



KELER CCP
Central
Counter Party Ltd.

KELER CCP Ltd.'s conditions of acceptance of securities and currencies collateral

Effective from:

11 October 2013

According to the General Business Rules of KELER CCP Ltd., KELER CCP Ltd. accepts only currencies and securities listed below as a financial collateral.

Securities denominated in HUF:

- Government securities that are listed or shall be listed on the MTS Hungary under the agreement between EuroMTS and the State Debt Management Agency Ltd. (ÁKK),
- Discount T-Bills and Treasury Notes without reference to listing on MTS Hungary,
- Bonds issued by the Diákhitel Központ Zrt. and listed on the MTS Hungary,
- Equity securities listed on the BSE and included in the BUX-basket (see the list below): OTP, MOL, MTELEKOM, RICHTER, EGIS
- Bonds issued by the National Bank of Hungary

Securities denominated in foreign currency:

- Securities issued by the Hungarian State or the National Bank of Hungary (henceforward: non-HUF denominated Hungarian government bonds).
- After due consideration: non-HUF denominated Hungarian or foreign debt securities.

Acceptable financial instruments:

KELER CCP Ltd. accepts the following currencies in cash as a collateral: HUF, CHF, EUR, JPY, PLN and USD.

Collateral values of securities and currencies accepted as a financial collateral are valued daily at the end of settlement day, after KELER CCP Ltd. has fixed the daily re-valuation rate for the next settlement day as well as the freezing rate for the next settlement day which is equal to the next settlement day's rate for all securities and currencies (**acceptance rate**).

Calculation of acceptance rate:

Calculation of acceptance rate in case of securities and currencies is as follows:

Acceptance rate = Base valuation price × (1 - haircut %)

Base valuation price:

Base valuation price: price reflecting the market value of the security or currency, that is fixed by KELER CCP Ltd. daily with reference to market information for each security and currency. In case of non-HUF denominated securities, calculation of acceptance rate is effected on basis of the value of the face value calculated in HUF.

Haircut:

The **haircut** is the given percentage value that reflects the accepted collateral asset's risk

Limit management:

Under present conditions the acceptance of certain assets are limited so during the occasion of distraint KELER CCP could refuse them.

Applied conditions of acceptance for security categories (base valuation price, haircut, limit):

| Category of securities | | | Base valuation price | Haircut | Limit |
|--|--------------------------------|--------------------------------------|---|---------|-------------------|
| Government securities NBH bonds | | < 1 year | price calculated from ÁKK's reference yield | 3% | Unlimited |
| | | 1-3 year | | 5% | Unlimited |
| | | 3 year < | | 7% | Unlimited |
| Student Loan Centre Ltd. bonds | Student Loan Centre Ltd. bonds | | | 15% | Unlimited |
| Stock securities | OTP | last stock exchange closing price | | 15% | 30 Billion HUF |
| | MOL | | | 15% | 8 Billion HUF |
| | RICHTER | | | 15% | 5 Billion HUF |
| | MTELEKOM | | | 15% | 4 Billion HUF |
| | EGIS | | | 20% | 1 Billion HUF |
| Non-HUF denominated Hungarian government bonds | | | face value calculated in HUF | 15% | unique |
| Non-HUF denominated Hungarian or foreign debt securities | | | Individual price based on KELER CCP estimation | unique | unique |

Applied conditions of acceptance for individual currencies:

| Acceptable currencies | Base valuation price | Haircut | Limit |
|-----------------------|---|---------|---------------|
| HUF | Nominal value | 0% | Unlimited |
| CHF | NBH's official HUF exchange middle rate ¹ | 7% | Unlimited |
| EUR | | | Unlimited |
| JPY | | | 5 Billion HUF |
| PLN | | | 5 Billion HUF |
| USD | | | Unlimited |

Specific management of energy market collateral:


KELER CCP uses 0 % haircut by EUR collateral placed for the energy market transactions.

Public acceptance rates:

Actual acceptance rates for securities and currencies are published daily via the KID terminal, following the daily valuation. Published prices are always valid until the next valuation.

Unique estimated bonds:

Acceptance of non-HUF denominated Hungarian government bonds is based on the clearing member's pre-request, which must be handled to Risk and Financial Management.



After receiving the pre-request KELER CCP should consider the acceptance of the proposed debt securities in 10 days.

The non-HUF denominated Hungarian government bonds acceptance are automatic, if there is no any legal or distribution or any product specific restriction is applied.

KELER CCP will not publish the accepted bonds, the KID gives information about the parameters during the distraint.

Restrictions on own issued securities:

KELER CCP Ltd. does not accept from its Clearing Members those securities as a financial collateral which are issued by Clearing Members or by enterprises connected to the Clearing Members by direct or indirect ownership. Exception to the rule are securities issued by central banks or sovereign state. The list of non-acceptable securities defined for individual Clearing Members is published for information by KELER CCP Ltd.

Special process:

In case of changes in the market circumstances KELER CCP Ltd. reserves the right to promptly change its acceptance conditions regarding valuation of acceptable securities and currencies.

Operate terms of conditions can be viewed at the KID terminal and at KELER CCP Ltd.'s official website (www.kelerkszf.hu). KELER CCP Ltd. publishes changes at the www.kozzetetelek.hu website operated by the HFSA.

10 October 2013

KELER CCP Ltd.