Annual Financial Statements for the period ended December 31, 2009 and Management Report

Eurex Clearing Aktiengesellschaft
Frankfurt am Main

This is an English translation of the German text, which is the sole authoritative version.

Balance Sheet as at December 31, 2009
of Eurex Clearing Aktiengesellschaft, Frankfurt/Main

Assets	31.12.2009 €	31.12.2009 €	31.12.2008 € thousand	31.12.2008 € thousand
Liquid funds				
Balances with central banks	101,547.84	101,547.84	253,065	253,065
of which with the Bundesbank				
EUR 101,547.84 (previous year: EUR 253,065 (thousand))				
Receivables from banks				
Current accounts	2,879,513,974.50		10,146,824	
other receivables	2,000,393,379.66	4,879,907,354.16		10,146,824
Receivables from customers		830.00		9
Equity investments and other non fixed income securities		1,229,337.98		1,012
Trust assets		61,898,733.07		62,870
Intangible assets		15,837.00		20
Tangible assets		3,822.00		4
Other assets		19,562,974.92		5,810
Prepaid expenses and deferred charges		200,824.05		51
Total assets		4,962,921,261.02		10,469,665

Stockholder's equity and liabilities	31.12.2009 €	31.12.2009 €	31.12.2009 €	31.12.2008 € thousand	31.12.2008 € thousand	31.12.2008 € thousand
Liabilities to banks						
Current accounts		3,810,065,664.95	3,810,065,664.95		6,817,187	6,817,187
Liabilities to customers						
Other liabilities						
Current balances		967,957,832.04	967,957,832.04		3,456,021	3,456,021
Trust liabilities			61,898,733.07			62,870
Other liabilities			3,918,619.56			17,221
Accruals						
Accruals for pensions						
and other employee benefits		1,644,879.00			1,298	
Other accruals		5,185,515.82	6,830,394.82		3,590	4,888
Stockholder's equity						
Subscribed capital		25,000,000.00			5,113	
Additional paid-in capital		80,312,845.52			100,200	
Revenue reserves						
Legal reserves	909,033.50			511		
Other revenue reserves	6,028,137.56	6,937,171.06		5,654	6,165	
Total stockholder's equity			112,250,016.58			11,478
Total stockholder´s equity and liabilities			4,962,921,261.02			10,469,665

Income Statement
of Eurex Clearing Aktiengesellschaft, Frankfurt/Main
for the period from 1 January to 31 December 2009

	2009			2008		
	€	€	€	€ thousand	€ thousand	€ thousand
Interest income from						
loan and money market business	44,509,625.54	44,509,625.54		192,183	192,183	
Interest expense		-27,798,154.80	16,711,470.74		-168,216	23,967
Income from noncurrent financial instruments		17,994.29	17,994.29		18	18
Commission expense		-1,980,034.88	-1,980,034.88		-2,010	-2,010
Other operating income			46,520,504.78			48,671
General administrative expenses						
Personnel expenses						
Wages and salaries	-3,693,382.99			-2,609		
Social security and expenses						
for pension and other employee benefits	-475,600.16	-4,168,983.15		-357	-2,966	
of which: for pensions						
EUR 113,786.26 (previous year: EUR 98 (thousand))						
Other administrative expenses		-40,480,625.73	-44,649,608.88		-63,890	-66,856
Depreciation and amortization of						
tangible and intangible assets			-14,409,214.20			-4
Other operating expenses			-1,261,115.64			-2,025
Depreciation and amortization of equity investments, shares						
in affilited companies and securities as noncurrent assets		0.00			-410	
Income and write-ups of equity investments, shares						
in affilited companies and securities as noncurrent assets		199,303.60	199,303.60		0	-410
Net operating income			1,149,299.81			1,351
Income Taxes			-2,125.00			0
Profit transferred under profit and loss transfer agreement			-374,716.60			-676
Net income for the year			772,458.21			675
Transfer to revenue reserves						
into legal reserves		-397,741.62			0	
Other revenue reserves		-374,716.59	-772,458.21		-675	-675
Balance sheet profit			0.00			0

Notes to the annual financial statements for the financial year 2009

Accounting and valuation methods

The annual financial statements of Eurex Clearing Aktiengesellschaft (hereinafter referred to as "Eurex Clearing") for the financial year 2009 were prepared in accordance with the Handelsgesetzbuch [HGB, German Commercial Code] and also in accordance with the Aktiengesetz [AktG, German Stock Corporation Act] as well as the ordinance governing the accounting of credit institutions and financial service institutions (Credit Institution Accounting Ordinance; Kreditinstituts-Rechnungslegungsverordnung – RechKredV).

The valuation methods remain unchanged from the previous year.

Long-term asset items in foreign currency are converted into Euro at historical exchange rates applicable at the time of acquisition. Foreign currency receivables and liabilities are valued at the reference rate of the ECB as of the balance sheet date. Income and expenses were converted using the reference rate of the ECB applicable on the booking date (section 340h HGB).

Intangible assets acquired for a monetary consideration are shown at acquisition cost less straight-line and, where appropriate, non-scheduled depreciation. In the case of movable long-term assets, the tax-law simplification rules with respect to the start of depreciation are applied in the form applicable at the time of acquisition. In accordance with section 6 (2a) EStG, minor-value assets with costs of acquisition or costs of production of more than € 150 and less than € 1,000 are spread evenly over a period of five years and decreasing the profit within the income statement.

Credits, receivables and other assets are generally reported at their nominal value.

Equities and other non-fixed-interest securities are valued in accordance with the regulations applicable for long-term assets.

Liabilities are recognized in the amount due for repayment.

Provisions for pensions and similar obligations were recognized at their partial value pursuant to section 6a of the German Income Tax Act (EStG) based on actuarial principles using the 2005 G mortality tables of Prof. Klaus Heubeck, with modifications according to information from the mortality tables for 2005 to 2007 produced by the Federal Statistical Office. Because the "2005 G" mortality tables used in the previous year no longer provide the best estimate for future mortality rates, adjustments were made to base table G for men. The calculations in the reporting year were based on a discount rate of 5.30 percent (previous year: 6.25 percent). Due to tax regulations, the present value was partially used to determine the level of the provisions for the employee-financed deferred compensation program.

The other provisions take into account all identifiable risks and uncertain liabilities as at 31 December 2009 and were recognized at the level of anticipated payment obligation. The intrinsic value of the option was used as the basis for calculating the amount of the provisions for the stock option programs. The provision values for the share bonus plan (SBP) program were calculated on the basis of the reference date price of the shares of Deutsche Börse AG. The provisions for anniversaries and early retirement were valued according to actuarial principles at their partial value (or in the case of recipients of early retirement benefits, at their present value). The calculations in the reporting year were based on a discount rate of 5.30 percent (previous year: 6.25 percent). The "2005 G" mortality tables developed by Prof. Klaus Heubeck provided the accounting basis (with the adjustments mentioned above).

The margin deposits to be deposited with Eurex Clearing as collateral by the Clearing members are (if they are provided in the form of cash) shown at Eurex Clearing as liabilities – the so-called member cash deposits. The margins which are payable are calculated in t and are due in t+1. The margin payments are calculated only after the post-trading period. In line with the common standard in this sector, the member cash deposits are only recognized when the margins have been collected.

Notes to the balance sheet

Foreign currency assets amounted to € 511,110 thousand as of the balance sheet date (previous year: € 257,254 thousand); foreign currency liabilities amounted to € 503,322 thousand (previous year: € 249,269 thousand).

Loans and receivables from banks

Loans and receivables from banks mainly comprise reverse repo investments of € 3,797,253 thousand (previous year: € 8,381,439 thousand), including € 1,802,849 thousand (previous year: € 8,381,439 thousand) with daily maturity and € 1,994,404 thousand (previous year: € 0 thousand) with a maturity of up to three months as well as fixed term deposits of € 505,520 thousand (previous year € 1,534,600 thousand), including € 499,700 thousand (previous year € 1,534,600 thousand) with daily maturity and € 5,820 thousand (previous year € 0 thousand) with a maturity of up to three months.

Receivables from banks comprise the investment of member cash deposits of € 4,737,067 thousand (previous year: € 10,216,178 thousand), thereof € 4,237,453 thousand denominated in euros (previous year: € 9,990,419 thousand); € 7 thousand (previous year: € 71,472 thousand) denominated in US dollars, € 5,596 thousand (previous year: € 0 thousand) denominated in British pound and € 494,011 thousand (previous year: € 154,287 thousand) denominated in Swiss francs.

Loans and receivables from customers

Loans and receivables to customers comprise VAT of sales invoices and are due daily.

Equities and other non-fixed-income securities

This item comprises exclusively shares in a special fund which are allocated to assets. Appreciation of € 199 thousand was recognized in the year under review, following impairments of € 410 thousand in the previous year.

Trust assets

Trust assets comprise receivables due from market participants from sales related to the fees collected on a trust basis for DBAG and SIX (formerly SWX). As of the balance sheet date, receivables amount to € 61,899 thousand (previous year: € 62,870 thousand); thereof € 47,898 thousand (previous year: € 51,384 thousand) due from credit institutions and € 14,001 thousand (previous year: € 11,486 thousand) due from customers.

Intangible assets

The development of the intangible assets is shown in the statement of changes in assets. This item comprises mainly the software relating to Eurex Credit Clear, which was written off to a value of zero in the year under review and a software license which is written down over a period of ten years on a straight-line basis.

Other assets

The major part of other assets as of the balance sheet date are receivables due from affiliated companies amounting to € 19,502 thousand (previous year: € 5,723 thousand); these mainly comprise receivables due from DBAG of € 16,673 thousand (previous year: € 760 thousand), and due from Eurex Zürich AG of € 2,827 thousand (previous year: € 2,200 thousand) from management agreements.

Liabilities to banks

The liabilities due to banks of € 3,810,066 thousand (previous year: € 6,817,187 thousand) consist mainly of cash deposits of clearing members amounting to € 3,769,162 thousand (previous year: € 6,804,671 thousand) and related interest of € 117 thousand (previous year: € 12,516 thousand) and of € 35 thousand (previous year: € 0 thousand) and accruals for banking fees.

Liabilities to customers

The liabilities due to customers of € 967,958 thousand (previous year: € 3,456,021 thousand) consist of cash deposits of clearing members of € 967,906 thousand (previous year: € 3,411,507 thousand) and related interest of € 52 thousand (previous year: € 4,836 thousand), which dropped considerably compared with the previous year due to the lower volume and lower interest rate level.

Trust liabilities

This item comprises liabilities related to fees collected on a trust basis which have not yet been forwarded to DBAG and SIX.

Other liabilities

Other liabilities, all with maturity of one day, mainly comprise liabilities due to affiliated companies amounting to € 2,272 thousand (previous year: € 16,762 thousand), trade liabilities of € 1,490 thousand (previous year: € 321 thousand) and wage and church tax of € 155 thousand (previous year: € 130 thousand) which still has to be passed on to the fiscal authorities.

Other provisions

The major items are provisions for personnel expenses (€ 861 thousand; previous year: € 1,348 thousand) and outstanding invoices and claims (€ 4,240 thousand; previous year: € 2,203 thousand).

Deutsche Börse AG had set up a phantom stock option program for members of the Executive Board and senior executives of Deutsche Börse AG and its subsidiaries. This program was replaced by the new share bonus plan (SBP) program in the financial year 2007. Provisions of € 247 thousand (previous year € 289 thousand for phantom stock options and € 252 thousand for SBP) have been created on the basis of the intrinsic value of the allocated stock options and on the basis of the awarded SBP shares which had been earned but not yet granted as of the reference date of the financial statements.

Furthermore, Deutsche Börse AG has set up a Group Share Plan (GSP) for non-executive employees of Deutsche Börse AG and its subsidiaries, which consist of a component for the acquisition of employee shares and, until the financial year 2006, included a stock option component. The stock option component was replaced by a bonus share component in 2007. Eurex Clearing also participates in this program. There are provisions of € 40 thousand (previous year: € 41 thousand) for GSP as of the closing date.

Shareholders' equity

In the reporting year, the share capital of Eurex Clearing from corporate funds was increased by € 19,887 thousand to € 25,000 thousand (previous year: € 5,113 thousand). It consists of 2,000,000 registered shares, which can only be transferred with the approval of the company.

In addition to the share capital, the company also has the following reserves:

	€ thousand	€ thousand
Additional paid-in capital		80,313
Legal reserve		
Carried forward as of 1 January 2009	511	
Allocation to legal reserve	398	
As of 31 December 2009		909
Other retained earnings		
Carried forward as of 1 January 2009	5,653	
Allocation to other retained earnings	375	
As of 31 December 2009		6,028
As of 31 December 2009		87,250

Eurex Clearing has placed € 398 thousand from its net profit for the year (before profit transfer) in the legal reserve. Additionally, Eurex Clearing has to create reserves for the clearing fund in order to contribute towards meeting the obligations of a defaulting clearing member. Therefore € 375 thousand (previous year: € 675 thousand) has been paid into retained earnings.

Disclosures and comments relating to the income statement

Interest income as well as the other operating income is mainly generated in Germany. A breakdown to regional markets is not provided in accordance with section 34 (2) no. 1 RechKredV.

Other operating income

Other operating income is stated as € 46,521 thousand (previous year: € 48,671 thousand) and mainly comprises income due to operations management for DBAG and SIX (€ 32,538 thousand; previous year: € 34,258 thousand) and income from CCP management for DBAG (€ 11,552 thousand; previous year: € 13,110 thousand).

General administrative expenses

The general administrative expenses comprise other administrative costs of € 40,481 thousand (previous year: € 63,890 thousand) as well as personnel expenses of € 4,169 thousand (previous year: € 2,966 thousand). The decline in other administrative costs is mainly due to a reduction in computer center processing services. The rise in personnel expenses was caused by the rise in employee numbers.

The other administrative costs mainly comprise costs of IT services provided by Deutsche Börse Systems AG (€ 15,000 thousand; previous year: € 37,900 thousand) as well as costs for services within the service level agreement with DBAG (€ 12,285 thousand; previous year: € 13,206 thousand). The costs of services within the service level agreement with DBAG comprise besides the costs for services provided as defined in the service level agreement (€ 10,870 thousand; previous year: € 10,707 thousand) costs for quotations and investment services (€ 1,415 thousand; previous year: € 1,399 thousand). Furthermore, the other administrative costs comprise costs for non-allowable input taxes (€ 5,731 thousand; previous year: € 8,287 thousand) as well as costs for services within the service level agreement with Clearstream Banking AG (€ 507 thousand; previous year: € 418 thousand).

Depreciation and impairment of tangible and intangible assets

Depreciation and impairment of intangible assets of € 14,409 thousand (previous year: € 4 thousand), is due mainly to scheduled depreciation of € 1,251 thousand and a non-scheduled depreciation of € 13,157 thousand for Eurex Credit Clear.

Other operating expenses

Other operating expenses of € 1,261 thousand (previous year: € 2,025 thousand) mainly comprise expenses for provisions for damages of € 770 thousand (previous year: € 2,005 thousand).

Transfer of profit/loss

On the basis of the profit and loss transfer agreement with Eurex Frankfurt AG, a figure of € 375 thousand (previous year: € 676 thousand) has been transferred.

Other financial obligations

The other financial obligations relate to leasing, maintenance and other contracts due to internal obligations. In financial year 2010, costs of € 31,647 thousand (previous year: € 62,078 thousand) will probably be incurred for this item. These mainly comprise obligations to Deutsche Börse Systems AG (€ 8,981 thousand, previous year: € 43,276 thousand) essentially for operating the systems and the network, and also to DBAG for services within the service agreement (€ 14,861 thousand, previous year: € 14,939 thousand).

The obligations to DBAG and Deutsche Börse Systems AG are obligations due to affiliated companies. The agreements can be terminated every year.

Financial obligations against Deutsche Börse Systems AG will be reduced, because the Computer-Center costs will no longer been allocated to Eurex Clearing, but directly with DBAG and SIX.

It is expected that license agreements will result in financial obligations totaling € 2,689 thousand for the next four financial years.

Auditor's fee

Information on the auditor's fee is provided in the notes to the consolidated financial statements of Deutsche Börse AG, as required under section 285 no. 17 HGB.

Other information

Supervisory Board

The members of the supervisory board are:

Prof. Dr. oec. HSG Peter Gomez (*Chairman)*	Professor for Business Management; University of St. Gallen, St. Gallen
Prof. Dr. Reto Francioni (*Deputy Chairman)*	Chairman of the Executive Board, Deutsche Börse AG, Frankfurt/Main
Dr. Hugo Bänziger	Member of the Executive Board, Deutsche Bank AG, London
Walter Jürg Baumann (since 3 April 2009)	Managing Director, Credit Suisse AG, Zurich
Thomas Eichelmann (until 30 April 2009)	Member of the Executive Board, Chief Financial Officer, Deutsche Börse AG, Frankfurt/Main
Christian Gell (until 2 April 2009)	Managing Director, Credit Suisse AG, Zurich
Dr.-Ing. Michael Kuhn	Member of the Executive Board, Chief Information Officer, Deutsche Börse AG, Frankfurt/Main
Dr. Roger Müller	Managing Director, Legal Affairs, Deutsche Börse AG, Frankfurt/Main
Gregor Pottmeyer (since 3 December 2009)	Member of the Executive Board, Chief Financial Officer, Deutsche Börse AG, Frankfurt/Main
Dr. Martin Reck	Managing Director, Group Strategy, Deutsche Börse AG, Frankfurt/Main

Dr. Urs Rüegsegger	Chairman of the Group Executive Board, SIX Group AG, Zurich
Jacques de Saussure	Managing partner, Pictet & Cie, Banquiers, Geneva
Nicholas Teller	CEO, E.R. Capital Holding GmbH & Cie. KG, Hamburg

The members of the supervisory board received no remuneration for 2009.

Executive Board

The members of the Executive Board are:

Andreas Preuß (*Chairman)*	Chief Executive Officer
Jürg Spillmann (*Deputy Chairman)*	Responsible for Information Technology
Dr. Thomas Book	Responsible for Clearing/CCP
Gary Katz	Responsible for International Securities Exchange
Thomas Lenz	Responsible for Operations
Michael Peters	Responsible for Sales & Marketing
Peter Reitz	Responsible for Business Development

The total remuneration of the members of the Executive Board in 2009 was € 119 thousand (previous year: € 19 thousand).

Positions on supervisory boards and other executive bodies

There are the following positions on supervisory boards and other executive bodies in accordance with section 340a (4) clause 1 HGB:

Gary Katz

§ Direct Edge Holdings LLC, member of the Board of Directors
§ ETC Acquisition Corporation, member of the Board of Directors
§ International Securities Exchange Holdings, Inc., member of the Board of Directors
§ International Securities Exchange, LLC, member of the Board of Directors

- International Securities Exchange Longitude, LLC, member of the Board of Directors
- The Options Clearing Corporation, member of the Board of Directors

Michael Peters

- Swiss Futures & Options Association, member of the Administrative Board (since 9 September 2009)
- U.S. Exchange Holdings, Inc., member of the Board of Directors

Andreas Preuß

- International Securities Exchange Holdings, Inc., member of the Board of Directors
- International Securities Exchange, LLC, member of the Board of Directors
- International Options Markets Association, member of the Board of Directors
- Swiss Futures & Options Association, member of the Administrative Board (until 8 September 2009)
- U.S. Futures Exchange L.L.C., member of the Board of Directors

Peter Reitz

- BSP (Borzen), member of the Supervisory Board
- European Commodity Clearing AG, member of the Supervisory Board
- European Energy Exchange AG, member of the Supervisory Board
- European Power Derivatives GmbH, member of the Supervisory Board
- The Clearing Corporation, Inc., member of the Board of Directors
- U.S. Exchange Holdings, Inc., member of the Board of Directors
- U.S. Futures Exchange, L.L.C., member of the Board of Directors

Jürg Spillmann

- International Securities Exchange Holdings, Inc., member of the Board of Directors

Employees

The average number of employees during the financial year 2009 was 134.3 (previous year: 107.5). As at 31 December 2009, 141 persons (previous year: 113) (excluding the Executive Board) were employed by Eurex Clearing. Of the 141 employees, 2 (previous year: 2) are employed on the basis of part-time arrangements, and 0 (previous year: 2) are taking paid maternity or parental leave. Including part-time employees, the average number of employees during the year was 31.3 (previous year: 23.7).

Group membership

Eurex Clearing is a wholly owned subsidiary of Eurex Frankfurt AG and via Eurex Frankfurt AG a wholly owned subsidiary of Eurex Zürich AG. In accordance with section 290 (2) no.2 HGB Eurex Zurüch AG is a subsidiary of DBAG and is affiliated with DBAG and its subsidiaries.

Eurex Clearing is included in the consolidated financial statements of DBAG, which are available on the business premises of our company. The consolidated financial statements of Deutsche Börse AG are prepared in accordance with IFRS and are published in the electronic Federal Gazette.

Since 1999, there has been a control and profit and loss transfer agreement between Eurex Clearing and Eurex Frankfurt AG, and a single entity has accordingly been deemed to exist for trade tax, corporation tax and VAT purposes.

In accordance with section 20 (4) AktG, DBAG, Eurex Frankfurt AG and Eurex Zürich AG have notified us that they own a majority interest in our company.

Frankfurt/Main, 03 March 2009

Eurex Clearing Aktiengesellschaft

Andreas Preuß

Jürg Spillmann

Dr. Thomas Book

Gary Katz

Thomas Lenz

Michael Peters

Peter Reitz

Eurex Clearing AG, Frankfurt/Main

Statement of Changes in Noncurrent Assets as at December 31, 2009

	Acquisition and production costs					Depreciation and Amortization					Book Value	
	Balances as at 01/01/2009	Additions 2009	Disposals 2009	Reclassification 2009	Balance as at 31/12/2009	Balances as at 01/01/2009	Depreciation 2009	Write-ups 2009	Disposals 2009	Balance as at 31/12/2009	31/12/2009	31/12/2008
	€	€	€	€	€	€	€	€	€	€	€	€
Intangible assets												
Licences and similar rights for data processing and software	39,441.51	14,404,482.00	0.00	0.00	14,443,923.51	19,659.51	14,408,427.00 *	0.00	0.00	14,428,086.51	15,837.00	19,782.00
	39,441.51	14,404,482.00	0.00	0.00	14,443,923.51	19,659.51	14,408,427.00	0.00	0.00	14,428,086.51	15,837.00	19,782.00
Tangible assets												
Operating and office equipment	34,568.35	215.20	0.00	0.00	34,783.55	30,174.35	787.20	0.00	0.00	30,961.55	3,822.00	4,394.00
	34,568.35	215.20	0.00	0.00	34,783.55	30,174.35	787.20	0.00	0.00	30,961.55	3,822.00	4,394.00
Financial assets												
Long-term securities	1,421,876.17	17,975.23	0.00	0.00	1,439,851.40	409,817.02	0.00	-199,303.60	0.00	210,513.42	1,229,337.98	1,012,059.15
	1,421,876.17	17,975.23	0.00	0.00	1,439,851.40	409,817.02	0.00	-199,303.60	0.00	210,513.42	1,229,337.98	1,012,059.15
	1,495,886.03	14,422,672.43	0.00	0.00	15,918,558.46	459,650.88	14,409,214.20	-199,303.60	0.00	14,669,561.48	1,248,996.98	1,036,235.15

* thereof EUR 13,157,409.00 extraordinary amortization

Management Report for the financial year 2009

Business and operating environment

General position of the Company

In the opinion of the Executive Board of Eurex Clearing Aktiengesellschaft (hereinafter referred to as “Eurex Clearing”), business development was satisfactory in 2009 despite weak market activity. The financial market crisis has impacted the behaviour of the market participants significantly and resulted in noticeable reduced trading activity. Hence, the number of the transactions processed by Eurex Clearing has decreased. In Europe, Eurex Clearing remains the market leader in terms of clearing contract volume.

Eurex Clearing acts as the central counterparty (CCP) for transactions at Eurex Deutschland and Eurex Zürich (Eurex exchanges), and also for domestic and foreign securities held in collective safe custody traded at Frankfurter Wertpapier Börse (FWB – Frankfurt Stock Exchange). The Company also fulfills the same function for selected Irish securities traded on the Irish Stock Exchange (ISE). Furthermore, Eurex Clearing acts as the central counterparty for transactions conducted by European Commodity Clearing (ECC) via European Energy Exchange (EEX) within the scope of a separate clearing link agreement. Eurex Clearing also participates in transactions conducted via the trading platforms of Eurex Repo GmbH and Eurex Bonds GmbH, as well as in OTC transactions that were also entered via these platforms.

During the year under review, Eurex Clearing addressed and prioritized requests made in 2007 to several marketplaces regarding the clearing of equity transactions pursuant to the European Code of Conduct for Clearing and Settlement. For primary implementation, the request was provided to the individual Clearing and Settlement service providers in the Swiss marketplaces. As regulations were not clear with respect to the risk position between two or more clearing houses that were linked in this way, further necessary work was stopped in October 2009. It will be taken up again once this issue is clarified at a European level. There were no additional requests to Eurex Clearing during the year under review.

Furthermore, Eurex Clearing actively participates in various initiatives at a European level that aim to increase efficiency of post-trading transactions. In 2009, these initiatives included participating in the commentary for the “Recommendations for Securities Clearing and Settlement Systems” published by the European System of Central Banks (ESCB) and the Committee of European Securities Regulators (CESR), which was finalized in the first half of 2009, as well as collaborating on further defining specifications for requirements of the securities settlement system – TARGET-2-Securities – planned by the European Central Bank (ECB). In addition, support was also provided in the second half of 2009 for the review of the global “Recommendations for CCPs” started by the Committee on Payment and Settlement Systems (CPSS) and the International Organization of

Securities Commissions (IOSCO) and articles have been drafted for numerous consultations of European, US and global supervisory authorities.

In 2009, Eurex Clearing's activities focused on the introduction of the new Eurex release 12.0. The new release was introduced on 16 November 2009 with the following new clearing-relevant new and enhanced functions:

- The Eurex/ISE Link is a transatlantic link for trading and clearing among Eurex, the International Securities Exchange (ISE) and the Options Clearing Corporation (OCC) that gives Eurex members access to the world's largest equity option markets with their existing Eurex membership. The Eurex/ISE Link guarantees Eurex members unlimited and seamless access to the ISE options market. The approval of the Eurex/ISE Link by the supervisory authorities (SEC, BaFin – German Federal Financial Supervisory Authority) is still pending.

- The implementation of the Eurex/KRX Link in 2010 will allow Eurex members to trade and clear daily futures on the KOSPI 200 Option. The KOSPI 200 Option approved for the Korea Exchange (KRX) is the most frequently traded options contract in the world. This product gives international investors and traders access to the KOSPI 200 options market during peak European trading times when the KRX market is closed.

- With the further development of the features of the event-driven Risk Engine (introduced with Eurex release 11.0 in 2008), a real-time risk data distribution service, the Enhanced Risk Solution, will be deployed with Eurex release 12.0. In addition to the existing VALUES API-based interface, a new FIXML-based connection will be made available for this service via an AMQP transport ("Advanced Message Queuing Protocol"). Release 12.0 will also improve pre-trade risk hedging and offer other options for pre-trade limits.

- To prevent out-of-the-money (OTM) options from being unintentionally exercised and in-the-money (ITM) options from being abandoned, Eurex is introducing an optional double-checking principle with release 12.0.

- Small (secondary) currency units are supported with Eurex release 12.0. The first currency this applies to is the British pound (GBP) which has been enhanced to support the smaller unit pence (GBX). In effect, this means it is possible to quote in British pence on the Eurex exchanges while payment is settled in British pounds.

- The definition of volatility strategies for equity options used for OTC transactions is modified with Eurex release 12.0, i.e. the "Low Exercise Price Option" (LEPO) is replaced by the underlying itself. Once an OTC Block Trade volatility strategy transaction has been confirmed for an equity option, a Strategy Matching Event Broadcast which contains the derivative leg(s) and the equity cash leg is sent to the front office applications. A unique "leg identifier" makes it possible for the participants to identify the various "legs" being processed and to clear them accordingly.

The Eurex exchanges introduced new products from the areas of government bonds, storm damages, real estate, raw materials, agriculture and energy in 2009. With the introduction of the futures contract on Italian government bonds, Eurex reacted to the different developments in the European government bonds markets in the long-term interest segment. Eurex is the first European derivatives exchange to introduce storm damage and real estate index derivatives. In addition to precious metal derivatives for gold and silver, participants can now also clear raw material index derivatives. The product portfolio was also expanded to include agricultural index derivatives. Based on its cooperation with the European Energy Exchange (EEX), Eurex Clearing offers access to clearing of Phelix electricity derivatives. Eurex also expanded its existing product range in the areas of single stock futures, equity options and index dividend futures. In 2009, a total of more than 250 new products were introduced whose clearing and hedging is guaranteed by Eurex Clearing.

Eurex Clearing further optimized its range of OTC traded derivatives in 2009 – e.g. with the enhancement of the “Multilateral Trade Registration (MTR)”, functionality for entering block trades, which can now have more than two counterparties on both sides of a transaction, and the modified block trade functionality for entering option-share combination transactions that makes it possible to automatically clear both the option and the share via Eurex Clearing.

The financial market crisis not only resulted in a fundamental debate on the role of the banks as a result of the as-yet-undefined scale of state bailout measures, it also triggered a reassessment of the value chain for share and derivative trading. Regulators and governments have realized that OTC derivatives trading played a significant role in the downfall of several market players because it makes up more than 80% of the total market. Of this total volume, only one third is currently being cleared via central counterparties (CCPs). This means that many market and counterparty risks are currently not adequately hedged. The central clearing of OTC traded derivatives, on the other hand, eliminates the counterparty risk and thus lowers the systemic risk for the entire market. At the same time, this increases transparency in market segments that, until now, have been almost unregulated and are not very transparent.

In its white paper published in September 2009, Deutsche Börse describes the advantages of effective risk management and improved transparency in OTC derivative markets for the proper functioning of the market as a whole, and the contribution they make to increased market stability.

One focus of the regulatory efforts to achieve more market stability in 2009 was the launch of central counterparties for credit derivatives (Credit Default Swaps (CDS)). Due to the political focus, Eurex Clearing became the first clearing house in Europe to start a clearing solution for bilateral OTC traded CDS, Eurex Credit Clear, on 30 July 2009.

Eurex Credit Clear is geared toward sell-side banks and buy-side investors and offers an extensive range of products from index and single name CDS. An ultra-modern risk management solution was developed specifically for Eurex Credit Clear and tailored to CDS. Eurex Credit Clear is licensed by both the UK Financial Services Authority (FSA) as well as the US regulatory agencies, CFTC and SEC, for clearing Single Names. In 2009 five transactions with a total of € 95 million have been implemented on the Eurex Credit Clear, thereof €85 million for Index-CDS and €10 million for Single-Name-CDS. Eurex Clearing has decided to write off all of its investments in the clearing solution “Eurex Credit Clear” in the financial statement of 2009. The development of the sales in 2009, as a result of the reluctance of the potential customers, has caused us to do so.

In March 2008, Eurex Clearing enhanced the clearing and settlement functionality of the central counterparty (CCP) for the Fixed Income segment. This functionality was upgraded for Euro GC Pooling® in 2009 to be able to handle foreign-currency Euro GC Pooling® products.

Furthermore, two market segments offered on Eurex Repo -“General Collateral (GC) Baskets” and “Specials” Open Repos (no pre-defined maturity) - and Variable Repos (repo interest with EONIA referencing) were enhanced to include functionality for partial closing. This is a new feature in electronic repo trading.

A Euro GC Pooling® EXTended Basket was established to expand the base of the collateral that can be used for secure investments. The Euro GC Pooling® EXTended Basket is based, as is the established Euro GC Pooling® ECB Basket, on the list of collateral approved by the European Central Bank and currently includes more than 27,000 securities that can be used for this purpose.

To further boost the appeal of Eurex Repo Euro GC Pooling® products for the Treasury departments of the connected trade members, the trading period for Eurex Repo GC Pooling® products was extended for overnight transactions from 3:30 p.m. to 4 p.m.

With the CCP release 5.0 in November 2009, Eurex Clearing expanded its clearing services to include a pan-European clearing service. Based on the Trade Day Netting Model (TDM), Eurex Clearing allows an indirect linking of various local central depositories by means of a Global Custodian, and the clearing of the international instruments, which are traded on Xetra and processed by Eurex Clearing, directly in the domestic market.

As at the 31 December 2009 balance sheet date, clearing services were used by 126 clearing participants from the EU and Switzerland who settle products in the markets connected to Eurex Clearing.

Overview of business development in the year under review

Despite the weak market activity, Eurex Clearing achieved solid results in the 2009 financial year.

Overall, derivatives trading and clearing volumes decreased by 22 percent, from 2,165.0 million traded contracts in the previous year to 1,687.2 million traded contracts in 2009 with an underlying value of €79.2 billion.

Equity index derivatives were the highest-selling products in 2009 with 797.5 million traded contracts, which represent a decrease of 22 percent from the previous year. Futures derivatives based on the DJ Euro STOXX 50 Index were the most successful individual products with 333.4

million futures contracts (23 percent less than in 2008) and 300.2 million options contracts (25 percent less than in 2008).

Equity derivatives decreased by 12 percent with 421.3 million contracts in comparison to 479.5 million contracts the previous year. Equity options on German underlyings were the top-selling products within equity products, with 186.9 million contracts in comparison with 234.9 million contracts in 2008. Single stock futures fell by 10 percent to 116.8 million contracts.

In 2009, trading and clearing volumes of capital market derivatives totalled 465.3 million contracts, equivalent to a decrease of 29 percent.

The clearing volume in the cash market fell by 27 percent in 2009 and amounted to 94.2 million trades (single counting Xetra/floor) in comparison to 129.2 million trades in the previous year.

Trading volume in the Eurex Repo market increased again in 2009. The average unpaid volume increased by 38 percent to €98.6 billion in 2009 in comparison with €71.2 billion in the previous year. Euro GC Pooling's monthly average share in total volume rose from 59 percent in 2008 to 74 percent in 2009.

Transactions totalling €87.3 billion were realized at Eurex Bonds in comparison to €97.4 billion in 2008 (single counting).

Employees

The number of staff at Eurex Clearing rose during the financial year 2009 and totalled 141 employees as at the balance sheet date of 31 December 2009. Eurex Clearing employed an average of 134.3 persons in the financial year 2009.

During the financial year 2009, only one employee left Eurex Clearing, leading to a labour turnover rate of 0.7 percent.

Eurex Clearing employs all staff at one location.

The following table shows the age structure of Eurex Clearing staff as at 31 December 2009:

Age group	Number of staff	Percent
< 30 years	18	12.8%
30 - 39 years	58	41.1%
40 - 49 years	53	37.6%
50 > years	12	8.5%
Total	141	100%

The following table shows employees' periods of company service as at 31 December 2009:

Service with Deutsche Börse Group	Number of staff	Percent
< 5 years	55	39.0%
5 - 15 years	58	41.1%
15 > years	28	19.9%
Total	141	100%

As at 31 December 2009, Eurex Clearing has a graduate ratio of 61.0 percent. This figure is based on the number of employees with a degree from a university, university of applied sciences or university of cooperative education, as well as staff who have completed a degree abroad.

The average number of training days at Eurex Clearing amounted to a total of 1.7 days per employee (FTE).

Results of operations, financial position and net assets

The total ratio in accordance with the Solvency Ordinance (*Solvabilitätsverordnung – SolvV)* is based on quarter-end figures between 43.7 percent and 54.6 percent. On the one hand, the fluctuation margin results from the high volatility of total assets, which in turn depends on fluctuations in Member Cash Deposits, and on the other hand, from the possibility of concluding secured investments against fixed-interest securities of top-rated creditworthiness or executing unweighted unsecured investments in public authorities.

The regulatory ratio in accordance with the Liquidity Ordinance is relatively stable and fluctuates between 1.59 and 1.68 on the basis of end-of-month figures. This ratio documents the good liquidity position of the company.

In 2009, net interest income amounted to €16,711 thousand (previous year: €23,967 thousand). This included interest income amounting to €44,509 thousand (previous year: €192,183 thousand) and interest expenses amounting to €27,798 thousand (previous year: €168,216 thousand). The negative development was a result, in particular, of the decrease in Member Cash Deposits and the lower interest level.

The Company does not obtain any commission income from third parties, as it acts on behalf of individual sales companies (DBAG and SIX) within the framework of service agreements. Commission expenses amounting to €1,980 thousand (previous year: €2,010 thousand) mainly relate to bank charges.

In 2009, Eurex Clearing recorded other operating income of €46,521 thousand (previous year: €48,671 thousand). Because the considerable decrease in other administrative expenses is almost identical to the high expenses relating to the Eurex Credit Clear software for clearing from credit derivatives, the income from operational management for Eurex Frankfurt AG and Eurex Zürich AG is almost the same as the previous year.

Other administrative expenses amount to €44,650 thousand (previous year: €66,856 thousand) and have thus decreased by 33.2 percent compared to the previous year. They mainly relate to the expenses under service agreements with DBAG amounting to €10,870 thousand (previous year: €10,707 thousand) and the personnel expenses amounting to €4,169 thousand (previous year: €2,966 thousand). In addition to the largely reduced expenses for operating the Eurex platform amounting to €7,140 thousand (previous year: €25,795 thousand), a result of the settled direct data center services between Deutsche Börse Systems AG and Eurex operating companies since 2009, the general administrative expenses include also the expenses for connecting members to the Eurex network amounting to €5,464 thousand (previous year: €5,491 thousand), as well as the non-deductable pretax amounting to €5,731 thousand (previous year: €8,287 thousand). For the first time, Eurex Clearing also incurred expenses for software licensing fees amounting to €3,543 thousand for operating Eurex Credit Clear.

Depreciation and amortization on intangible assets totalling €14,409 thousand (previous year: €4 thousand) were carried out, of which €1,251 thousand was scheduled and €13,157 thousand unscheduled depreciation of Eurex Credit Clear, as a result of the fact that the initiative could not bring the expected contribution to the operating income.

The Company's net profit (after taxes and before profit transfer to the parent company) amounted to €1,147 thousand (previous year: €1,351 thousand), of which €398 thousand was allocated to statutory reserves according to section 300 of German Stock Companies Act (AktG) as a result of the capital increase. After allocating €374 thousand to other profit reserves which corresponds to the Company's contribution to the clearing fund, €375 thousand (previous year: €676 thousand) was transferred under the existing profit and loss transfer agreement to Eurex Frankfurt AG.

The receivables due from banks of €4,879,907 thousand (previous year: €10,146,824 thousand) essentially contain the investment of cash collateral deposited by the clearing members of €4,737,068 thousand (previous year: €10,216,178 thousand), whereby the previous year €253,065 thousand in cash collateral was deposited with the Deutsche Bundesbank (German Federal Bank) and is thus not contained in the receivables due from banks.

The Company's subscribed capital was increased in the financial year to €25,000 thousand (previous year: €5,113 thousand) from retained earnings by converting part of the capital reserve.

With a balance sheet total net of security deposits and trust liabilities of €163,955 thousand (previous year: €190,617 thousand), the equity ratio amounts to 68.5 percent (previous year: 58.5 percent).

The Company has a good liquidity standing, due in part to the short-term investment of its equity capital and in part to the existing operational management agreements and the regular payment flows associated with them. As at the balance sheet date, the claims arising from operational management are reflected in the position receivables due from affiliated companies. For the purpose of refinancing, there are several credit lines available with various banks. Due to a profit and loss transfer agreement with the parent company operating loss will be compensated.

Risk report

Eurex Clearing is – as far as permissible under supervisory regulations – included in Deutsche Börse AG's (DBAG) Group-wide risk management. Risk management is an elementary component of management and control within Eurex Clearing. An effective and efficient risk management strategy plays a decisive role in protecting the interests of the Company. It helps achieve the corporate objectives and ensures the Company's ongoing existence. As defined in the "Group Risk Management Policy", the aim of the risk management system is to ensure that all potential losses and problems are identified at an early stage, and are recorded and evaluated (i.e. quantified from a financial perspective as much as possible) at a central point as well as reported to the Executive Board together with suitable recommendations and therefore be to controlled.

Eurex Clearing's risk strategy is based on its business strategy and specifies the maximum assumable risk for each business activity. This is done by specifying terms and conditions for risk management, risk control and risk limitation. The Company pays particular attention to risk mitigation and ensures that suitable measures are taken for the avoidance, reduction and transfer of risks or for the conscious assumption of risks. The aim is to reduce the frequency and amount of losses for Eurex Clearing by implementing suitable security and control measures, such as guidelines and procedures, segregation of duties, double-checking principle and limits, as well as by means of so-called Business Continuity Management or insurance policies.

The Eurex Clearing Executive Board is responsible for the management of all risks. The structure of Eurex Clearing's risk management organization is decentralized. The decentralized departments are responsible for the identification of risks and reporting them promptly to Group Risk Management, a central functional area with Company-wide competencies. Group Risk Management evaluates all existing and new risks. Furthermore, Group Risk Management reports regularly and, if necessary, on an ad hoc basis to the Executive Board. Risk controlling is performed in the decentralized responsible departments and thus where the risks arise.

Internal auditing ensures that risk controlling and risk management functions are sufficient by means of independent audits. The results of these audits are also incorporated into the risk management system.

Internal control system

The Executive Board has set up an internal control system for Eurex Clearing that should ensure the effective and cost-efficient business activities of the Company, avert or uncover financial loss and thus to protect all of the Company's assets. The internal control system is an integral component of the risk management system to manage risks. It is continuously developed and adjusted as soon as overall conditions change. Eurex Clearing's internal control system includes both process-integrated and process-independent control and security measures.

With respect to Eurex Clearing's accounting process, the internal control system serves primarily to ensure that accounting and bookkeeping is carried out properly so that the results of operations, financial position and net assets can be represented accurately and completely in Eurex Clearing's annual financial statements.

The central Financial Accounting and Controlling (FA&C) division of Deutsche Börse AG is essentially responsible for Eurex Clearing accounting. The head of the FA&C division of Deutsche Börse AG is in charge of the accounting process for the entire Deutsche Börse Group and for the effectiveness of process-integrated security and control measures. He ensures that risks are identified early on in the accounting process and that adequate security and control measures are implemented promptly. The following measures serve this purpose:

- Work instructions and process descriptions for the individual accounting processes, including the preparation of the annual financial statements and the Group financial statements, are documented in an FA&C database specially created for this purpose.

- IFRS and Handelsgesetzbuch (HGB – German Commercial Code) accounting manuals ensure that the accounting process is uniform throughout the Group.

- A corresponding guideline ensures that account allocation is uniform throughout the Group.

The work instructions and process descriptions are reviewed regularly to ensure that they are up-to-date. Processes classified as high risk are also subject to special checks. The accounting manuals and the account allocation guideline are also subject to an ongoing update process. All employees in this division can access the FA&C database and the accounting and account allocation guidelines to inform themselves of all current rules.

Another essential component of the internal control system within the FA&C division is the principle of functional separation – duties and powers are clearly assigned within the organizational structure and separated from one another. Incompatible activities such as changing master data and processing payments are clearly separated from one another. This functional separation is implemented in part by an independent control unit that issues access rights to employees for the accounting systems and continuously monitors these rights using what is called an incompatibility matrix.

An additional control measure is the double-checking principle. All business transactions are entered in the main ledgers or the respective sub-ledgers on the basis of the chart of accounts and the accounting guidelines. The double-checking principle is applied to closing postings and the creation of the annual financial statements as a rule.

Eurex Clearing has developed its own risk classification system and distinguishes between operational, financial and project risks.

The Company pursues a standardized approach in order to measure and report all operational, financial and business risks: the widespread “value-at-risk” (VaR) concept. The aim of this concept is to illustrate the general willingness to assume risk in a comprehensive and understandable manner and to facilitate prioritization of risk measures.

VaR quantifies existing and potential risks. It represents the upper limit of cumulative losses which could be incurred by Eurex Clearing if certain independent loss events occur with a certain probability within a defined period of time. Eurex Clearing’s model is based on a period of one year, a confidence level of 99 percent and the assumption of non-correlated events.

This means that the cumulative loss within the coming year will be beneath the calculated VaR with a probability of 99 percent. Conversely, this means that a loss induced by one or more events that is as a whole exactly as large, or larger, than the calculated VaR may arise within the coming year with a probability of 1 percent.

The results are incorporated into a reporting system which allows risks to be managed. Reporting contains qualitative information in addition to risk quantification. Risk-relevant topics are comprehensively explained and their effects on Eurex Clearing’s risk profile and also possible countermeasures are described. Risk reporting to the Executive Board on existing and potential risks is performed monthly and, if necessary, ad hoc. The Supervisory Board of Eurex Clearing receives quarterly reports.

The individual risks concerned are described in detail below.

Operational risks

Operational risks comprise all existing and newly arising risks in connection with the continuous rendering of services by Eurex Clearing. As such, operational risks include potential losses from inadequate or faulty systems and internal processes, human error or technical errors, inadequate or faulty external processes, damage to physical objects as well as legal risks and risks of business practice. The material operational risks for Eurex Clearing lie in a disruption of the continuous and error-free availability of its core products. These include in particular clearing systems and systems for calculating margin requirements.

(a) Availability risk

Availability risk arises from the possibility that facilities indispensable for Eurex Clearing's service range may break down. Thus, for example, disruptions in the CCP system could lead to delays in settlement, or problems with the Risk Engine could lead to an inaccurate request for collateral to be deposited by clearing participants for clearing. Therefore, this is one of the most material risks for Eurex Clearing. Triggers are, among other things, the failure of hardware and software, operating and safety errors and also damage to the data centers.

Eurex Clearing manages availability risks in particular with the help of extensive activities in the area of Business Continuity Management (BCM). BCM comprises all processes which ensure continuing operations even in an emergency and thus considerably reduces availability risk. This includes precautions for all essential resources (systems, premises, employees, suppliers/service providers), including the redundant construction of all critical IT systems and technical infrastructure and also emergency workplaces for employees within core functions. These BCM precautions are regularly examined in the following three dimensions:

- Operational effectiveness: examine whether the precautions are technically functional
- Feasibility: ensure that employees are familiar with implementing plans and processes and have the corresponding knowledge
- Recovery period: confirm that plans and processes can be carried out within the specified recovery period

Due to system and connection redundancies, a very high service availability of the CCP system of more than 99.92 percent was achieved in 2009. No losses were incurred in the year under review.

(b) Incorrect processing

The category of incorrect processing includes risks that can arise if a service provided for customers by Eurex Clearing is deficient, e.g. due to product or process deficiencies, improperly conducted processes and human errors. Despite all the automation and effort aimed at achieving so-called Straight Through Processing (STP), manual work is still necessary. Furthermore, in special cases manual intervention in the market and system control is necessary, meaning that future losses cannot be excluded.

Again in the 2009 financial year, sustainable improvements were achieved to reduce the risk of incorrect processing, either by reducing or improving necessary manual interventions. No material losses due to incorrect processing were incurred in 2009.

(c) Legal and business practice risks

These risks include losses that are incurred due to non-compliance or inadequate observation of new or existing legislation, losses due to inadequate contractual conditions or court decisions which are not adequately taken into account during ordinary business practice, as well as losses due to fraud. Business practice risks comprise, for example, losses due to money laundering, violation of competition law provisions or violation of banking secrecy. Deutsche Börse Group has established Group Compliance, a central function whose task is to protect the Group against possible damage due to violation of applicable laws, regulations or standards of good management.

In the year under review, no losses were incurred due to legal or business practice risks.

Financial risks

At Eurex Clearing, financial risks occur mainly in the form of credit risks and market price risks. In addition, there are liquidity risks to a very small degree. Risks of the above-mentioned risk types are limited by effective control measures.

(a) Credit risk

Credit risks encompass the risk that arises from the default of a counterparty (counterparty risk) and that receivables of Eurex Clearing from these counterparties may not, or may not fully, be honoured.

Eurex Clearing does not operate a traditional credit business.

Pursuant to its clearing terms, Eurex Clearing only concludes transactions with its clearing members. Clearing relates to securities, rights, derivatives and emission rights traded on the Eurex Deutschland and Eurex Zürich (“Eurex exchanges”), Eurex Bonds, Eurex Repo, Frankfurt Stock Exchange, Irish Stock Exchange and European Energy Exchange in which Eurex Clearing acts as the central counterparty. In addition, Eurex Clearing acts as the central counterparty for OTC transactions for the above-mentioned financial instruments, as long as the contents of these transactions correspond to the above-mentioned markets.

In order to cover the risk to Eurex Clearing of a clearing member defaulting, the clearing members are obliged, pursuant to the clearing terms in the version dated 4 December 2009, to provide daily – and even intra-day, if necessary – collateral in form of cash or securities (margins) at a level determined by Eurex Clearing. The profit or loss arising during the day due to price fluctuations of the underlying financial instruments is either settled in cash between the counterparties (variation margin) or deposited by the seller with Eurex Clearing as collateral on the basis of the altered value of the position (premium margin). In the case of bond, repo or equity transactions, the margin is collected either from the buyer or the seller (current liquidating margin) – depending on the ratio between the buying price and current market price of the financial instruments. In addition to this settlement of profits and losses, the risk of the highest possible close-out costs of an account must be hedged on the following trading day, namely on the assumption of the least favourable price development (worst case loss) of the positions contained in the account (additional margin). Margins are calculated separately for accounts of clearing members and those of their clients.

The method of calculating the additional margin is known as “risk-based margining” and essentially represents a VaR approach. The maximum close-out costs are first determined individually for each trading partner, each position account and each product. Compensatory positions with the same risk pattern are then off-set, if a high degree of correlation existed between them over longer periods. The targeted confidence level for the additional margin is at least 99 percent. Eurex Clearing subjects its risk methods to continuous further development.

The system operated by Eurex Clearing also ensures the fulfillment of transactions directly concluded between two parties and bilaterally negotiated, particularly OTC derivative transactions such as credit default swaps. For this credit clearing, as it is known, the hedging mechanisms take into account the specific risks of the credit default swaps by specific margin components for the party issuing collateral and the party accepting it. A separate clearing licence is required to participate in credit clearing.

In addition to the payment of margins, each clearing member must contribute to a clearing fund, depending on its individual risk. This fund is jointly liable for the financial consequences of delays or defaults by clearing members. Furthermore, each clearing member must prove that it has sufficient liable equity to cover its own risk as determined by Eurex Clearing. Regular stress tests ensure that the level of the margins and the clearing funds are adequate to the risk.

In the event of a clearing member not meeting its obligations to Eurex Clearing, the open positions and transactions of the clearing member concerned can be netted and closed and/or settled in cash by entering into corresponding counter transactions. In order to cover a potentially unsettled amount, which could be the result of such a close-out and/or cash settlement, and costs arising from the close-out or cash settlement, firstly the collateral provided by the affected clearing member and secondly its contribution to the clearing fund would be used as a cover. Any potential remaining deficit would be hedged in the first instance by Eurex Clearing’s profit reserves and then by proportional recourse to the contributions paid into the clearing fund by all other clearing members. Finally, remaining deficits would be covered by comfort letters issued by Deutsche Börse AG and SIX Swiss Exchange AG. In these comfort letters, Deutsche Börse AG and SIX Swiss Exchange AG have pledged to Eurex Clearing to furnish it upon its first demand with the financial means to cover those deficits resulting from late payments or defaults which exceed the above-mentioned defence lines for transactions on Eurex Deutschland and Eurex Zürich (“Eurex exchanges”), Eurex Bonds, Eurex Repo and Frankfurt Stock Exchange for which Eurex Clearing is the central counterparty. The obligation is proportional – Deutsche Börse AG at 85 percent and SIX Swiss Exchange AG at 15 percent – and up to a maximum amount of € 700 million.

The counterparty risk arising from concluded transactions in the event of the contractual parties defaulting was assessed at € 36,240.1 million (€ 54,054.5 million) as at balance sheet date. This risk is covered by a total of € 47,987.7 million (€ 64,794.4 million) in collateral. In addition, there were third-party bank guarantees for clearing members of Eurex Clearing amounting to € 122.5 million and CHF15.3 million at the end of the year.

Other credit risks arise from cash investments. This risk is limited by targeted selection of counterparties according to credit rating criteria, imposing investment limits for each counterparty as well as conducting predominantly short-term and hedged investments.

In 2009, no counterparty defaults occurred within the scope of Eurex Clearing's cash investments.

(b) Market price risk

Market price risks can arise on investment of funds due to interest rate and currency fluctuations. Due to the short maturities (exclusively overnight) of investments and liabilities, the interest rate risk is minor. The volume of open currency positions is limited, so that currency risks are likewise not material. Share price risks occur when investing in a special fund which is allocated to fixed assets.

(c) Liquidity risk

Eurex Clearing’s liquidity risk consists of the risk that sufficient liquidity might not be available to meet daily payment obligations – in particular the repayment of Member Cash Deposits – or that higher refinancing costs might be incurred in the event of liquidity shortfalls. Daily and intra-day liquidity is monitored by Treasury and managed with the help of a limit system. Extensive credit lines are available to hedge against extreme situations. In 2009 Eurex Clearing possessed a large liquidity surplus, therefore avoiding liquidity shortfalls.

(d) Regulatory requirements

Eurex Clearing is a bank in accordance with the German Banking Act (Kreditwesengesetz – KWG) and must fulfill regulatory equity and liquidity requirements pursuant to the Solvency Ordinance (Solvabilitätsverordnung – SolvV) or the Liquidity Ordinance (Liquiditätsverordnung – LiqV), as well as comply with the terms and conditions for large exposures pursuant to the Regulation Governing Large Exposures and Loans of €1.5 Million or More (Groß- und Millionenkreditverordnung – GroMiKV).

During the year under review, statutory minimum requirements were complied with at all times.

Project risks

Project risks can arise from the implementation of current projects (introduction of new products, processes or systems) which could have material effects on one of the other three risk categories (operational, financial and business risks). As described above, these risks are assessed by Group Risk Management and taken into consideration in the initial phase of major projects. No project planned and implemented in 2009 resulted in any significant change to Eurex Clearing's overall risk profile. Risks in connection with the implementation of projects, such as budget, quality/scope or deadline risks, are separately monitored by the Research and Projects department and reported to ECAG's Executive Board.

Summary

In the past financial year, Eurex Clearing recognized all newly arising risks early on and was able to take suitable measures to counteract these risks. Based on these measures, Eurex Clearing's risk profile has not significantly changed.

Outlook

Eurex Clearing evaluates its risk situation on an ongoing basis. From today's perspective, the Executive Board has not identified any significant change in the risk situation, and thus no risk to the ongoing existence of the Company.

Further developments of the risk management systems are also planned for 2010. For example, we plan to calculate the VaR indicators with higher confidence levels and further strengthen the IT infrastructure for risk management.

Disclosure under Part 5 of the Solvency Ordinance

An exhaustive description of risk management can be found in the preceding risk report.

Equity structure

The development of Eurex Clearing's equity is described in detail in the Notes to the Financial Statements. The following table details the liable equity structure as at 31 December 2009 (figures in € thousand):

Paid-up capital (nominal capital)	25,000
Open reserves	86,478
Positions to be deducted pursuant to section 10 (2a) 2 of the German Banking Act (*Kreditwesengesetz – KWG*)	14,424
Total core capital pursuant to section 10 (2a) of the KWG	97,054
Total modified available equity pursuant to section 10 (1d) 1 of the KWG	97,054

Adequacy of capital resources

Eurex Clearing assesses the adequacy of its own funds for the support of current and future activities for credit risk by means of the Credit Risk Standardized Approach (CRSA) and for operational risk by means of the Basic Indicator Approach. The OECD was named as export insurance agency so as to use it for external credit ratings in the central government receivables category. The comprehensive method for financial collateral was selected for the calculation of credit reduction effects. Credit ratings from Fitch Ratings, Moody’s Investors Service and Standard and Poor’s Ratings Services are consulted when taking financial collateral into account.

Eurex Clearing’s capital requirements are structured as follows at 31 December 2009 (figures in € thousand):

Credit risk pursuant to the Credit Risk Standardized Approach (CRSA)	
- Institutions	1,748
- Companies	5
- Investment fund units	98
- Other positions	0
Foreign currency risks pursuant to the Standardized Approach	621
Operational risks pursuant to the Basic Indicator Approach	12,875
Total capital requirement	15,347
Total modified available equity pursuant to section 10 (1d. 1) of the KWG	97,054
Total equity ratio in %	50.59

Eurex Clearing does not operate a credit business in the traditional sense. Receivables of material size only arise from the investment of cash collateral and receivables from affiliated companies. For this reason, Eurex Clearing has dispensed with the definition of “in default” and “impaired” for accounting purposes.

Total receivables, without taking credit reduction techniques into account, amounting to €4,900,722 thousand are geographically distributed - apart from securities amounting to €1,229 thousand held under the CTA - among Germany (€2,808,118 thousand), Switzerland (€493,174 thousand), rest of Europe (€1,593,022 thousand), and North America (€5,179 thousand). The main credit granting sectors were institutions (€4,406,520 thousand), central banks (€492,908 thousand), and other companies, including other positions (€65 thousand).

The vast majority of credit receivables amounted to €4,899,428 thousand and had a contractual term of up to one month. Due to this short term, Eurex Clearing is not subject to any interest rate risk.

Eurex Clearing does not maintain any derivative counterparty risk positions and there are also no netting agreements of any kind.

Foreign currency risks

At Eurex Clearing, foreign currency risks arise exclusively from open, short-term foreign currency positions amounting to €621 thousand.

Credit risk mitigation techniques

Eurex Clearing has used credit risk mitigation techniques exclusively in the receivables category "Institutions for outstanding receivables with rating level 1". The total of the relevant outstanding receivable assets amounting to €4,406,520 thousand is reduced after applying the credit risk mitigation techniques to €109,261 thousand, resulting in a portion of the asset positions in the "Institutions" CRSA receivables class secured by financial collateral amounting to €4,297,259 thousand.

Eurex Clearing's receivable assets mainly result from the investment of cash collateral deposited by clearing members. The vast majority of Eurex Clearing's cash investment is hedged as genuine securities repurchase agreements with terms of up to one month. In the case of bonds received as collateral, a security surcharge dependent on term is applied. The listed securities accepted by Eurex Clearing as repo collateral have a credit rating of at least AA- and, as a rule, are government or German Länder bonds (bonds that are issued by the federal states of Germany). Eurex Clearing's investment guidelines prevent risk concentration within the applied investment instruments.

Branch offices

The Company does not maintain any branch offices.

Events after the balance sheet date

In an ad hoc announcement on 16 February 2010, the Executive Board of Deutsche Börse AG announced the streamlining of the management structure of the Group as well as further cost and growth initiatives. The cost initiatives will be implemented immediately and completed in 2011. The concrete impacts on the individual companies are not currently defined. Eurex Clearing will review the respective initiatives and take part in designing and implementing them over the course of 2010.

Forecast report

The forecast report describes Eurex Clearing's anticipated development in the financial years 2010 and 2011. It includes statements and information on future processes. These predictions and forward-looking information are based on the Company's expectations and assumptions at the time this report was published. Such expectations and assumptions in turn are subject to known and unknown risks and uncertainties. Various factors can affect the Company’s success, business strategy and results. Many of these factors are beyond the Company’s control. Should any of these risks or uncertainties materialize or should any of the underlying assumptions prove to be incorrect, the Company's actual development could significantly differ, positively as well as negatively, from the expectations and assumptions of the predictive statements and information given in this report.

The volume development of last year has showed that the financial crisis had negative effect on the business of Eurex. Especially banks had reduced their activities. The total development of volumes and sales in 2010 is likely to be similar to, if not slightly better than in 2009. It will be expected that the central banks will tighten the interest rate again in one or two steps. This might increase the trading activities relating to the Eurex capital market products. Due to the predicted low economic growth in Europe and North America the leading indexes will be less volatile, which could result in slightly volume decline for stocks- and index-products.

Clearing via central counterparties is a stabilizing element which, in conjunction with effective risk management, reduces systemic risks and also improves transparency and operational efficiency. Expansions of the Clearing sector are planned for 2010, in order to complement the existing market infrastructure.

With Eurex Credit Clear, Eurex Clearing has simultaneously created the technological and functional foundations for offering CCP services for other OTC markets and asset classes. Due to the regulation of the OTC derivatives markets anticipated in the US and Europe, CCPs will play a significantly more prominent role in the future – particularly for clearing standardized OTC derivatives. According to the communication of the European Commission the standardized OTC derivatives should be settled compulsorily in the future. The continuous expansion of the product range in the area of risk management also makes it possible to achieve synergy effects that reach across the individual segments through the integrated business model of the Deutsche Börse Group, for instance by linking to the securities deposited with Clearstream.

The inquiries made and received within the scope of the European Code of Conduct for Clearing and Settlement will be further processed in 2010 in accordance with the defined conditions for access and interoperability. We will actively support drafting of a European market infrastructure regulation by the EU Commission in 2010 and 2011. The Company also plans to participate in the finalization of the CPSS-IOSCO “Recommendations for Central Counterparties” as well as to continue its involvement in the TARGET2 Securities Initiative in 2010 and 2011.

Eurex Clearing, the International Securities Exchange (ISE) and the Options Clearing Corporation (OCC) have initiated a joint project in order to offer a transatlantic trading and clearing link. With this link, Eurex participants will be able to access the ISE options market via their existing Eurex infrastructure. The main focus of the Eurex Release 12.0, released in November 2009, was the technical prerequisites for the successful implementation of these transatlantic links. The approval of the Eurex/ISE Link by the supervisory authorities (SEC, BaFin) is still pending. When using the link in the future, participants of Eurex and Eurex Clearing will profit from the easy access to the world's largest equity options market while using the already established clearing and settlement infrastructure. This enables full integration into existing post-trade processes and/or positions and Trade Management. It also allows the use of the Eurex Clearing participants' collateral for hedging their risks arising from US equity options.

A range of expansions is also planned for the Fixed Income Clearing sector for 2010.

Eurex Clearing is preparing for the processing of European bonds denominated in US dollars, which is to be launched by Eurex Bonds during 2010.

The Eurex Repo Euro GC Pooling® ECB Basket will be made tradable against the US dollar and processed via Eurex Clearing. In addition, Eurex Repo plans to implement an additional Euro GC Pooling® equity basket consisting of German standard values, tradable in euros. Furthermore, Eurex Repo intends to extend trading periods for Euro GC Pooling® overnight transactions to after 4 p.m. in 2010.

In 2010 Eurex Clearing AG expects to have an obvious reduce of its interest income. At the end of 2009 the considerably increased cash deposits, resulting from the financial crisis, have decreased to a level comparable to that before the financial crisis. In 2010 the cash deposits are expected to stay stable at this level. The absolute interest rate development is not that important for the interest income of Eurex Clearing AG, because those incomes which were received for the deposit of cash collateral will be passed to the clearing participants with a fixed discount.

The company anticipates an overall stable income development for 2010 on the basis of the expected constant settlement volume and thereof resulting operational management fees comparable to that of 2009.

The net profit from 2010 is also influenced by the effects of changes arising from the law concerning the modernisation of company annual accounts. We expect, in particular, a one-time increase in expenses from the changed valuation methods for provisions. The Company does not intend to make use of the option to include self-created intangible assets or active latent taxes.

Frankfurt/Main, 03 March 2010

Eurex Clearing Aktiengesellschaft

Andreas Preuß	Jürg Spillmann	Dr Thomas Book
Gary Katz	Thomas Lenz	Michael Peters
Peter Reitz		

Auditor´s Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the Eurex Clearing Aktiengesellschaft, Frankfurt/Main, for the business year from 1 January to 31 December 2009. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company´s management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the manegement report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB [Handelsgesetzbuch: German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the company´s position and suitably presents the opportunities and risks of future development.

Frankfurt/Main, 10 March 2010

KPMG AG
Wirtschaftsprüfungsgesellschaft

Bernhard	Hommel
German Public Auditor	German Public Auditor