

KDPW Group

State-of-the-art post-trade infrastructure

Ph.D. Iwona Sroka – President & CEO of KDPW and KDPW_CCP

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ONE OF THE 14 AGENCIES IN THE WORLD ALLOCATING LEIs **20 YEARS OF KDPW** THE CENTRAL SECURITIES DEPOSITORY OF POLAND

25 YEARS OF POLISH FREEDOM

ONE OF THE FIRST 4 TRADE REPOSITORIES IN EUROPEAN UNION ONE OF THE 14 AGENCIES IN THE WORLD ALLOCATING LEIs

THE 3rd AUTHORIZED CLEARINGHOUSE IN EUROPE

20 YEARS OF KDPW

KDPW_CCP

**We shape
 the Polish financial market**

kdpw_ CSD | kdpw_ CCP

join the celebrations
 of the 25th anniversary
 of economic freedom
 in Poland



WARSAW
 STOCK
 EXCHANGE

was established in 1991

kdpw_

was separated in 1994,
 as an independent,
 joint stock company

kdpw_
 CCP

part of kdpw_ group

was created in 2011

Equity market

Market Operator	2012	2013
London Stock Exchange Group	21,37%	20,56%
NYSE Euronext	15,36%	15,21%
Deutsche Börse	12,42%	12,29%
BME (Spanish Exchanges)	8,31%	7,48%
SIX Swiss Exchange	5,69%	6,28%
NASDAQ OMX Nordic	5,71%	5,72%
Oslo Børs	1,42%	1,11%
Warsaw Stock Exchange	0,57%	0,64%
CEESEG - Vienna	0,23%	0,23%
Athens Exchange	0,15%	0,18%
Boerse Stuttgart	0,14%	0,18%
Irish Stock Exchange	0,09%	0,13%
CEESEG - Budapest	0,11%	0,09%
CEESEG - Prague	0,13%	0,08%
Bucharest Stock Exchange	0,01%	0,01%
Bulgarian Stock Exchange	0,00%	0,01%
CEESEG - Ljubljana	0,00%	0,00%
Luxembourg Stock Exchange	0,00%	0,00%
Malta Stock Exchange	0,00%	0,00%
Bratislava Stock Exchange	0,00%	0,00%
Cyprus Stock Exchange	0,00%	0,00%

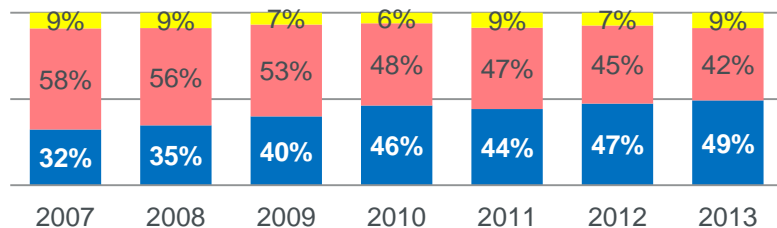
Futures market

Volume of trading in index futures in Europe in 2013 ³

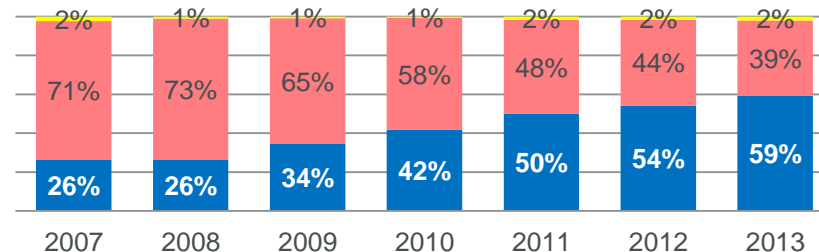
No.	Exchange / Market	Trading volume
1	EUREX	327 431 218
2	Liffe NYSE Euronext	82 669 104
3	OMX	30 898 516
4	Italy	9 322 762
5	WSE	8 339 534
6	Spain	7 565 969
7	Norway	3 505 681
8	Greece	2 324 227
9	Hungary	402 264
10	Austria	358 558
11	Romania	2 795

³ Source: FESE and exchange websites

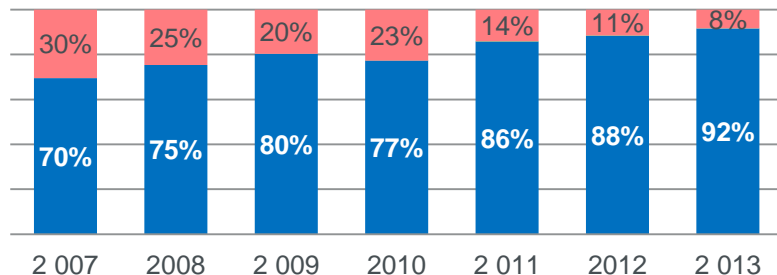
Share of Capitalisation of Exchanges in the CEE Region



Share of Stocks Turnover in the CEE Region



Share of Numbers of Index Future Contracts in the CEE Region



- KDPW participants – 65
- KDPW_CCP participants – 38
- Issuers – 1152 (of which 77 are foreign)
- Deposited equities issues – 1099
- Deposited bond issues – 1099

- Capitalisation of shares in KDPW – EUR 138 billion (USD 178 billion)
- Capitalisation of bonds in KDPW – EUR 139 billion (USD 179 billion)

- Number of cleared transactions – *cash market*: 6.14 M
- Value of cleared transactions – *cash market*: 22 EUR billion (USD 28 billion)

- Number of cleared transactions – *derivatives market*: 1.95 M
- Value of cleared transactions – *derivatives market*: 33 EUR billion (USD 41 billion)



- Stable and credible shareholders
- Main objective: safety and stability of financial system
- Low risk profile - not-for-profit infrastructure institution
- Supervision by Polish FSA (KNF) and ESMA, oversight by Polish Central Bank (NBP)

- EU registration of KDPW Trade Repository – one of 4 first TRs registered in Europe
- LEI assigning (KDPW_LEI)
- Services for energy market (KDPW_GIR)
- Planned CSDR authorisation of KDPW

- EMIR authorisation of KDPW_CCP (3rd in Europe)
- KDPW_CCP own capital: EUR 54 M (USD 70 M)
- Central counterparty functionality through novation
- Reporting to KDPW_TR (non mandatory)

kdpw

Core Services

Securities settlement system

Regulated market

Alternative Trading
System

OTC cash market

Central Depository of Securities

Maintaining securities accounts
at the top-tier level

Initial recording of securities
in a book-entry system

Ancillary Services

Corporate Actions processing

Operational links to foreign CSDs

Commercial Services

Trade Repository

Numbering Agency (LEI, ISIN, FISIN)

Commodities Clearing House (GIR KDPW)

Tri-Party Repo

CSD authorisation process planned for 2015/2016

Key functionalities:

- Omnibus accounts for foreign investors
- Collective securities accounts on the CSD level, with option to segregate by investor/group of investors
- Hold/Release mechanism (optional)
- Cash settlement in central bank: money – PLN in Polish Central Bank (NBP), EUR in TARGET2
- Agent for Securities lending & borrowing - automatic and negotiated
- Settlement and collateral management for repo (Tri-party Repo Agent)
- Partial settlement
- CA: information, distribution of proceedings, tax services
- GIR - clearing and settlement of energy market transactions
- T+2 settlement cycle regarding to CSDR requirements

kdpw
CCP

Clearing of trades

Regulated market

ATS

OTC
derivatives

OTC
REPO

Clearing risk management

SPAN

VaR

Collateral management

PLN

T-bonds

T-bills

WIG20
shares

Bank
guarantees

Supplementary Services

Derivatives trade reporting to KDPW_TR

Authorised in April 2014

Key functionalities:

- Central counterparty functionality through novation
- Netting in cash (obligatory) and securities (optional)
- Segregation of accounts (individual and aggregated accounts)
- OTC derivatives:
 - Currently - PLN (FRA, IRS, OIS, Basis Swap, REPO)
 - Planned - EUR (FRA, IRS, OIS, Basis Swap, FX instruments)
- OTC clearing based on MarkitWire and SWIFT Accord instructions
- Guarantee system for negotiated securities lending transactions
- Margins calculated on intra-day and daily basis
- STP with WSE trading system (UTP - NYSE Euronext)
- Default waterfall and procedures compliant with EMIR
- KDPW_CCP own capital: EUR 54 M (USD 70 M)

The KDPW Group conducts its business operations on the basis of the Development Strategy for 2014-2016, reflecting international trends in financial markets. The strategy defines a diverse business model for the KDPW Group, while leveraging the specific strengths and potential of the Polish financial market.

Key Strategic Projects of the KDPW Group:

- **KDPW_CCP**
 - Integration of transaction clearing from diverse financial markets in Poland: regulated, interbank and commodity
 - OTC multicurrency instruments
 - Extending eligible collateral
- **KDPW**
 - Strengthening the position of the Trade Repository
 - Further development of securities lending and Tri-Party Repo services
 - Creation of securities central valuation service
 - Introducing ISO20022 messaging with participants

 - Enhanced operational co-operation with other markets in the area of clearing and settlement

www.kdpw.eu
www.kdpwccp.eu