provision is recognized when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**n) Hedging**

The Company is not engaged in any hedging activity.

**o) Statement of cash flows**

Information about the cash flows of the Company is useful in providing users of financial statements with a basis to assess the ability of the Company to generate cash and cash equivalents and the needs of the Company to utilise those cash flows.

For the purposes of reporting cash flows, cash and cash equivalents include cash, balances and placements with the National Bank of Hungary except those with more than three months maturity.

#### *p) Events after the balance sheet date*

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue. These events are adjusting and non-adjusting events.

All adjusting events after balance sheet date have been taken into account in the preparation of the financial statements of the Company.

### **NOTE 4: FINANCIAL RISK MANAGEMENT**

#### *a) The main elements of the Companies counterparty risk management approach are the following*

As central counterparty KELER CCP undertakes guarantee for transactions concluded on guaranteed market. CCP's activity ensures that market participants' guaranteed trades are settled risk free. In order to provide this services KELER CCP operates a clearing membership system, with a guarantee and margin elements, combined with monitoring and limit functions.

A two-level clearing membership system is operated by KELER CCP on prompt and derivative markets from 1 January 2009. KELER CCP operates a clearing membership system on Daily natural gas and capacity trading market operated by FGSZ (Natural Gas Transmission Company) from 1st July 2010. Starting with the same day from 1st July 2010 KELER CCP as a general clearing member of the ECC (European Commodity Clearing AG) is entitled to provide power market non-clearing membership services to it's partners.

Besides the clearing membership system, KELER CCP operates a multi-level guarantee system on the guaranteed markets. The elements of the guarantee system are: variation margin, individual margins and collective guarantee elements. The guarantee elements can be grouped into two group. The first group of the elements contains individual elements and only belong to cover the clearing members own risks. On the other hand there are collective guarantee elements, which based on the collective risk taking approach, where all clearing member should take a portion of risk of the overall market.

Individual margins: basic financial collateral – for derivative, multinet, gas and power market settlement,

- additional financial collateral – for derivative, multinet, gas and power market settlement,
- initial margin – for derivative and multinet settlement,
- turnover margin – for gas market settlement,
- power market turnover margin – for power market settlement on day-ahead markets,
- power market initial margin– for physical futures market

The collective guarantee elements are as follows: collective guarantee funds for derivative (Collective Guarantee Fund), multinet (Exchange Settlement Fund) and gas market (Gas Market Collective Guarantee Fund) settlement.

All collateral collected on margin calls are placed in cash and securities accounts kept by KELER. The collateral placed by the clearing members can be cash, securities or bank guarantee placed in KELER with a beneficiary of KELER CCP.

A real-time price monitoring system is operated on the cash and derivative markets of BSE. KELER CCP is entitled to dispose intraday clearings. in case price changes exceed certain previously announced limits Ltd.

A capital position limit is set for each clearing member and monitored regularly.

The financial performance of the clearing members and power market non-clearing members are continuously monitored.

Further, the Company constantly monitors the official bankruptcy databases. Partners are rated regularly by the Company.

In case of any default, the margin element can be used in a given order to fulfill any payment commitment on behalf of the clearing member. According the given rules written in the General Business Rules of KELER CCP the usage of guarantee element are the follows:

#### **Segregation principle:**

Collateral deposited on Client accounts cannot be used in case of default on the own account of the Clearing Member, however, initial margin and collateral deposited by the Clearing Member can be fully used also in case of default by the Client.

**Default waterfall:**

- balance of own bank account in the currency of settlement of the Clearing Member
- own initial margin and financial collaterals of the Clearing Member
- collective guarantee fund contribution by the defaulter Clearing Member
- other parts of the collective guarantee fund
- own assets of KELER CCP (up to 200 million HUF)
- underlying joint and several liability by KELER.
- remain own assets of KELER CCP

In the year 2011, KELER CCP and the guarantee funds had not suffered any losses on the guarantee activities.

***b) Foreign currency risk management***

The Company operates not only domestically. In connection with the power settlement the Company is exposed to foreign exchange risk which is monitored continuously by the Company.

As at 31 December 2011, KELER CCP contributed to the power market settlement by 3,270,000 EUR as a deposit. This sum stems from own funds and shareholder's loan from KELER.

1% weakening in the currency rate of EUR results in a 10,173,951 HUF loss, while the strengthening of EUR would result profit in the same amount.

***c) Maturity analysis of assets and liabilities and liquidity risk***

The main purpose of liquidity activity is to ensure KELER CCP's continuous solvency and thereby originate the secure liquidity of capital market transactions.

KELER CCP does not have any investment, but all of its liquid assets are deposited and held at KELER. KELER as a parent company of KELER CCP operates as a central depository with specialized credit institution licence. Since KELER is regulated strict, and operates with a very conservative investment policy, KELER represents a very low credit and credit and liquidity risk for KELER CCP.

As a general clearing member of ECC (European Commodity Clearing AG), KELER CCP has to comply with margin and collective guaranty requirements. All requirements are deposited as cash collateral at ECC. On the international market ECC operates as central clearing house and also has a low credit risk.

Statement of Financial Position - As of 31 December 2011 (All amounts in THUF)						
	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Cash and cash equivalents	5,277,199	-	-	-	-	5,277,199
Receivables relating to gas market	9,818,837	-	-	-	-	9,818,837
Receivables relating to central contractual party service	63,602	-	-	-	-	63,602
Accrued interest receivables	21,853	-	-	-	-	21,853
Intangible assets	-	-	-	-	2,513	2,513
Other assets	1,012,911	-	-	-	-	1,012,911
Current tax assets	4,084	-	-	-	-	4,084
<b>TOTAL ASSETS</b>	<b>16,198,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,513</b>	<b>16,200,999</b>
Liabilities for Guarantee Funds	4,451,606	-	-	-	-	4,451,606
Accrued interest payable	223,671	-	-	-	-	223,671
Current tax liabilities	-	-	-	-	-	-
Accounts payable from gas market	9,818,762	-	-	-	-	9,818,762
Accounts payables	150,397	-	-	-	-	150,397
Accruals and other liabilities	903,045	-	-	-	-	903,045
<b>TOTAL LIABILITIES</b>	<b>15,547,481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,547,481</b>
Share capital	-	-	-	-	20,000	20,000
Capital Reserve	-	-	-	-	30,000	30,000
Retained earnings	-	-	-	-	603,518	603,518
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>653,518</b>	<b>653,518</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>15,547,481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>653,518</b>	<b>16,200,999</b>
<b>LIQUIDITY (DEFICIENCY)/EXCESS</b>	<b>651,006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(651,005)</b>	<b>0</b>

Statement of Financial Position - As of 31 December 2010 (All amounts in THUF)						
	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Cash and cash equivalents	3,685,586	-	-	-	-	3,685,586
Receivables relating to gas market	18,084,415	-	-	-	-	18,084,415
Receivables relating to central contractual party service	58,373	-	-	-	-	58,373
Accrued interest receivables	13,422	-	-	-	-	13,422
Intangible assets	-	-	-	-	3,924	3,924
Other assets	128,925	-	-	-	-	128,925
Current tax assets	12,357	-	-	-	-	12,357
<b>TOTAL ASSETS</b>	<b>21,983,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,924</b>	<b>21,987,002</b>
Liabilities for Guarantee Funds	3,230,828	-	-	-	-	3,230,828
Accrued interest payable	98,761	-	-	-	-	98,761
Current tax liabilities	4,545	-	-	-	-	4,545
Accounts payable from gas market	18,084,415	-	-	-	-	18,084,415
Accounts payables	141,040	-	-	-	-	141,040
Accruals and other liabilities	4,783	-	-	-	-	4,783
<b>TOTAL LIABILITIES</b>	<b>21,564,372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,564,372</b>
Share capital	-	-	-	-	20,000	20,000
Capital Reserve	-	-	-	-	30,000	30,000
Retained earnings	-	-	-	-	372,630	372,630
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422,630</b>	<b>422,630</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>21,564,372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422,630</b>	<b>21,987,002</b>
<b>LIQUIDITY (DEFICIENCY)/EXCESS</b>	<b>418,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(418,706)</b>	<b>(0)</b>



#### d) Interest rate risk management

The Company's assets and liabilities do not have significant interest rate risk. KELER CCP earns some interest from its EUR deposit at ECC, but the interest rate is low and it changes every day. KELER CCP does not hold any securities.

#### NOTE 5: CASH AND CASH EQUIVALENTS

Bank accounts		
Within one year	2011	2010
In HUF	4,806,570	3,571,255
In EUR	470,629	114,331
	5,277,199	3,685,586

#### NOTE 6: OTHER ASSETS

Other Assets		
	2011	2010
Receivable from ECC (European Commodity Clearing AG)	986,087,	114,288,
Other receivables	26,717	14,532,
Prepayment	107	105,
	,1,012,911	128,925

KELER CCP as a general clearing member of the ECC (European Commodity Clearing AG) is entitled to provide power market non-clearing membership services from 1 July 2010 on the spot power market, and 1 July 2011 on the futures power market. According to the GCM status clearing members have to comply with specified margin and collective guaranty requirements of ECC AG. During the year of 2011 the spot power market volume was growing, therefore, resulted a relatively high amount of margin call towards KELER CCP. Besides the spot market, the newly launched futures market also resulted a dramatically growing in margin requirements towards ECC.

#### NOTE 7: INTANGIBLE ASSETS

For the year ended 31 December 2011:

Cost		
	Software	Intangible assets
Balance as of 1 January 2011	5,646	5,646
Net additions	-	-
Net disposals	-	-
Balance as of 31 December 2011	5,646	5,646

Cumulated Depreciation and Amortization		
	Software	Intangible assets
Balance as of 1 January 2011	1,722	1,722
Net additions	1,411	1,411
Net disposals	-	-
Balance as of 31 December 2011	3,133	3,133

Net book value		
	Software	Intangible assets
Balance as of 1 January 2011	3,924	3,924
Balance as of 31 December 2011	2,513	2,513

For the year ended 31 December 2010:

Cost		
	Software	Intangible assets
Balance as of 1 January 2010	5,414	5,414
Net additions	232	232
Net disposals	-	-
Balance as of 31 December 2010	5,646	5,646

Cumulated Depreciation and Amortization		
	Software	Intangible assets
Balance as of 1 January 2010	523	523
Net additions	1,199	1,199
Net disposals	-	-
Balance as of 31 December 2010	1,722	1,722

Net book value		
	Software	Intangible assets
Balance as of 1 January 2010	4,891	4,891
Balance as of 31 December 2010	3,924	3,924

#### NOTE 8: LIABILITIES FOR GUARANTEE FUNDS

As an element of the guarantee system, KELER CCP requires that collective guarantee funds are established. The purpose of the guarantee fund is to reduce the risk arising from default or failure of cleared and guaranteed transactions made by the Clearing Members. Contributions of the Members are kept in cash.

Liabilities for Guarantee Funds		
	2011	2010
Exchange Settlement Fund	1,783,374	1,728,377
Collective Guarantee Fund	770,668	638,340
Gas Market Collective Guarantee Fund	1,897,564	864,111
	4,451,606	3,230,828

#### NOTE 9: ACCOUNTS PAYABLES

Accounts payables		
	2011	2010
Accounts payable - owners	148,944	139,396
Accounts payable	1,453	1,644
	150,397	141,040

#### NOTE 10: ACCRUALS AND OTHER LIABILITIES

Accruals and other Liabilities		
	2011	2010
Shareholder's loan	450,000	-
Power Market Liquidity Contribution	451,139	-
Other liabilities	1,906	4,783
	903,045	4,783

#### NOTE 11: SHARE CAPITAL

Share capital		
	2011	2010
KELER (Central Clearing House and Depository (Budapest) Ltd.)	14,900	14,900
Magyar Nemzeti Bank (National Bank of Hungary)	2,720	2,720
Budapesti Értéktőzsde (Budapest Stock Exchange)	2,380	2,380
	20,000	20,000

KELER (Central Clearing House and Depository (Budapest) Ltd.) held 74,5% of the shares directly as on 31 December 2011 and 31 December 2010.

Magyar Nemzeti Bank (National Bank of Hungary) held 13,6% of the shares directly as on 31 December 2011 and 31 December 2010.

Budapesti Értéktőzsde (Budapest Stock Exchange) held 11,9% of the shares directly as on 31 December 2011 and 31 December 2010.

All shares rank pari passu in the event of winding up.

**NOTE 12: INCOME FROM CENTRAL COUNTERPARTY SERVICE**

Income from central counterparty service		
	2011	2010
Guarantee fees of spot market	314,446	334,871
Guarantee fees of derivative market	113,068	142,657
Clearing membership fees	141,400	98,400
Guarantee fees of gas market	97,249	59,700
Guarantee fees of power market	6,006	593
	672,169	636,221

**NOTE 13: OTHER OPERATING INCOME**

Other operating income		
	2011	2010
Win on sale of foreign-currencies	75,557	-
Loss on sale of foreign-currencies	(11,835)	-
Revenues from gas	69,748,297	43,922,191
Cost of goods sold (gas)	(69,748,297)	(43,922,191)
Other income	1,056	289
	64,778	289

**NOTE 14: PERSONNEL EXPENSES**

Personnel expenses		
	2011	2010
Wages	-	-
Base wages	-	-
Premium	-	-
Social security and other contributions	61	-
Other cost of personnel	1,484	1,752
	1,545	1,752

The average number of employees was 0 as on 31 December 2011 and 2010.

**NOTE 15: OTHER EXPENSES**

Other expenses		
	2011	2010
Outsourced services	300,875	266,125
Services used	50,407	38,375
Local business and other taxes	15,461	14,633
Fees paid to experts	2,781	3,656
Rental fees	1,487	1,337
Postage and phone fees	19	8
Material type expenses	52	13
Fees paid to authorities	4,424	2,621
Insurance fees	1,500	1,500
Other	4,311	10,180
	381,317	338,448

KELER CCP Ltd. outsources some of the elements of their emphasized (clearing house activity of clearing membership, handling of non-performances, supplying of data between KELER and KELER CCP and to third parties as well, handling of collaterals of the clearing members and of collective guarantees), IT related and other (finance, accounting, controlling, marketing, PR, HR, compliance, etc..) activities to KELER Ltd.

**NOTE 16: INCOME TAX EXPENSE**

The income tax rate is 19% and 10% (up to HUF 500 million profit) in Hungary in 2011. No items gave rise to deferred tax in 2010 or in 2011.

A breakdown of the income tax expense is:

Income Taxes		
	2011	2010
Current tax	25,794	29,767
Deferred tax	-	-
	25,794	29,767

A reconciliation of the income tax charge is as follows:

	2011	2010
Net income before income taxes	256,684	204,063
Income tax with statutory tax rate (19%)	-	19,227
Income tax with statutory tax rate (10%)	25,668	10,287

Income tax adjustments are as follows:

	2011	2010
Entertainment allowance (10%)	126	253
Income tax	25,794	29,767
Effective tax rate	10%	15%

### NOTE 17: RELATED PARTY TRANSACTIONS

A number of transactions are entered into with related parties and owners of the Company in the normal course of the business. These transactions were carried out on commercial terms and at market rates. The volumes of related party transactions, outstanding balances at the year end, and relating income and expense for the year are as follows.

Shareholders		
	2011	2010
Income from central counterparty service	671,469	636,221
Other operating income	-	287
Interest income	219,357	128,617
Contracted services	(335,363)	(293,772)
Fees and commissions expenses	(104,222)	(99,173)
Interest expenses	(344)	(135)
Receivables relating to central contractual party service	63,602	58,373
Bank	4,846,394	3,593,764
Accrued interest receivables	21,314	13,202
	4,931,310	3,665,339

Shareholders		
Share capital	14,900	14,900
Capital Reserve	22,350	22,350
Accounts payable	148,944	139,396
Loan	450,000	-
	636,194	176,646

Transactions are at arm's length condition.

The Board of management and Directors didn't receive any compensation in 2011 and 2010.

### NOTE 18: SUBSEQUENT EVENTS

The dividend for the financial year 2011 may be approved at the General Meeting to be held the 29th May 2012.

### NOTE 19: NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Standards and interpretations issued but effective only for annual reporting periods beginning after 1 July 2011:

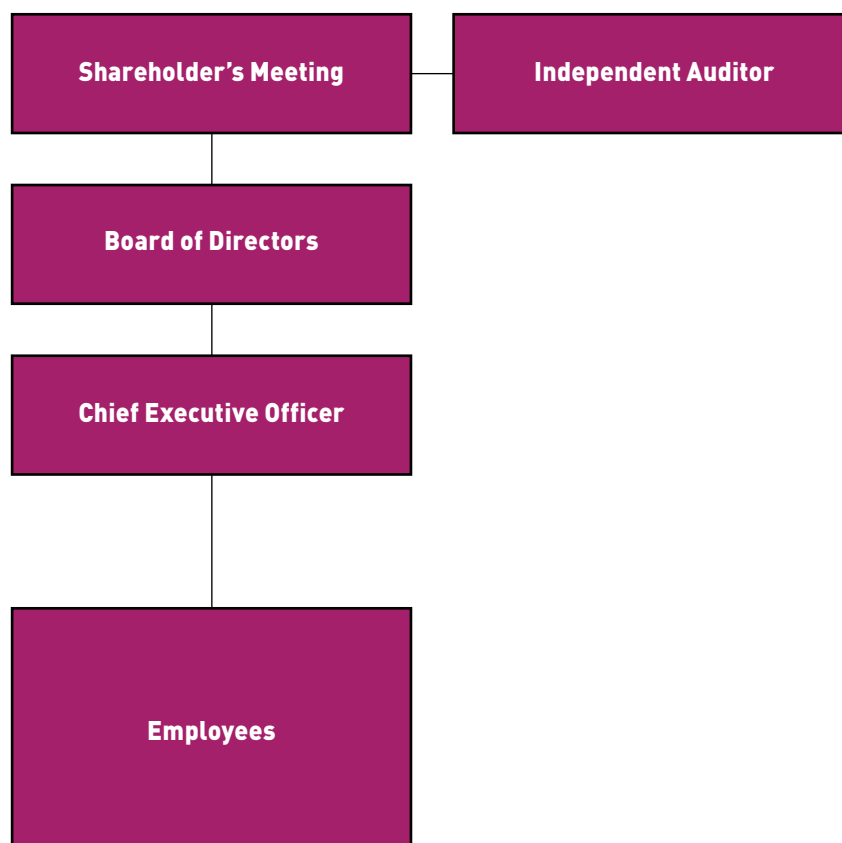
Amendments to IFRS 7 Disclosures - Transfers of Financial Assets

The Company does not expect the amendments to IFRS 7 to have material impact on the financial statements, because of the nature of the Company's operations and the types of financial assets that it holds.

14.

# ORGANIZATIONAL STRUCTURE OF KELER CCP

Organizational structure of KELER CCP – 31. December 2011.

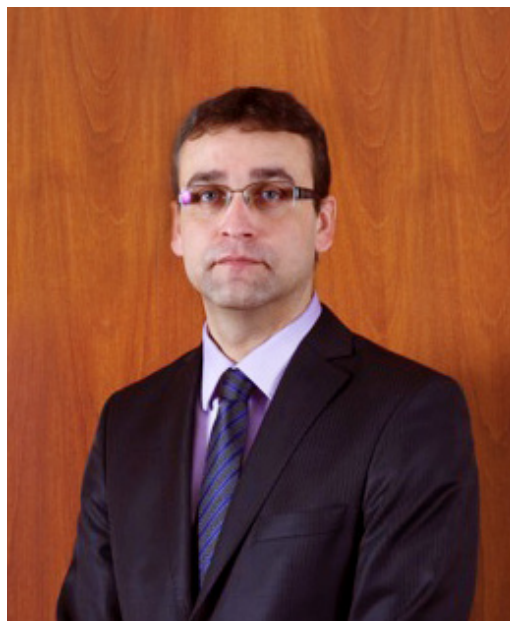


15. MANAGEMENT



**Károly Mátrai**  
Chief Executive Officer

Managing Director  
until 31. March 2011



**Csaba Seres**  
Head of Risk Management

Deputy Managing Director  
until 31. March 2011



# GENERAL INFORMATION

## From 1 January, 2011 until 31 March, 2011

### KELER CCP Member's Meeting

Founded	2008
Operates since	1 January, 2009

### Ownership Structure

Ownership	Share held (%)
KELER	74.5%
National Bank of Hungary	13.6%
Budapest Stock Exchange	11.9%
Total	100%

Owners are represented at the Members' Meeting.

## Since 31 March, 2011

### KELER CCP Kft. is transformed to privately held company.

### Ownership Structure

Ownership	Share held (%)
KELER	74.5%
National Bank of Hungary	13.6%*
Budapest Stock Exchange	11.9%**
Total	100%

\* Due to the stake held in KELER Zrt. indirect and direct holdings amount to 53.33 %.

\*\* Due to the stake held in KELER Zrt. indirect and direct holdings amount to 46.67 %.

## Members of the Board of Directors

Csaba Lantos– Chairman  
 György Sándor– Vice Chairman  
 Csaba Balogh  
 Dr. György Mohai  
 Ferenc Pittner\*\*\*  
 Hannes A. Takacs\*\*\*  
 György Dudás  
 Margit Brauner

### Contact

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 Fax: +36-1-342-3539  
 Home page: [www.keler.hu](http://www.keler.hu)  
 E-mail: [keler@keler.hu](mailto:keler@keler.hu)

### Central Client Service

Monday to Friday from 9.00 hrs until 15.00 hrs  
 Phone: +36-1-483-6240

### Service Desk

Available from 7.00 hrs until 18.00 hrs  
 Phone: +36-1-483-6228  
 or +36-1-483-6120

\*\*\* until 18 May 2011.