

New CCP Infrastructure to Boost CEE Capital Markets

- Higher post-trade efficiency with a new cross-market CCP solution
- State-of-the-art access to CEE capital markets for investors and intermediaries

(Vienna) – Establishing the CEE Stock Exchange Group (CEESEG) across the capital markets in Budapest, Ljubljana, Prague and Vienna was a first move to strengthen the capital markets in the region. The next step is to optimise the clearing infrastructure to make central and eastern Europe even more attractive to investors.

The Austrian Central Counterparty (CCP.A) presents its solution named 'CCP.CEE', which will establish a standardised cross-regional clearing infrastructure to suit the requirements of the local CEE markets. International, regional and local customers will find in it a central processing and IT solution, fully providing best-practice international clearing and risk management services.

The Central Counterparty (CCP) covers post-trade requirements and reduces securities settlement and risk costs. At the same time, access to the markets will be considerably facilitated for new investors and market participants. The resulting larger number of trading participants increases the liquidity of securities traded on the stock exchanges in the region. This in turn will be beneficial for the local capital market as a whole.

The CCP.CEE solution is scheduled to become operational in Vienna mid 2012 with the Prague cash market trades to follow soon thereafter.

Future Investors will Expect Cutting-Edge Technology for Market Access

Wolfgang Aubrunner, managing director of the Austrian CCP (CCP.A), emphasises the strategic importance of this endeavour: “Economic regions such as central and eastern Europe (CEE) need not be alarmed by the consolidation associated with large marketplaces. Especially, if they continue to promote the potential benefits of scale which only shared infrastructure solutions can offer.” Investors are increasingly focused on markets which provide easy and technically advanced access. Prompt availability of a solution is another decisive factor. Therefore, the software-decision has been made in favour of London Stock Exchange Group (LSEG), a leading provider of clearing technology services. LSEG offers a fully hosted, near turnkey state-of-the-art solution. The software can be readily and rapidly adapted to the requirements of individual markets.

Kevin Milne, Director of Post Trade at LSEG said “The London Stock Exchange Group is very pleased to have been selected by CCP.CEE to provide clearing technology services for the CEE Capital markets. This will enable CEE markets to benefit from an advanced real-time clearing platform. We look forward to working in partnership with CCP.CEE to expand this initiative within the CEE region.”

Integrated Clearing Solution will be a major boost for CEE Liquidity

For Ludwig Niessen, managing director of the Austrian CCP, CCP.CEE will turn out to be beneficial for all involved markets: “An integrated clearing solution forms another logical and necessary step to enhance the liquidity of the local markets in the region. International institutional investors and trading partners expect a significantly easier access to the markets and an increased netting efficiency at lower costs for risk and collateral management.”

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CCP.A

The Clearing house of the Austrian market to offer the CCP.CEE solution beginning 2012. CCP.A, a 50:50 joint subsidiary of OeKB AG and Wiener Börse AG , launched operations on January 31, 2005. CCP Austria acts as clearing agency pursuant to Article 26 (3) Austrian Stock Exchange Act and ensures the secure and reliable clearing and settlement of eligible exchange transactions.

Oesterreichische Kontrollbank AG

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CEESEG

The CEE Stock Exchange Group (CEESEG) is the holding company of the four stock exchanges of Budapest, Ljubljana, Prague and Vienna. With almost half of the total market capitalization and about two-thirds of total equity trading volume in Central and Eastern Europe, the CEE Stock Exchange Group is the largest player of all exchanges in the region. The goal of CEESEG is to make access and trading on the local markets easier in order raise liquidity on the four markets. At the same time, the Group is engaged in a number of coordinated measures to increase visibility of the four markets.