



KELER CCP Ltd.



2009 annual report

contents

1.	Message of the Managing Director	3
2.	Regulatory environment of KELER CCP	4
3.	Business results of KELER CCP	5
4.	Activity of KELER CCP	6
5.	Internal audit	9
6.	International relationships	10
7.	Report by the independent auditor	12
8.	Statement of financial position	13
9.	Statement of comprehensive income	14
10.	Statement of changes in equity	15
11.	Statement of cash flows	16
12.	Notes to financial statements	17
13.	Organisational structure of KELER CCP	27
14.	Management	28
15.	General information	29



KELER CCP Ltd. started its operation on 1 January, 2009 in a largely unpredictable environment due to the significant impact of the global economic crisis that erupted in 2008. Market conditions and regulatory requirements that were issued partly in response to the crisis represented major challenges to KELER CCP.

With regard to market conditions in 2008 the business plan of KELER CCP for 2009 contained a slight loss for the year. However, as a result of the positive changes on the BSE (drastic increase in trade numbers) the actual result significantly exceeded expectations: the Company closed the year with a profit before tax of HUF 244.8 million instead of the planned loss of HUF 1.9 million.

KELER CCP was involved in several important projects of KELER. The KELER project aimed at the unbundling of clearing and settlement was of high importance for KELER CCP due to tasks to be completed; another major project was launched after the international public procurement bid published by FGSZ Natural Gas Transmission Ltd. in the spring of 2009 where the settlement and guarantee services of the Daily Natural Gas and Capacity Trading market starting on 1 July, 2010 were finalized. In the gas market project KELER CCP will have a number of tasks to be completed in 2010 also.

In the summer of 2008 the Board of Directors of KELER accepted a proposal to standardize the method of making guarantee funds, pursuant to which decision in October 2009 the calculation method of the cash market (TEA) and derivative market (KGA) guarantee funds were standardized. This was a major event for KELER CCP. The essence of the standardization is that calculation for both guarantee funds is based on a certain percentage of the average initial margin in the last three months, with identical minimum and maximum values.

In 2009 KELER CCP participated in the regular meetings of EACH (European Association of Central Counterparty Clearing Houses) and in the work of certain sub-committees.

The most important task in the first year in business was to provide for the operation of the company, stabilize the internal and external regulatory environment and establish the daily operation of the company. At the end of the first full business year we can conclude that with the significant efforts made the planned goals were achieved and the first year was closed with a considerable net result, we made progress in the field of professional tasks and could even enter new markets. All these achievements represent a good foundation for similar professional and business results in 2010.

Károly Mátrai

Managing Director

2

regulatory environment



4

r e g u l a t o r y e n v i r o n m e n t

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 2009 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 each element of its activity to KELER in compliance with the prevailing requirements of the Tpt. and other relevant legal regulations.

In 2009 an important task of KELER CCP was to comply with the National Bank of Hungary decree 11/2009. (II.27.) on the requirements related to the procedures of the organization acting as central counterparty pursuant to the act on the capital market. It was partially due to the NBH decree and partially due to the development of the services provided by the KELER Group that during the year KELER CCP modified its public regulations on several occasions.

In accordance with the decision of the Members' Meeting of KELER CCP Ltd. held on 26 February, 2009 a new member joined the Ltd. The new member is the National Bank of Hungary.

Considering market influences in 2008 KELER CCP planned a small amount of loss in its business plan for the year 2009. However, due to the positive changes (drastic increase in trade numbers) at BSE during 2009, the result of KELER CCP turned out to be much better than expected. Instead of the planned loss of HUF 1.9 million a profit of HUF 244.8 million was realized by the Company.

The rising cash market had a key role to play in the results, as a consequence income from multinet settlement almost tripled, while the total revenue rated to guarantee undertaking amounts to HUF 595.2 million, that is 186 % of expectations.

In addition to the positive trend in revenues operating expenses increased only slightly, with 10 %, compared to plan (from HUF 326.9 million to HUF 360.1 million). The reason of increasing costs and expenditures is the change of the Fee Schedule of KELER during the year and the rise in taxes (local business tax and innovation contribution) related to revenues.

Increasing revenues had a positive influence on interest received on bank accounts, thus the financial result of the company exceeded expectations with 98 %.

The sum of operating (business) result and financial result is HUF 244.8 million that is a significant increase compared to the planned loss of HUF 1.9 million. As there were no extraordinary items the ordinary (business) result equals profit before tax. Profit before tax is subject to a tax payment obligation in the amount of HUF 47.1 million, after which the profit for the period after tax of KELER CCP is HUF 197.7 million.

Profit and loss

in HUF million

	Previous year 2008	Plan 2009	Actual 2009	Plan/Actual 2009
1		320.0	595.2	186.0%
2				
I.	0.00	320.0	595.2	186.0%
II.				
III.				
3	0.02	0.4		0.0%
4		255.3	274.5	107.5%
5	0.26	60.2	70.6	117.3%
IV	0.27	315.9	345.1	109.3%
V		0.6	0.5	81.5%
VI		2.5	0.5	20.7%
VII		7.8	14.0	178.8%
A				
	-0.27	-6.9	235.1	
VIII	1.03	4.8	9.7	201.7%
X		-0.1		0.0%
B	1.03	4.9	9.7	197.6%
C	0.76	-2.0	244.8	
D				
E	0.76	-2.0	244.8	
XII.	0.15		47.1	
F	0.61	-2.0	197.7	
6				
7				
G	0.61		197.7	

4

activity of KELER CCP



6

KELER CCP started its first year of operation in an unpredictable environment significantly changed by the crisis that hit the global economy in 2008. Market influences and regulatory requirements that were issued partly in response to market influences represented a major challenge to the organization of KELER CCP also. At the beginning of the year the Company invited the representatives of supervisory and regulatory organizations for a one day introduction where in the form of presentations and an interactive workshop a general picture was provided on the activity of the Company and the tasks ahead. During the year the Company actively participated at customer forums organized by the KELER Group where clearing members were informed on the actual development of services. The online fee calculator launched during the year increased the level of information provided to customers.

KELER CCP participated in several important projects of KELER. Due to the related tasks involved the project to separate clearing and settlement at KELER was of outstanding importance to KELER CCP. The project launched in the wake of the international public procurement tender announced by FGSZ Natural Gas Transmission Ltd. in the spring of 2009 was of similarly high importance: this project covers settlement and guarantee undertaking related to the Daily Natural Gas and Capacity Trading Market that starts operation on 1 July, 2010. This new market is expected to generate a high number of new tasks for KELER CCP in 2010 also.

Projects during the year that examine the eventual international role KELER CCP could play in the market of central counterparty services are of strategic importance.

COUNTERPARTY RISKS

Clearing membership system

KELER CCP has been responsible for the operation of the clearing membership system since 1 January, 2009. Compared to the end of the previous year two companies did not renew their clearing membership agreement. One of them later joined the system, the other company ceased to exist. During the year two new players entered the market, while on one occasion the already existing clearing membership was transferred to the branch office in Hungary of a bank registered abroad. Two active clearing members changed their names, three members changed their clearing membership agreement due to changes in sections traded / transactions traded and one clearing membership was suspended at the request of the clearing member. After all these changes at the end of the year the clearing membership system had 32 active clearing members, including 6 commodity market service provider, 3 branch offices in Hungary of foreign credit institutions, 15 investment companies and 8 Hungarian credit institutions.

As a result of the comprehensive counterparty rating reform approved by the Board of Directors of KELER during 2008 the clearing member qualification system was modified on several points. The purpose of the reform is to create a faster and more efficient rating system. In the interest of reliable and efficient data processing, after consultation with clearing members and changes to the General Business Rules KELER CCP requires obligatory electronic reporting from clearing members, as a result of which balance sheets and profit and loss statements are available electronically for us for further processing.

The system of ratios used for clearing member rating was completely changed and three ratio groups were introduced (profitability, liquidity and capital structure) and parallel with this the aspects taken into consideration for subjective rating were also modified. Following assessment based on objective and subjective aspects clearing members are put into one of the 9 newly formed rating categories. Based on clearing member rating, in line with the above changes we also changed the rating of warehouses.

Parallel with the modification of the rating system the General Business Rules and the Customer and Counterparty Rating Procedure and the related administration procedure of KELER CCP were updated.

Default management

Within the activity of KELER Ltd. during 2009 clearing and settlement processes were separated functionally and at system level that is in close relationship with the activity of KELER CCP. In addition to separating clearing and settlement, in line with market requirements the separated settlement and risk management of non-clearing members on the cash market was introduced. With the introduction of new elements the order of use of guarantee elements were modified in line with the recommendations of the Supervisory Authority and the National Bank of Hungary with a view to segregation, in the interest of increased security of clients and non-clearing members. With the separation of processes default processes were reconsidered and risks were managed at a more appropriate level.

MARKET RISKS

Initial margin

A key field of operation of KELER CCP is the continuous monitoring of margins and maintenance of the margin system. With regard to changes in risks initial margin requirements were modified on several occasions. For new products the appropriate level of initial margin was defined based on information available to us.

Collective Guarantee Fund

In the summer of 2008 the Board of Directors of KELER accepted the concept to standardize the method of establishing guarantee funds, based on which a standard methodology was formed to calculate the Exchange Settlement Fund (TEA) and the Collective Guarantee Fund (KGA). The essence of the standardization is that for both guarantee funds calculation is based on a certain percentage of the average initial margin in the last three months, with identical minimum and maximum levels.

Joint and several liability by KELER

The amount of joint and several liability provided by KELER increased from HUF 11 billion to HUF 12 billion as of 4 August, 2009. The current amount of liability will be in force until the 90th day after the day of the ordinary general meeting of KELER in 2010.

Collateral instruments

During the year clearing members requested on several occasions the extension of collateral instruments accepted by KELER CCP. As a result, in the second half of the year the 2 week NBH bond was added to acceptable collateral instruments. Plans for 2010 include the further extension of acceptable securities.

New products

In line with the requirements of market players new stock exchange products were launched: during 2009 more than 80 certificates were introduced to the cash market equity section. The risk assessment and settlement and execution tasks related to the new products that are of materially different nature than earlier products were a major professional challenge for KELER CCP. A further step forward during the year was the residual value trading of certificates that made certificate settlement faster and more secure.

5

internal audit



9

KELER CCP Ltd. does not undertake internal audit on its own, therefore the Members' Meeting of May 2009 requested KELER that the internal audit unit of KELER complete the follow-up audit at KELER CCP of an internal audit review completed earlier at KELER. The Members' Meeting in December requested KELER that the internal audit unit of KELER add two additional reviews to its work schedule for the year 2010.

6

international relationships



10

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 certain capital market infrastructural institutions and international organizations (FESE, EACH, ECSDA).

7

KELER CCP LTD.

Financial Statements and Independent Auditor's Report

for the year ended 31 December 2009

report by the independent auditor



12

report by the independent auditor



KPMG Hungária Kft.
Váci út 99.
H-1139 Budapest
Hungary

Tel.: +36 (1) 887 71 00
Fax: +36 (1) 887 71 01
E-mail: info@kpmg.hu
Internet: kpmg.hu

Independent Auditor's Report

To the members of KELER KSZF Központi Szerződő Fél Kft.

We have audited the accompanying financial statements of KELER KSZF Központi Szerződő Fél Kft. (hereinafter referred to as "the Company"), which comprise the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's 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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 principles 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 opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the KELER KSZF Központi Szerződő Fél Kft. as at 31 December 2009, 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, 1 April 2010

KPMG Hungária Kft.


Agócs Gábor
Partner



Statement of financial position as of 31 December 2009

all amounts in THUF		31. 12. 2009	31. 12. 2008
Cash and cash equivalents	5	392,410	49,081
Receivables relating to central contractual party service	6	42,842	-
Accrued interest receivables		1,547	190
Intangible assets	7	4,891	-
Other assets	8	5,101	1,500
TOTAL ASSETS		446,791	50,771
Tax liabilities		58,840	151
Other liabilities	9	139,617	13
TOTAL LIABILITIES		198,457	164
Share capital	10	20,000	20,000
Retained earnings and reserves		228,334	30,607
TOTAL SHAREHOLDERS' EQUITY		248,334	50,607
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		446,791	50,771

Statement of comprehensive income
for the year ended 31 December 2009

all amounts in THUF		01. 01. 2009 - 31. 12. 2009	06. 06. 2008 - 31. 12. 2008
	Income from central contractual party service	11 595,236	-
	Interest income	12 9,681	1,030
	Fees and commissions expenses	(65,714)	(87)
	Personnel expenses	(489)	-
	Depreciation and amortization	(523)	-
	Other expenses	13 (293,413)	(185)
	Other operating expenses	(360,139)	(272)
	PROFIT BEFORE INCOME TAX	244,778	758
	Taxation	14 (47,051)	(151)
	NET PROFIT FOR THE YEAR	197,727	607
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	197,727	607

Statement of changes in equity
for the year ended 31 December 2009

all amounts in THUF

	Share capital	Retained Earnings	Reserves	Total
Balance as of foundation	20,000	-	30,000	50,000
Total comprehensive income for the year	-	607	-	607
Balance as of 31 December 2008	20,000	607	30,000	50,607
Total comprehensive income for the year	-	197,727	-	197,727
Balance as of 31 December 2009	20,000	198,334	30,000	248,334

Statement of cash flows
for the year ended 31 December 2009

all amounts in THUF

	01. 01. 2009- 31. 12. 2009	06. 06. 2008 - 31. 12. 2008
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT	197,727	607
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Income Taxes	58,956	151
Depreciation and amortization	523	-
Net (increase) / decrease in accrued interest receivables	(1,357)	(190)
Net (increase) / decrease in CCP receivables	(42,842)	-
Net (increase) / decrease in other assets	(3,601)	(1,500)
Net increase / (decrease) in other liabilities	139,604	13
Income Taxes paid	(267)	-
Net cash provided by operating activities	348,743	(919)
INVESTING ACTIVITIES		
Net additions to premises, equipments and intangible assets	(5,414)	-
Net cash used in investing activities	(5,414)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Founding capital payment	-	50,000
Net cash flow from financing activities	-	50,000
Net increase / (decrease) in cash and cash equivalents	343,329	49,081
Cash and cash equivalents at the beginning of the year	49,081	-
Cash and cash equivalents at the end of the year	392,410	49,081
Net (decrease)/increase in cash and cash equivalents	343,329	49,081



NOTE 1: GENERAL

KELER CCP Ltd. (The Company or KELER CCP) is a limited liability company according to the Hungarian laws. Registration of the company: 6 June, 2008. 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's sole activity is providing central counterparty service for the guaranteed markets with regards its clearing members. KELER CCP's direct partners are commodities service, securities service providers and financial institutions. KELER CCP's activity enables that market participants' guaranteed trades are settled risk free. KELER CCP's services: KELER CCP as a central counterparty provides guarantee service to its clearing members with regards guaranteed stock exchange transactions.

KELER CCP Ltd. has started its obligate business activity, central counterparty service, 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 are the Company's first financial statements and IFRS 1 has been applied.

These Financial Statements were approved by the management of the Company on 1 April 2010.

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.

Company's management makes estimates concerning accrued bonuses, which are based on profit of the year and are paid in the following year.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES**a) 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.

b) 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.

c) 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.

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.

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 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.

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.

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 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. Agricultural loans and micro credits are impaired collectively.

d) 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.

e) 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.

f) Intangible assets

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. For software 25% depreciation rate is used on a straight-line basis.

g) 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.

h) Revenue recognition

- Fee revenue

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

- Interest income

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

- Dividends

Dividends receivable are paid in the Company's financial statements in the period in which they are approved by the shareholders.

i) 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.

j) 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.

k) Hedging

The Company is not engaged in any hedging activity.

l) 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.

m) 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. The material non-adjusting events after the balance sheet date are presented in Note 16.

NOTE 4: FINANCIAL RISK MANAGEMENT**a) The main elements of the Companies counterparty risk management approach are the following**

The performance and financials of members are continuously monitored and the Company constantly monitors bankruptcy. Member banks are rated quarterly based on financial statements and subjective aspects.

A two-level clearing membership system is operated by the KELER CCP Ltd. on Budapest Stock Exchange ("BSE") prompt and derivative markets from 1 January 2009. Clearing members have to comply with specified requirements including equity capital criteria.

A real-time price monitoring system is operated on the prompt- and derivative markets of BSE. KELER CCP Ltd. is entitled to dispose intraday clearing in case price changes exceed certain limits, while KELER Ltd. executes it.

A multi-level guarantee system is operated on prompt and derivative markets. The elements of the guarantee system are: individual collaterals and collective guarantee elements.

Individual collaterals: basic financial collateral, variation margin, initial margin and additional collateral.

The collective guarantee elements are the following: collective guarantee funds for both derivative and prompt markets.

A capital position limit is set for clearing members, which is monitored.

b) Foreign currency risk management

The Company operates domestically only and is not exposed to significant foreign exchange risk.

c) Maturity analysis of assets and liabilities and liquidity risk

The main purpose of liquidity activity is to ensure Company's continuous solvency and thereby originate the secure liquidity of capital market transactions. The Company invests its liquid assets in credit account.

d) Interest rate risk management

The Company's assets and liabilities do not have significant interest rate risk.

NOTE 5: CASH AND CASH EQUIVALENTS

	2009	2008
Due from banks and balances with KELER		
Within one year		
In HUF	392,410	49,081
	392,410	49,081

NOTE 6: RECEIVABLES RELATING TO CENTRAL COUNTERPARTY SERVICE

	2009	2008
Receivables relating to central counterparty service		
Receivables relating to central counterparty service	42,842	-
	42,842	-

NOTE 7: INTANGIBLE ASSETS

For the year ended 31 December 2009:

	Software	Intangible assets
Cost		
Balance as on 1 January, 2009	-	-
Net additions	5,414	5,414
Net disposals	-	-
Balance as on 31 December, 2009	5,414	5,414
Comulated Depreciation and Amortization		
Balance as on 1 January, 2009	-	-
Net additions	523	523
Net disposals	-	-
Balance as on 31 December, 2009	523	523
Net book value		
Balance as on 1 January, 2009	-	-
Balance as on 31 December, 2009	4,891	4,891

NOTE 8: OTHER ASSETS

	2009	2008
Other Assets		
Trade receivables	-	-
Other receivables	5,000	-
Prepayment	101	1,500
	5,101	1,500

NOTE 9: OTHER LIABILITIES

	2009	2008
Other Liabilities		
Accrued expenses	1,925	-
Accounts payable	135,884	-
Other	1,808	-
	139,617	-

NOTE 10: SHARE CAPITAL

There was change in the share capital of the Company since the prior year. National Bank of Hungary ("NBH") has acquired share on 26 February 2010.

	2009	2008
Share capital		
KELER (Central Clearing House and Depository (Budapest) Ltd.)	14,900	14,900
Magyar Nemzeti Bank (National Bank of Hungary)	2,720	-
Budapesti Értéktőzsde (Budapest Stock Exchange)	2,380	5,100
	20,000	20,000

KELER (Central Clearing House and Depository (Budapest) Ltd.) held 74,5% directly as on 31 December 2009 and 31 December 2008

Magyar Nemzeti Bank (National Bank of Hungary) held 13.6% directly as on 31 December 2009. Budapesti Értéktőzsde (Budapest Stock Exchange) held 11.9% directly as on 31 December 2009 and 25.5% 31 December 2008.

NOTE 11: INCOME FROM CENTRAL COUNTERPARTY SERVICE

	2009	2008
Income from central counterparty service		
Guarantee fees of spot market	384,395	-
Guarantee fees of derivative market	144,341	-
Clearing membership fees	66,500	-
	595,236	-

NOTE 12: NET INTEREST INCOME

	2009	2008
Interest income		
Due from banks and balances with KELER	9,681	1,030
	9,681	1,030

NOTE 13: OTHER EXPENSES

	2009	2008
Other expenses		
Contracted services	271,076	-
Taxes	13,690	-
Fees paid to experts	2,625	-
Rental fees	811	-
Postage and phone fees	4	-
Material type expenses	-	17
Fees paid to authorities	408	40
Insurance fees	1,800	-
Other	2,999	128
	293,413	185

Contracted services mainly contain the fee paid to KELER Ltd.

NOTE 14: INCOME TAX EXPENSE

Company is presently liable for income tax at a rate of 16% and an special (solidarity) tax at a rate 4%. In the calculation of deferred tax the 19% tax rate was taken into account.

A breakdown of the income tax expense is:

	2009	2008
Income Taxes		
Current tax	47,051	-
Deferred tax	-	-
	47,051	-

A reconciliation of the income tax charge is as follows:

	2009	2008
Net income before income taxes	244,778	758
Income tax with statutory tax rate (16%)	39,164	121
Solidarity tax (4%)	9,791	30
Income tax adjustments are as follows:		
Local community business tax	(1,905)	-
Income tax	47,051	151
Effective tax rate	19%	20%

NOTE 15: RELATED PARTY TRANSACTIONS

A number of transactions are entered into with related parties and owners of the Company in the normal course of 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.

KELER Ltd.	2009	2008
Income from central counterparty service	595,236	-
Interest income	9,681	-
Contracted services	267,532	-
Fees and commissions expenses	65,727	-
	938,176	-

NOTE 16: SUBSEQUENT EVENTS

Following the settlement date up to the time of the balance sheet has been no significant events.

NOTE 17: EVENTS AFTER THE BALANCE SHEET DATE

The dividend for the financial year 2009 will be declared on 18 May 2010.

NOTE 18: NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Standards and interpretations issued but effective only for annual reporting periods beginning after 1 January 2009.

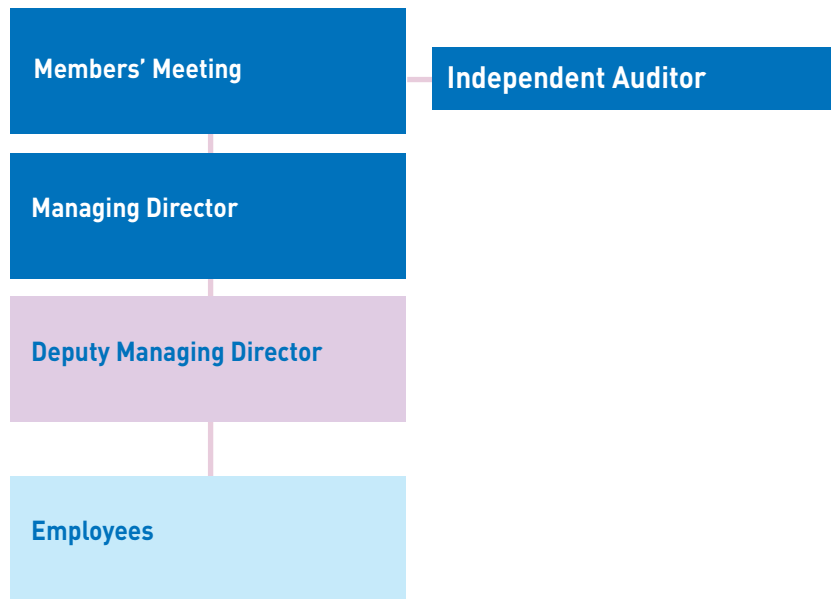
- 1) Revised IFRS 3 Business Combinations (effective for annual periods beginning on or after 1 July 2009)
- 2) Revised IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)
- 3) Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective for annual period beginning on or after 1 February 2010)
- 4) Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009)
- 5) IFRIC 12 Service Concession Arrangements (effective for first annual reporting period beginning on or after 1 April 2009)
- 6) IFRIC 15 Agreements for the Construction of Real Estate (effective for annual periods beginning on or after 1 January 2010)
- 7) IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 July 2009)
- 8) IFRIC 17 Distributions of Non-cash Assets to Owners (effective prospectively for annual periods beginning on or after 1 November 2009)
- 9) IFRIC 18 Transfers of Assets from Customers (effective prospectively for annual period beginning on or after 1 November 2009)

13

organisational structure of KELER CCP



27



14

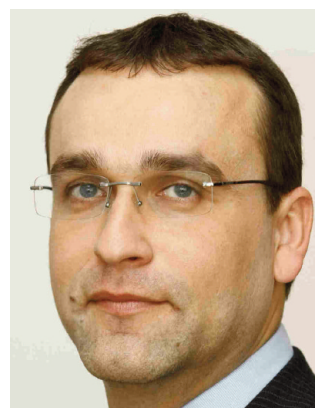
management



28

m a n a g e m e n t

Károly Mátrai
Managing Director



Csaba Seres
Deputy Managing Director





KELER KSZF Members' Meeting

Foundation in 2008
Operates since 2009. january 1.

Owners and ratio of ownership

Owners	ratio of ownership
KELER Ltd.	74.5%
National Bank of Hungary	13.6%
Budapest Stock Exchange	11.9%
Total	100%

Owners are represented at the Members' Meeting.

Contacts

Address: Asbóth u. 9-11, 1075 Budapest
Mailing address: H-1367 Budapest 5, POB 73
Phone: +36-1-483-6100
Fax: +36-1-342-3539
E-mail: kelerccp@kelerkszf.hu

Central client service

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

Service desk:

Customer Service availability:
from 7.00 hrs until 18.00 hrs
Phone: +36-1-483-6228
or +36-1-483-6120