

EXPAT'S ETF FAMILY

expatcapital

EXPAT INTERNATIONAL ETF CONFERENCE

Capital Fort Congress Center

New York City Hall

22 March 2018 (Thursday), 6:00 p.m.





keler



keler ccp

EXPAT International ETF Conference

Post trade business opportunities in the
Bulgarian local capital market

22 March 2018

Sofia

CSD, BANK AND EMIR LICENSED CCP IN ONE FINANCIAL GROUP

POST-TRADE
SERVICES

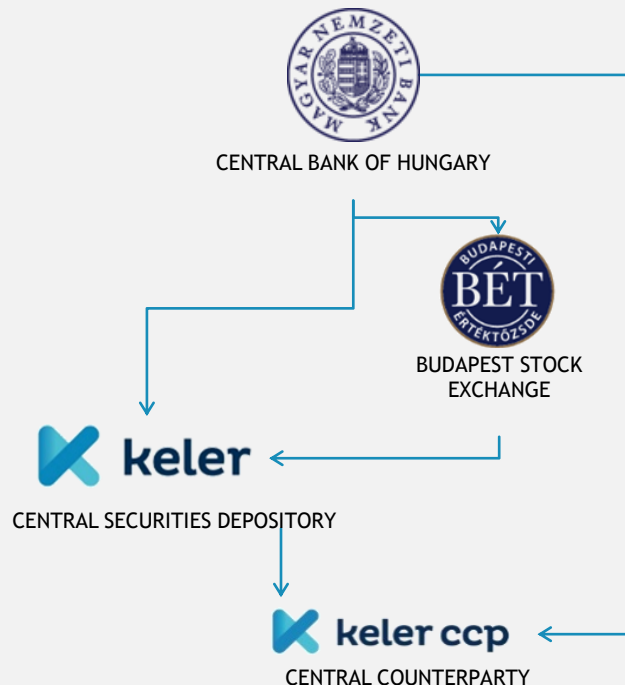
BANKING
SERVICES

One-stop-
shop
point in

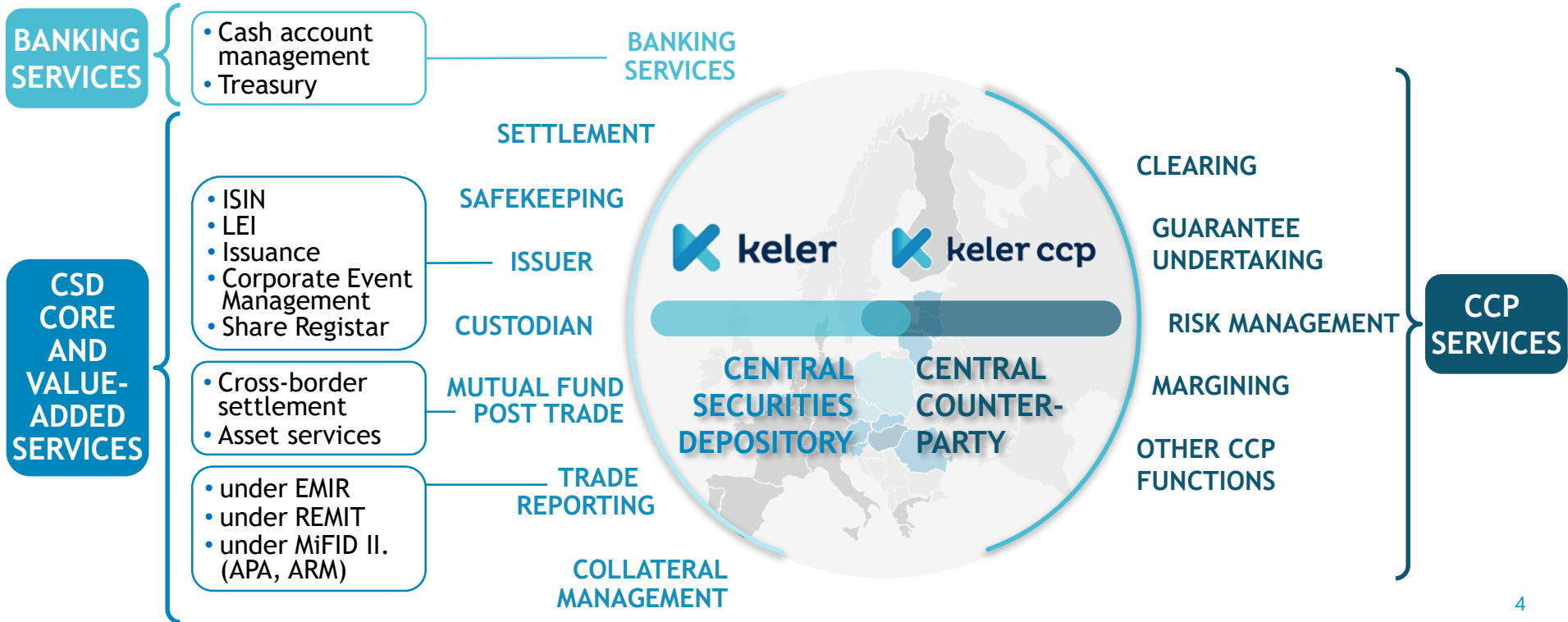
CENTRAL - COUNTERPARTY
SERVICES

- ✓ **Group level synergy** in providing services to Clients
- ✓ Close cooperation with the **Budapest Stock Exchange**
- ✓ The **Central Bank of Hungary** as majority stakeholder

OWNERSHIP STRUCTURE

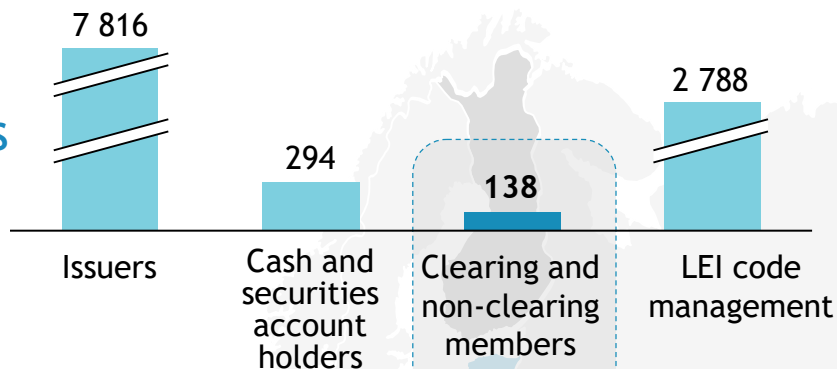


CLIENTS SERVED BY KELER AND KELER CCP - GROUP LEVEL BUSINESS SYNERGIES

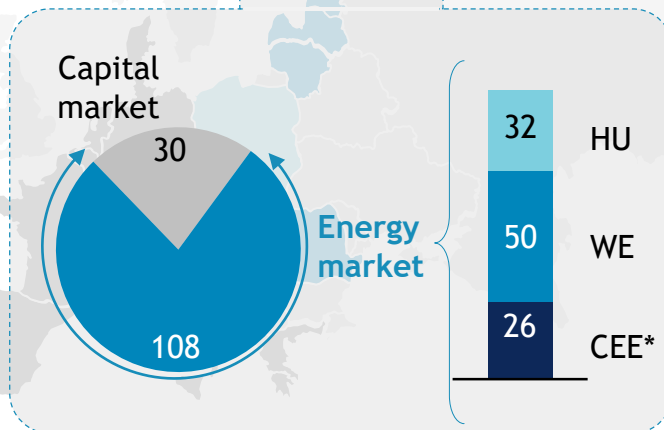


KELER Group as Pan-European service provider

NUMBER OF CLIENTS BY KEY SERVICE AREAS (2017 EOY)



CLEARING / NON-CLEARING MEMBERS BY MARKET SEGMENT (2017 EOY)



*CEE excl. Hungary

DYNAMICAL GROWTH IN THE NUMBER OF ACCOUNT HOLDERS

in line with

increasing clearing
services clientele

CLEARING MEMBERS AND
SECURITIES ACCOUNT
HOLDERS IN

29 countries

ACCESS TO

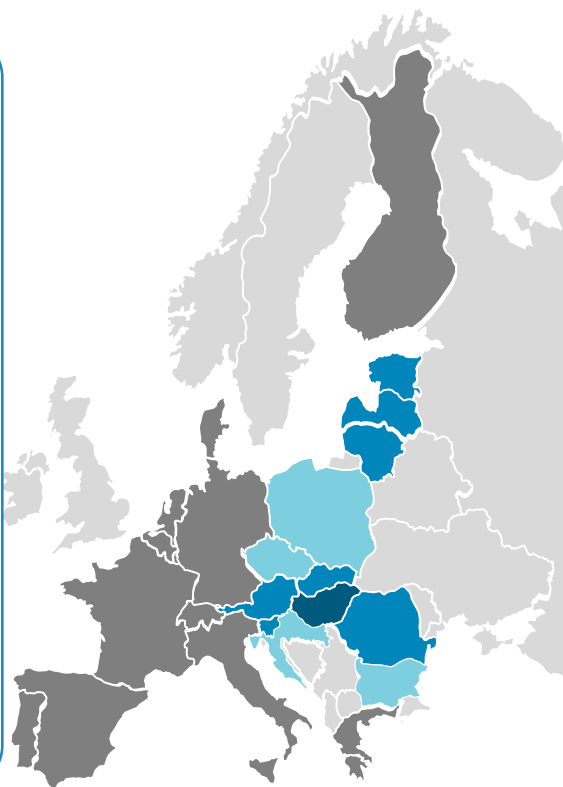
63 markets

WORLDWIDE
THROUGH CROSS-BORDER
SECURITIES SETTLEMENT

Cross border strategy and planned service model of KELER CSD

THE MAIN ELEMENTS OF KELER'S CROSS-BORDER STRATEGY

- As an expert of the Central-Eastern European region
- Operating as a regional CSD
 - One-stop access
- ✓ to the Central Eastern European region's local markets via a
- ✓ direct link to the local CSD or
- ✓ a best-in-class custodian bank
- ✓ to T2S's harmonized European infrastructure



	T2S market	via link to local CSD/custodian account
Dark Grey	✓	✗
Dark Blue	✓	✓
Light Blue	✗	✓

FULFILLED TASKS / PLANNED PROGRESS:

- Hungary - T2S accession in the 4th wave, February 2017
- First direct link will be opened to a non-T2S market's local CSD in H1 2018
- Further connections to be set up considering business potentials

KELER Group in the Bulgarian market

Clientele overview, new value proposition



CURRENT BULGARIAN CLIENTS SERVICED BY KELER OR KELER CCP

- ✓ CCP services for energy market participants
- ✓ Cash account keeping and transaction management
- ✓ Securities account keeping and transaction management (first Bulgarian client under admission)
- ✓ Trade reporting services under EMIR - derivative transactions
- ✓ Trade reporting services under REMIT - wholesale energy market transactions



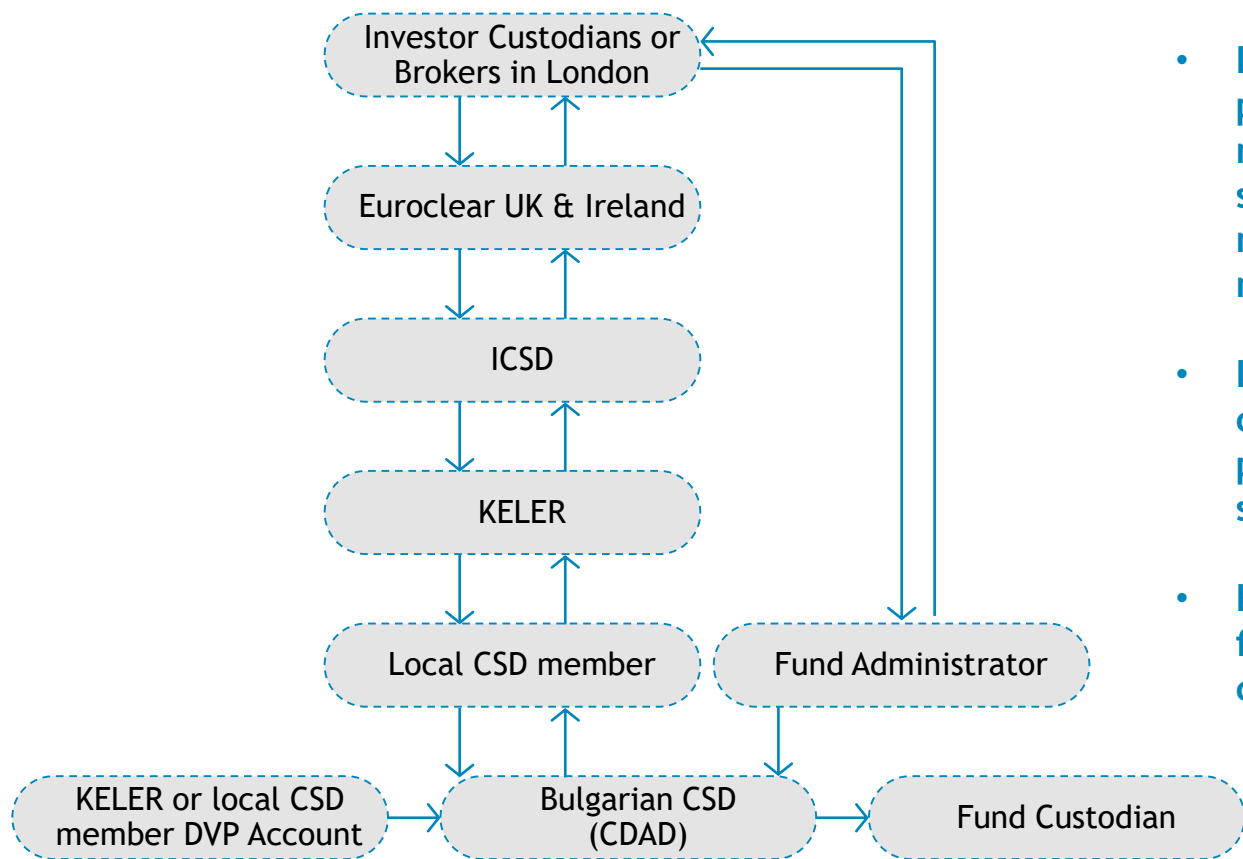
NEW SERVICE OFFERING OF KELER CSD FOR LOCAL BULGARIAN MARKET PARTICIPANTS

- + CCP services for local Bulgarian regulated markets (capital and energy markets)
- + Custodian services for local Bulgarian investors who want to invest in instruments listed on Western-European / global markets
- + Settlement of local Bulgarian products in Western-European regulated markets

Based on CSD services

Current Bulgarian case study

Easy settlement of Bulgarian funds listed in foreign markets



- **Local investment service providers: no need to set up a new investment scheme to settle Bulgarian products on major foreign regulated markets (like eg. LSE)**
- **Local end investors are simply contracted to local service providers and do not need to set up new connections**
- **KELER offers easy access to foreign markets via its cooperation with SIX SIS**

SIX SIS AS KELER'S GLOBAL CONNECTIVITY GATEWAY PARTNER

- Easy access to 60+ markets & settlement in 40+ currencies
- Best-in-class post-trade and corporate actions services

Bulgarian Investor
(Broker or Custodian)



CASH AND SECURITIES ACCOUNT RELATED SERVICES IN ONE PLACE

- Omnibus / client accounts,
- Own / client asset segregation,
- Accounts for T2S
 - Securities: own / omnibus
 - Cash: EUR (DCA) via Societe Generale

CONNECTIVITY

- Proprietary communication system (KID¹)
 - different levels: manual, file, A2A
- SWIFT (ISO 15022)

SPECIAL FOCUS AND FULL RANGE OF SERVICES ON THE BUDAPEST STOCK EXCHANGE

- Covering all the markets
- Providing all the required services

EASY ACCESS TO WESTERN- EUROPEAN AND GLOBAL MARKETS
NO NEED FOR LOCAL INVESTORS BUILD UP CONNECTION TO THESE MARKET PLACES

THANK YOU FOR YOUR ATTENTION!