

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

**Effective from: 11 October 2019**

According to the General Business Rules of KELER CCP Ltd., KELER CCP Ltd. accepts only currencies and securities listed below as financial collateral. Base valuation prices, haircut rates and concentration rates are also included in below tables.

## 1. BSE spot market, BSE derivatives market, Trading Platform and Balancing Platform

Category of securities		Base valuation price	Haircut	Limit
Hungarian Government Bonds <sup>1</sup>	<1 year	price calculated from ÁKK's reference yields	2%	Unlimited
	1-3 years		5%	Unlimited
	3-10 years		8%	Unlimited
	>10 years		12%	Unlimited
T-bills denominated in HUF issued by State Debt Management Agency Ltd. (ÁKK)			2%	Unlimited
Listed securities	OTP	last BSE closing price	24%	9 Billion HUF
	MOL		20%	3 Billion HUF
	RICHTER		15%	3.5 Billion HUF
	MTELEKOM		15%	0.6 Billion HUF
Currency	HUF	Nominal value	0%	Unlimited
	CHF	CBH's official HUF exchange middle rate	8%	Unlimited
	EUR		7%	Unlimited
	GBP		7%	Unlimited
	USD		9%	Unlimited

<sup>1</sup> Only HUF denominated government bonds that are listed or shall be listed on MTS Hungary under the agreement between MTS S.p.A (Italy) and the State Debt Management Agency Ltd. (ÁKK).

## 2. CEEGEX/HUDEX-gas markets

Category of securities		Base valuation price	Haircut	Limit
Hungarian Government Bonds <sup>2</sup>	<1 year	price calculated from ÁKK's reference yields	7%	Unlimited
	1-3 years		8%	Unlimited
	3-10 years		11%	Unlimited
	>10 years		13%	Unlimited
T-bills denominated in HUF issued by State Debt Management Agency Ltd. (ÁKK)			7%	Unlimited
Currency	EUR	Nominal value	0%	Unlimited
	HUF	CBH's official HUF exchange middle rate	7%	Unlimited

## 3. Energy markets

Category of securities		Base valuation price	Haircut	Limit
Currency	EUR	Nominal value	0%	Unlimited
	HUF	CBH's official HUF exchange middle rate	7%	Unlimited

### Special acceptance rule for Hungarian Government Bonds and T-Bills

2 days before the maturity, KELER CCP does not accept above securities.

### Securities denominated in foreign currency

This type of securities is not accepted by KELER CCP Ltd.

### Valuation of accepted instruments

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:

$$\text{Acceptance rate} = \text{Base valuation price} \times (100\% - \text{haircut}\%)$$

<sup>2</sup> Only HUF denominated government bonds that are listed or shall be listed on MTS Hungary under the agreement between MTS S.p.A (Italy) and the State Debt Management Agency Ltd. (ÁKK).

**Base valuation price**

Base valuation price is 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.

**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.

**Public acceptance rates**

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

**Restrictions on own issued securities**

KELER CCP Ltd. does not accept from its Clearing Members those securities as financial collateral which are issued by Clearing Members or by enterprises connected to the Clearing Members by direct or indirect ownership. Exceptions to the rule are securities issued by central banks or sovereign state.

**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](http://www.kelerkszf.hu)). KELER CCP Ltd. publishes changes at the [www.kozzetetelek.hu](http://www.kozzetetelek.hu) website operated by the HFSA.

Budapest, 7 October 2019

KELER CCP Ltd.