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# ***Attestation Exemplar***

EUREX Clearing Aktiengesellschaft  
Frankfurt am Main

Audit of the Annual Financial Statements  
for the Period Ending December 31, 2021  
and the Management Report for Financial Year 2021

INDEPENDENT AUDITOR'S REPORT

(Translation - the German text is authoritative)





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# Management report for financial year 2021

## 1. Basic principles and business model

Eurex Clearing Aktiengesellschaft, Frankfurt/Main (hereinafter “Eurex Clearing”) is a credit institution licensed through the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, the German Federal Financial Supervisory Authority), which under the Kreditwesengesetz (KWG, German Banking Act) is authorised to act as a central counterparty (CCP) for financial market transactions in markets connected to it. Since 10 April 2014 Eurex Clearing has also been authorised as a clearing house in accordance with the European Market Infrastructure Regulation (EMIR). Furthermore, Eurex Clearing has had a limited authorisation since 1 August 2013 to operate a deposit and lending business. On 1 October 2013 it initiated this activity, taking into account the restrictions contained in the authorisation. In connection with this authorisation, it grants loans and extends credit lines for certain affiliated companies and accepts deposits from these companies in connection with cash pooling.

On 1 February 2016, Eurex Clearing was registered with the Commodity Futures Trading Commission (CFTC) as a derivatives clearing organisation (DCO) for clearing OTC interest rate swaps for US clearing members in accordance with the Commodity Exchange Act, and since 22 December 2018 Eurex Clearing has been able to clear customer transactions of US clearing members.

Within the framework of the Temporary Recognition Regime (TRR) Eurex Clearing can continue to offer clearing services in the United Kingdom. Eurex Clearing has also registered for permanent authorisation with the Bank of England.

Furthermore, Eurex Clearing is listed as a Recognised Clearing House in Singapore. Since 29 March 2018 Eurex Clearing has been recognised in Switzerland as a foreign central counterparty by the Swiss Financial Market Supervisory Authority (FINMA), and since 12 March 2020 in Japan as a Foreign Financial Instruments Clearing Organisation by the Japanese Financial Services Agency (JFSA).

In addition, Eurex Clearing has been granted a permanent exemption pursuant to the Securities Act (Ontario) that permits Eurex Clearing to provide clearing services in Ontario, Canada. The ruling was issued by the Ontario Securities Commission on 14 July 2017 and extended on 6 February 2020.

BaFin has classified Eurex Clearing as an institution that potentially poses a threat to the system (section 20 (1) of the Sanierungs- und Abwicklungsgesetz (SAG, German Recovery and Resolution Act)) due to the fact that no simplified recovery plan requirements can be identified for Eurex Clearing in accordance with the SAG. 22 January 2021 saw the publication of the European Recovery & Resolution Regulation for CCPs (Regulation (EU) 2021/23 (CCP RR)) in the Official Journal of the European Union, which went into force in February 2021. Eurex Clearing must comply with the requirements of this regulation with respect to CCP recovery and resolution plans.

The key business purposes of Eurex Clearing are effectively protecting customer positions and mitigating counterparty risk by means of the depositing of collateral, and ensuring cost-effective risk and position management for clearing members and their customers as participants in the financial and capital markets.

Eurex Clearing performs the duties of a clearing house, including the operation of a clearing system for cash and unit settlement of transactions on domestic and international securities or derivatives exchanges, multi-lateral trading platforms and of OTC transactions in various financial instruments such as derivatives, equities and repo transactions. Eurex Clearing guarantees the performance of delivery and payment obligations after transactions are concluded on Eurex Deutschland, Frankfurt/Main; the Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange), Frankfurt/Main; Eurex Repo GmbH, Frankfurt/Main; and of off-exchange transactions on approved trade sources.

As a service provider, Eurex Clearing does not engage in research and development activities comparable with those of manufacturing companies. Consequently, this report does not include a section detailing research activities. However, Eurex Clearing does develop system solutions for the implementation of its structural growth objectives. Against this background, the Company is constantly working to maintain and further increase the technology leadership and stability of its electronic systems – in the interests of its customers and the systemic stability of the financial markets.

## **2. Report on economic position**

### **2.1 Macroeconomic and sector-specific environment**

The coronavirus pandemic has shaped global economic performance since the start of 2020. This has been marked by an unprecedented collapse in the industrialised and emerging economies, the effects of which have been mitigated by a range of measures to contain the rate of infection and by extensive assistance through monetary and fiscal policy measures.

The European Central Bank stepped up its asset purchases in the first half of the year to avert a potential rise in borrowing costs which otherwise could have had a detrimental impact on the economic recovery. Economic growth and inflation expectations for Europe increased, and forecasts for sectors coupled directly to the economic recovery such as tourism or food service brightened in many countries.

As the gradual easing of pandemic-related restrictions started to release pent-up consumer demand, this stimulated economic activity in Europe towards the middle of the year, although the uptick flattened out again as the year went on in response to the emergence of the Omicron variant. The equity markets recorded rising prices worldwide as a result of higher earnings expectations and abating concerns with regard to negative pandemic-related factors.

The international financial markets came under the pressure of creeping inflation rates and inflation expectations over the course of the second half of the year. In many core eurozone countries, a significant shortage of intermediate products for industrial production and the general rise in costs, especially for energy prices, led to the highest inflation rates seen in over a decade. Increasing inflation expectations also exacerbated concerns that central banks might tighten their monetary

policy quicker than originally anticipated. This did not prove to be the case for all central banks, however.

The Bank of England was the first major bank in the Western world to raise its key rate for the first time since the outbreak of the coronavirus pandemic, which it did in December 2021 by 0.15 percentage points, while the US Fed announced in January 2022 it would be making a move on interest rates in the near future. In the EU, meanwhile, the European Central Bank indicated that although it would be scaling back its asset purchase programme, it would not be raising key rates in 2022. Price pressure is currently assessed by the ECB as being temporary in nature, anticipating that it will level off again before key rate hikes have their full effect on the market.

Compared to the historically high level of volatility in 2020 (which was mainly due to the outbreak of the covid-pandemic in Q1 2020), the volatility level in the leading indices worldwide decreased noticeably in 2021. The persistently low volatility in the equity index market caused significant cyclical headwinds and led to a slump in Eurex trading volumes in this area compared to the previous year. In an international comparison, the difficult cyclical conditions, particularly in the USA, were (partially) offset by an upswing in important technology stocks. This upswing was largely due to a significant increase in trading volume from small investors.

## 2.2 Business developments

The clearing and trading volume was 1,703.3 million contracts for futures and options (previous year: 1,861.4 million). This is equivalent to a daily average of around 6.7 million contracts (previous year: 7.3 million).

Clearing in equity index derivatives, including derivatives on dividend indices and volatility indices, fell however by 25 per cent year-on-year to 793.1 million contracts (previous year: 1,050.7 million). The volume of equity derivatives contracts (single-stock options and futures, as well as dividend derivatives on individual securities and various ETF products) cleared in the year under review was 304.8 million (previous year: 273.8 million), which equates to an increase of 11 per cent.

The volume of interest rate derivatives cleared in the year under review rose by 14.1 per cent to 603.2 million contracts (previous year: €528.5 million).

At the end of financial year 2021, over-the-counter interest rate swaps settled via EurexOTC Clear achieved an outstanding nominal volume of €20,076.6 billion (previous year: €16,580.0 billion), an increase of 21.1 per cent.

At Eurex Repo, the marketplace for the collateralised money market and for the General Collateral Pooling (GC Pooling) range, the average outstanding volume shrank in the year under review by 12 per cent to €99.1 billion (previous year: €112.2 billion, single-counted for both periods). Given the ECB's continued expansive monetary policy as part of its asset purchase programme (APP) and the newly implemented pandemic emergency purchase programme (PEPP), a decline was recorded in the average outstanding volumes for the products Special Repo (-6.1 per cent to €47.3 billion) and GC Pooling® (-28.3% per cent to €35.4 billion).

In cash markets, the clearing volume for transactions involving equities, at 144.7 million transactions, was 14 per cent below the previous year's level (previous year: 168.2 million transactions). The clearing volume for bond transactions fell by 21.1 per cent year on year to 3.3 thousand transactions (previous year: 4.2 thousand transactions).

The forecast for clearing and trading volumes with regard to a positive cyclical development has not been confirmed overall.

Due to the impact of the Covid-19 pandemic, there was a decrease in commission income before passing on in 2021 by 11 per cent, thus lower than the expectations of the previous year.

## **2.3 Results of operations, financial position and net assets**

### **2.3.1. Results of operations**

An assessment of Eurex Clearing's business development must take into account that due to contractual agreements with Eurex Frankfurt AG, the Company conducts its business activities primarily in its own name but for the account of another company. Eurex Clearing does not generate commission income; the fees it receives are transferred via Eurex Frankfurt AG to Deutsche Börse AG and Eurex Global AG or directly to Deutsche Börse AG in the case of transactions on the Frankfurt Stock Exchange cleared via Eurex Clearing. Eurex Frankfurt AG assumes the expenses incurred in connection with the operation of the clearing house, plus a profit surcharge, meaning that this profit surcharge ultimately constitutes an essential component of the result before profit transfer.

Net interest income amounted to €74,470 thousand in 2021 (previous year: €84,026 thousand). Included in this are interest income in the amount of €215,439 thousand (previous year: €281,317 thousand) as well as interest expense of €140,969 thousand (previous year: €197,291 thousand). The Company did not generate any commission income after transfers. The commission expense of €12,748 thousand (previous year: €10,580 thousand) is primarily related to bank fees.

Other operating income at Eurex Clearing in 2021 amounted to €98,943 thousand (previous year: €119,247 thousand) and largely comprises income from management services for Eurex Frankfurt AG and Eurex Global Derivatives AG, Zug, Switzerland, and Deutsche Börse AG amounting to €81,184 thousand (previous year: €79,118 thousand), agency agreement services for Deutsche Börse AG amounting to €12,086 thousand (previous year: €13,924 thousand), income from foreign currency measurement of €964 thousand (previous year: €21,935 thousand) as well as the reversal of provisions in the amount of €2,800 thousand (previous year: €1,749 thousand).

Administrative expenses amounted to €139,738 thousand (previous year: €146,223 thousand) and in the main relate to personnel expenses in the amount of €40,734 thousand (previous year: €37,332 thousand), communication costs in the amount of €26,781 thousand (previous year: €19,916 thousand), expenses for agency agreement services provided by Deutsche Börse AG amounting to €25,214 thousand (previous year: €27,963 thousand), IT costs in the amount of €11,973 thousand (previous year: €9,007 thousand), external consulting costs of €10,328 thou-



sand (previous year: €17,704 thousand), non-deductible input tax in the amount of €7,511 thousand (previous year: €12,177 thousand) and agency agreement services provided by Clearstream Operations Prague SRO, Prague, Czech Republic, amounting to €4,220 thousand (previous year: €2,236 thousand), expenses with Eurex Repo GmbH amounting to €2,641 thousand (previous year: €2,947 thousand), expenses with Eurex Frankfurt AG London Branch amounting to €2,084 thousand (previous year: €1,329 thousand), transaction cooperation costs with Nasdaq OMX amounting to €1,452 thousand (previous year: €1,276 thousand), expenses with Eurex Frankfurt AG Singapore Branch amounting to €1,126 thousand (previous year: €1,301 thousand) as well as marketing costs of €961 thousand (previous year: €1,153 thousand).

The Company's net profit (before profit transfer to the parent company) was €10,784 thousand (previous year: €12,041 thousand). Under the existing profit transfer agreement, €10,784 thousand (previous year: €12,041 thousand) was transferred to Eurex Frankfurt AG.

In relation to the average total assets (monthly calculation) the return (based on the net income before transfer of profit) in the financial year was 0.04 per cent (previous year: 0.03 per cent).

### **2.3.2. Financial position**

Eurex Clearing's equity as at 31 December 2021 was €749,813 thousand.

Funds paid in as collateral by clearing participants of €34,444,468 thousand (previous year: €31,750,335 thousand) were payable on demand. They are secured in the form of repurchase agreements deposited with credit institutions and financial service providers, with the terms of the repurchase agreements ranging from on demand to up to a month. Despite an investment of €12,012 thousand (previous year: €11,144 thousand) in bonds, Eurex Clearing engages in maturity transformation to only a very limited extent. Furthermore, Eurex Clearing has uncollateralised balances at central banks that are payable on demand. As at 31 December 2021, these amounted to €33,709,330 thousand (previous year: €31,711,626 thousand).

Expenses associated with the operation of the clearing house are reimbursed to the Company regularly during the financial year on the basis of the contractual agreements with Eurex Frankfurt AG and Eurex Global Derivatives AG. In addition, Eurex Frankfurt AG would compensate a loss incurred by Eurex Clearing due to the profit transfer agreement.

Approved credit lines amounting to €900 million, thereof CHF 200 million and USD 300 million in total, granted by various credit institutions, are available for refinancing purposes. The approved euro credit lines were drawn on regularly during financial year 2021. As at 31 December 2021, these lines had not been drawn down.

Additionally, since the expansion of its authorisation in August 2013, Eurex Clearing has had the option of short-term refinancing with Deutsche Bundesbank (the German central bank) using intraday or overnight credit lines. In financial year 2021, Eurex Clearing exclusively used intraday loans for secured borrowing. As at 31 December 2021, there was no collateral deposited in the collateral account with Deutsche Bundesbank and, consequently, no credit line was granted or used.

Total assets after the deduction of margins and liabilities held in trust amounted to €1,638,254 thousand (previous year: €1,493,577 thousand), resulting in an equity ratio of 45.8 per cent (previous year: 50.2 per cent).

As from 1 January 2018, the Company is required to adhere to 100 per cent of the liquidity coverage ratio introduced by the Capital Requirements Regulation (EU) no. 575/2013 and the revised version of the Liquidity Coverage Ratio Delegated Regulation (LCRDR), which came into effect on 30 September 2016 with Implementing Regulation (EU) 2015/61. As at 31 December 2021, Eurex Clearing AG had a ratio (LCRDR) of 133.1 per cent.

Liquidity management at Eurex Clearing AG is based on the principles deriving from the German Banking Act, which are set out in the risk report. No cash flow statement is therefore provided at this point.

In view of the above, the Company had a good liquidity position which allowed it to meet its payment obligations at all times during financial year 2021.

### **2.3.3. Net assets**

The cash reserve in the amount of €31,479,009 thousand (previous year: €29,889,209 thousand) and receivables from credit institutions in the amount of €4,429,178 thousand (previous year: €3,118,926 thousand) mainly comprise the investment of the cash collateral deposited by clearing participants in the amount of €34,444,468 thousand (previous year: €31,750,335 thousand).

Overall, the Company's results of operations, financial position and net assets were stable. Eurex Clearing was always able to meet its payment obligations in financial year 2021.

## **2.4 Financial and non-financial performance indicators**

### **2.4.1. Financial performance indicators**

In light of the fact that Eurex Clearing primarily operates its clearing business in its own name but for the account of Eurex Frankfurt AG, the net profit of the Company (before profit transfer to the parent company) is considered to be a key management parameter. In the year under review, the profit before profit transfer amounted to €10,784 thousand (previous year: €12,041 thousand). Another financial performance indicator used by Eurex Clearing is commission income before transfers to the parent company. In the year under review, commission income before transfers was €881,797 thousand (previous year: €996,127 thousand). The changes in operating costs in accordance with IFRS and the administrative costs in accordance with the Handelsgesetzbuch (HGB, German Commercial Code) are managed as part of quarterly target/actual and actual/actual comparisons.

## **2.4.2. Non-financial performance indicators**

The growth in its clearing and trading volumes – particularly on the Eurex exchange – is seen as a key factor in the clearing house's performance. The growth in clearing and trading volumes is described in the business developments section.

### 3. Report on expected developments, opportunities and risks

#### 3.1 Report on expected developments

This report describes how Eurex Clearing is expected to perform in financial year 2022 and beyond. It contains statements and information on events in the future. These forward-looking statements and information are based on the Company's expectations and assumptions when this report on expected developments was published.

Eurex Clearing identified various factors in the recent business trend that significantly impacted investments in derivatives and clearing and which are considered likely to persist in the coming financial year:

- At the date of this management report, there was still uncertainty about the duration and the resulting long-term consequences of the COVID-19 viral pandemic that broke out at the beginning of 2020. As a result, there may be further negative impacts for Eurex Clearing.
- In December 2021, inflation in the US reached its fastest year-on-year rate since 1982 at 7 per cent. In Germany the average for the year was 3.1 per cent, a higher rate than at any time since 1993. It is possible that this will go hand in hand with a turnaround in interest rates from negative to positive bond yields at the important ten-year maturity point, which in general would mean that greater demand for interest rate instruments could be expected. It is furthermore expected that the volume of Eurex Repos cleared by Eurex Clearing due to the reduced asset purchases by the ECB will develop favourably overall.
- Other sectors of the economy are affected by the increase in the price of raw materials, especially oil and gas, which may have a direct impact on companies in manufacturing and energy-intensive industries and accordingly will determine earnings expectations and the willingness to undertake capital expenditure. Overall, consumer and capital investment behaviour in connection with the pandemic has been very mixed across the individual sectors of the economy. Eurex can assist in this regard by providing its range of equity and index derivatives, which can be used as hedging and investment instruments if prices and markets become volatile. As a result, Eurex Clearing is forecasting elevated volumes in this area compared with 2021.
- Due to the uncertain situation in the conflict between Russia and Ukraine, negative spillover are expected, particularly in Europe, which will weigh on the macroeconomic environment. Other important factors that will influence the course of policy in the EU and the strength of its economy will be the French presidential elections in spring 2022 and renewed elections in Italy.
- To counter the potential short-term risks for financial stability, the European Commission announced in November 2021 that it would be extending the temporary equivalence for clearing houses domiciled in the UK, which was scheduled to expire in June 2022. At the

same time, however, European Commissioner Mairead McGuinness emphasised that it remained a top priority of the Commission to reduce the over-reliance on the UK's clearing infrastructure.

- In the context of the new transfer pricing rules (applicable from 1 January 2022), in the second half of 2021 a comprehensive analysis of transfer prices for Eurex business was conducted. The analysis showed that the transfer pricing model for Eurex business can be retained in principle. However, certain adjustments to transfer pricing are required:
  - (i) increase in the margin for EFAG and ECAG for operating Eurex business to 13 per cent and payment of an additional premium for product development work and the risk-bearing capital of ECAG
  - (ii) introduction of a dynamic profit allocation mechanism between DBAG and EGAG that reflects Eurex's receipts from the Swiss and German customer base

As a result of the adjustments to transfer prices, starting in financial year 2022 EFAG and ECAG will receive a higher level of remuneration for operating Eurex business. The remaining Eurex profits (after remunerating EFAG and ECAG) will be divided between DBAG and EGAG based on an expected allocation formula of 88:12 (instead of 85:15 in the previous financial year). That will have a significantly positive effect on net profit from periods starting in 2022. For 2022 Eurex Clearing AG therefore expects a net profit (before transfer of profit) of around €48 million.

Eurex Clearing plans to increase commission income before transfers by 11 per cent in 2022 compared with financial year 2021, provided that an economic recovery in the euro area materialises in the wake of a successful containment of the global pandemic as well as the conflict between Russia and Ukraine, and there is positive momentum from organic growth initiatives. In view of the considerable uncertainty about how the pandemic will progress and any consequential effects on the global economy, the Company has also prepared in parallel for scenarios where commission income stagnates. In principle, the Company is anticipating structurally positive growth despite the expectation of increased competition and possible tailwinds on the cyclical side.

### 3.2 Report on opportunities

The factors influencing trading and clearing activity are manifold and not easily predictable. Key challenges in the coming financial year will continue to be the management of the pandemic crisis, the introduction and impact of regulatory measures relating to the capital and risk management activities of market participants, structural changes in financial markets and political uncertainties, which would increase the risks faced by market participants.

Considering these influencing factors, in particular due to global economic performance and economic growth in the euro area, Eurex Clearing generally expects that the cyclical growth drivers in the derivatives business are intact and will have a positive impact in the long term. It also forecasts volatility to stay close to the mid-range levels seen in 2021.

In addition to cyclical drivers, Eurex Clearing is pursuing opportunities for structural growth that are intended to contribute to sales growth and aim to further reduce dependence on cyclical factors. Eurex Clearing plans to use the measures listed below to participate in these developments:

- Further expansion of the range of clearing services, access models and the global distribution network for OTC interest rate derivatives
- Extension of the direct access models to Eurex Clearing for buy-side customers, in order to cater actively to their specific requirements for a solution, efficient in capital and operational terms, for central clearing of repo transactions
- Entry into new markets for the settlement and risk management of exchange-based and over-the-counter trading in currency derivatives
- Collaborative arrangements and partnerships with third-party providers to increase the transparency and reach of efficiencies that can be utilised by Eurex Clearing
- Continued expansion of the range of sustainable products and services to consolidate Eurex Clearing's leading position in this market segment

In addition, Eurex Clearing expects there to be fundamentally positive stimuli on operating activities during the 2022 forecast period and beyond as a result of many other measures to expand the clearing network, strengthen the customer base in terms of quantity and geographical reach, and increase the number of clearing products and product classes.

As a whole, the measures are part of a comprehensive expansion of Eurex Clearing's services in the context of regulatory reforms that aim to have central counterparties play a greater role in the clearing and risk management of exchange-based and over-the-counter trading. Furthermore, the continual expansion of services in the area of risk management also enables the integrated business model of Deutsche Börse Group to be used to achieve economies of scale across business areas, for example by linking up to securities collateral deposited at Clearstream. These aspects are anticipated to have a slightly positive effect on Eurex Clearing's commission income (before transfers).

### 3.3 Risk report

#### Risk management system and methods

Risk management at Eurex Clearing AG is anchored in its organisational structure and workflows. The Executive Board has overall responsibility for risk management. In particular, the Executive Board of Eurex Clearing AG determines risk appetite within the context of the risk strategy. It ensures that the risk appetite is compatible with the Company's short and long-term strategy, business and capital planning, risk-bearing capacity and remuneration systems. The Executive Board of Eurex Clearing AG also determines which metrics are used to assess risk and how regulatory capital is allocated to the different types of risk. It ensures that the requirements placed on risk strategy and risk appetite are complied with. Eurex Clearing AG is also included in Deutsche Börse AG's Group-wide risk management. The Supervisory Board of Eurex Clearing AG assesses and monitors the effectiveness of the risk management system and its ongoing development. In addition, the Supervisory Board discusses the risk strategy once a year.

The individual business areas identify risks and report them in a timely manner to the Enterprise Risk Management function, which assesses all existing and new risks.

Using a range of tools, Eurex Clearing AG evaluates and monitors material risks on an ongoing basis. It applies both the normative and economic perspective to aggregate risks at Company level. The main instrument that it uses for the purpose of quantification of the economic perspective is the value at risk (VaR) model.

- Normative perspective: The aim of this perspective is to ensure that Eurex Clearing AG meets all regulatory capital requirements at all times and is considered a management parameter for capital adequacy. The calculation of risk for credit, market and operational risks is based on the calculation logic of the legal requirements of Capital Requirements Regulation (EU) no. 575/2013 (“CRR”) and/or Regulation (EU) 2019/876 (“CRR II”) of the European Parliament and of the Council amending Regulation (EU) no. 575/2013. In addition, the capital requirements from Regulation (EU) No 648/2012 (“EMIR”) of the European Parliament and of the Council must also be met as part of the authorisation as a central counterparty.
- Economic perspective: The economic perspective complements the normative perspective and serves a strictly economic view independent of regulatory model requirements. From this perspective, Eurex Clearing AG must not exhaust its available capital in more than 0.1 per cent of all years. As already mentioned in the 2021 half-year report, we have reduced the defined confidence level as of 1. January 2021 for determining the required economic capital from 99.98 per cent to 99.9 per cent with the same time. This adjustment allows better comparability and thus better risk management, since the capital requirements in the economic and normative perspective are now subject to a consistent confidence assumption. It calculates its required economic capital (hereinafter referred to as REC) at a confidence level of 99.9 per cent and over a time window of 12 months. The risk-bearing capacity set against the required economic capital in the amount of currently €750 million is the available capital. For the purpose of risk management, at least once a quarter Eurex Clearing AG calculates as a metric the REC in relation to its risk-bearing capacity.
- In addition, Eurex Clearing AG considers extreme scenarios and factors these into its risk management. These include both stress tests across risk types and stress tests for particular material risk types.

An early warning system is used for both perspectives in order to utilise the risk-bearing capacity. This shows green, yellow, orange or red. In addition to the quantification of risks, risk reporting also includes qualitative information on the risk profile in the form of risk indicators or analyses of realised losses. Events relevant to risk are comprehensively explained, and possible countermeasures are described. A corresponding risk report is submitted to the Executive Board of Eurex Clearing AG at least once a quarter. The Supervisory Board, the Risk Committee and the Audit and Risk Committee also receive quarterly risk reports.

Internal Auditing checks the risk controlling function independently.

## **Risk profile**

Eurex Clearing AG distinguishes between financial and operational risks. Financial risks are divided into credit, market and liquidity risks. Operational, credit and liquidity risks are classified as material risks.

### **Operational risk**

For Eurex Clearing AG, operational risk is quantified on the basis of implemented operational risk scenarios and exists in particular in terms of the non-availability of systems, service deficiencies, damage to material goods, and litigation and business practices. The share of operational risk in the REC of Eurex Clearing AG was 47 per cent as at 31 December 2021.

#### **(a) Availability risk**

Availability risk arises when operational resources that are essential to the services offered by Eurex Clearing AG, such as systems, premises, employees or suppliers/service providers, could become unavailable, causing services to be delayed or not provided at all.

#### **(b) Service deficiencies**

The category of service deficiencies comprises risks that may arise if a service for clients is performed inadequately, e.g. due to defective products and processes, improperly performed processes or erroneous manual entries.

#### **(c) Damage to material goods**

This category includes risks due to accidents and natural disasters as well as terrorism and sabotage.

#### **(d) Litigation and business practice**

Losses can result from legal proceedings. These may occur if Eurex Clearing AG breaches laws or requirements, enters into inadequate contractual agreements, or fails to observe case law to a sufficient degree.

Eurex Clearing AG takes specific measures to reduce its operational risk. This includes, in particular, business continuity management (BCM). BCM covers all processes that ensure continuing operations in an emergency. It covers arrangements for all key resources (systems, rooms, employees, suppliers/service providers), including the redundant design of all critical IT systems and the technical infrastructure, as well as backup workstations for employees in critical functions. It also includes unavailability due to pandemic-based events such as the recent "coronavirus" outbreak. The situation is managed using the Incident and Crisis Management process. Precautionary measures are centrally coordinated to ensure the continuity of business-critical operations and the health and safety of employees.



The operational capability of the back-up locations is tested regularly, as is the availability of remote access. Furthermore, Eurex Clearing AG has a compliance structure and associated procedures aimed at ensuring adherence to legal requirements.

No notable operational losses were incurred in the 2021 reporting period.

## **Financial risks**

Eurex Clearing AG divides financial risks into credit, market and liquidity risks. Liquidity risks are not quantified as part of the REC calculation but instead are monitored separately. Financial risks had a share of 53 per cent of the REC of Eurex Clearing AG as at 31 December 2021.

### **(a) Credit risk**

Credit risk (counterparty default risk) describes the danger that a counterparty might not meet its contractual obligations, or not meet them in full. The credit risk faced by Eurex Clearing AG is broken down into credit risks from the clearing business and credit risks that may arise from cash investments. Credit risk had a share of 51 per cent of the REC of Eurex Clearing AG as at 31 December 2021.

Principally, risk concentrations arise from the large proportion of European banks among clearing members and the concentration of business activity on clearing as a result of the business model.

### **Credit risk from the clearing business**

Under its terms and conditions, Eurex Clearing AG only enters into transactions with its clearing members. Clearing mainly relates to defined securities, pre-emptive rights and derivatives that are traded on specific stock exchanges. Eurex Clearing AG also offers this service for over-the-counter (OTC) products such as interest rate swaps and forward rate agreements. As a central counterparty, it stands between transactional counterparties. Through offsetting mutual claims and requiring clearing members to post collateral, Eurex Clearing AG mitigates credit risk.

Each clearing member must prove that it has capital or, in the case of funds, assets under management, equal to at least the amounts that Eurex Clearing AG has defined for the different markets. The amount of capital or assets under management for which evidence must be provided depends on the risk. To mitigate Eurex Clearing AG's risk that clearing members might default before settling open transactions, members are obliged to deposit collateral in the form of cash or securities (margins) on a daily basis and, if required, to meet additional intraday margin calls.

Eurex Clearing AG only permits collateral with a high level of credit quality and liquidity as collateral to meet margin requirements. In determining credit quality, both an internal evaluation and external ratings are used. On the basis of these consolidated ratings, only collateral classed at least as investment grade is permitted. For bank bonds, the threshold is raised to at least "A-" in view of the potential "wrong way" risks. The eligibility criteria are reviewed on an ongoing basis. In addition, the market price risk is covered with a confidence level of at least 99.9 per cent through corresponding margins. Larger safety margins therefore apply to securities from issuers with lower credit quality than to securities with a high level of credit quality. If eligible collateral fails at a later point

in time to meet the high credit quality requirements (e.g. because of a new consolidated rating), it is excluded. Risk inputs are checked each month and the safety margins are recalculated daily for each security. In addition, a minimum safety margin applies to all securities.

Margins are calculated separately for clearing member accounts and their client accounts.

Gains and losses resulting from intraday changes to the value of financial instruments are either settled in cash by the counterparties (variation margin) or deposited with Eurex Clearing AG as collateral by the seller due to the change in the equivalent value of the item (premium margin). In the case of bond, repo or equity transactions, the margin is collected from either the buyer or the seller (current liquidating margin), depending on how the transaction price performs compared to the current value of the financial instruments. The purpose of these margins is to offset gains and losses already accumulated.

In addition, Eurex Clearing AG uses additional collateral to protect itself in the case of default by a clearing member against any risk that the value of the positions in the member's account will deteriorate in the period before the account is settled. This additional collateral is known as the initial margin. The target confidence level here is at least 99.0 per cent (with a minimum two-day holding period) for exchange-traded transactions, or 99.5 per cent (with a five-day holding period) for OTC transactions. Eurex Clearing AG checks each day whether the margins meet the required confidence level. The initial margin is currently calculated using two methods: the legacy risk-based margining method, and the Eurex Clearing Prisma method. The Eurex Clearing Prisma method is available for all derivatives contracts traded. It takes into account the clearing member's entire portfolio and takes historical and stress scenarios into account when calculating the margin requirements. The objective is to cover market fluctuations for the entire liquidation period until the account is settled. At present, the risk-based margining method is still used for cash market products, physical deliveries, as well as for securities lending and repo transactions.

In addition to the margins for current transactions, each clearing member contributes to a default fund, with the contributions based on its individual risk profile. This fund is jointly liable for the financial consequences of a default by a clearing member to the extent that this cannot be covered by the member's individual margin, its own contributions to the default fund and a contribution from Eurex Clearing AG itself. Eurex Clearing AG checks by means of daily stress tests whether its default fund is sufficient to absorb the default of the two largest clearing members. This involves subjecting all current transactions and their collateral to market price fluctuations at a confidence level of at least 99.9 per cent. In order to be able to determine potential losses in excess of a clearing member's individual margins, the impact on the default fund of a potential default is simulated. Eurex Clearing AG has defined limits which, when exceeded, trigger an immediate adjustment to the size of the default fund if necessary. The following lines of defence are available for the case that a clearing member is unable to meet its obligations to Eurex Clearing AG due to a delay in performance or a default:

- First, the relevant clearing member's outstanding positions and transactions can be netted and/or closed from a risk perspective by entering into appropriate back-to-back transactions, or they can be settled in cash. Customer segregation models are taken into account.

- Any potential shortfall that might be incurred in connection with such a closing or cash settlement, as well as the associated costs, would be covered in the first instance by the collateral provided by the clearing member concerned. As at 31 December 2021, collateral amounting to €74,371 million had been provided for the benefit of Eurex Clearing AG (after safety margins).
- After this, the relevant clearing member's contribution to the default fund would be used to cover the open amount. Contributions ranged from €1 million to €342.0 million as at 31 December 2021.
- Any remaining shortfall would initially be covered by Eurex Clearing AG's own contribution to the default fund. Eurex Clearing AG's contribution amounted to €200 million as at 31 December 2021.
- Only then would the other clearing members' contributions to the default fund be used proportionately. As at 31 December 2021, aggregate default fund contribution requirements for all clearing members of Eurex Clearing AG amounted to around €6,130 million. After the contributions have been used in full, Eurex Clearing AG can request additional contributions from each clearing member, which can be a maximum of twice as high as their original default fund contributions. In parallel to these additional contributions, Eurex Clearing AG provides additional funds of up to €300 million, provided via a letter of comfort from Deutsche Börse AG (see below). These additional funds will be realised together with the additional clearing members and Eurex Clearing AG contributions, on a pro rata basis.
- Next, the portion of Eurex Clearing AG's equity which exceeds the minimum regulatory equity would be realised.
- Finally, the remaining minimum regulatory equity of Eurex Clearing AG would be drawn upon.
- Deutsche Börse AG has issued a letter of comfort in favour of Eurex Clearing AG. With this letter of comfort, Deutsche Börse AG commits to provide the funds to Eurex Clearing AG required to fulfil its obligations – including the obligation to provide additional funds of up to €300 million, as mentioned above. The maximum amount to be provided under the letter of comfort amounts to €600 million, including the payments made already. Third parties are not entitled to any rights under the letter of comfort.

In the event of a clearing member defaulting, Eurex Clearing AG carries out a Default Management Process (DMP). The aim of the DMP is to close out all positions taken over as a result of the default. Costs arising in connection with closing out the positions are covered through the collateral available through Eurex Clearing's lines of defence. At its core, the DMP ensures that products with similar risk characteristics are assigned to liquidation groups that have been closed out collectively. Within a liquidation group, Eurex Clearing AG rebalances itself by transferring the defaulted positions to other clearing members either by means of an auction process or through a bilateral private sale. Any claims against Eurex Clearing AG arising from the closing out of the positions taken over from the defaulted clearing member are covered by the collateral available through the cascade of lines of defence. If necessary, this collateral is sold on the market through bilateral private sales in

order to cover the outstanding claims from the closing out of open positions. In this way the DMP not only contributes to the security and integrity of the capital markets, it also protects non-defaulting clearing members from the potential negative consequences that may result from a participant defaulting.

To date, the DMP at Eurex Clearing AG has been triggered four times: Gontard & MetallBank (2002), Lehman Brothers (2008), MF Global (2011) and Maple Bank (2016).

In each of the above-mentioned cases, the funds deposited by the defaulting clearing member as collateral were sufficient to cover the losses incurred in the closing out and to return a substantial portion of the resources to the defaulting clearing member.

### **Credit risk arising from cash investments**

Credit risk can also arise from cash investments. Eurex Clearing AG reduces its risk when investing cash belonging to Group companies and cash deposited by customers by distributing investments across multiple counterparties, all with a high credit quality, by defining investment limits for each counterparty and by investing cash primarily in the short term and in collateralised form if possible. Investment limits are established for each counterparty on the basis of at least annual credit checks and using ad hoc analyses, as necessary. Since extending its licence as a deposit and credit institution under the German Banking Act, Eurex Clearing AG can also use the permanent facilities of Deutsche Bundesbank and is therefore able to manage a large part of its customer cash in the central bank framework. Investment losses on currencies for which Eurex Clearing AG has no access to the respective central banks will be borne, on a pro rata basis, by Eurex Clearing AG and by those clearing members active in the currency where losses were incurred. The maximum amount which each clearing member will have to contribute in this manner is the total amount such clearing member has pledged with Eurex Clearing AG as cash collateral in this currency. The maximum amount to be borne by Eurex Clearing AG is €50 million.

#### **(b) Market price risk**

Market price risks include risks of an adverse change in interest rates, currencies or other market prices. Market price risk had a share of 2 per cent of the REC of Eurex Clearing AG as at 31 December 2021. Due to the short maturities of the cash investments and liabilities, the interest rate risk is low.

Eurex Clearing AG avoids open currency positions whenever possible. Market price risks may also arise from ring-fenced pension plan assets (Contractual Trust Arrangement – CTA). The Company reduced its risk of extreme losses by deciding to invest a predominant proportion of the CTA on the basis of a value preservation mechanism.

#### **(c) Liquidity risk**

A liquidity risk arises if daily payment obligations cannot be fulfilled or can be fulfilled only at increased refinancing costs. Eurex Clearing AG has to meet stringent internal liquidity requirements and comply with a conservative investment policy due to its status as a central counterparty. Daily monitoring ensures an appropriate supply of liquidity. Since extending its licence as a deposit and

credit institution under the German Banking Act, Eurex Clearing AG can use Deutsche Bundesbank's permanent facilities.

In order to analyse the liquidity risk of Eurex Clearing AG and to ensure that sufficient liquid financial resources are maintained at all times, daily stress test calculations are carried out. To this end, Eurex Clearing AG has implemented various scenarios that take into consideration sources of liquidity risk both within the Company itself and throughout the entire market. In accordance with regulatory requirements, Eurex Clearing AG performs a daily calculation of the need for liquidity that would result in the event of the default of its two largest clearing members, and maintains sufficient liquidity to meet this identified need. A threshold of 40 per cent is used for the liquidity buffer as an early warning system. The liquidity buffer should not fall below a value of 10 per cent.

In the year under review, Eurex Clearing AG had sufficient liquidity at all times with a liquidity buffer of 221 per cent as at 31 December 2021.

## **Business risks**

In the context of the current geopolitical events in Ukraine and the potential resulting economic policy consequences, we have analyzed which fundamental risks could have an impact on the individual business areas. Due to the low level of business relationships with the affected countries and the resulting low number of potentially affected assets, it was determined at the time of completion of this report that Deutsche Börse Group as a whole is only exposed to a low level of direct economic risk. Indirect risks arising, e.g., from our customers' business activities in the countries concerned, as well as medium- and long-term risks that may arise, e.g., from further economic sanctions that are not yet foreseeable, are monitored on an ongoing basis and, if necessary, controlled by means of further risk mitigation measures.

## **Compliance risks**

In the context of the current geopolitical events in Ukraine and the potentially resulting economic consequences, the Group analyses which risks could have an impact on the individual business areas. This concerns all risks for Group companies that have business relationships with companies based in the affected countries (Ukraine, Russia), hold assets or have other connections of both an economic and technical nature. Deutsche Börse Group has implemented a robust and flexible system for managing potential sanctions and embargo risks. Dedicated sanctions experts carefully monitor current developments and are in regular communication with stakeholders and Deutsche Börse Group's business areas in order to be able to react to restrictions in a timely manner.

## **Summary**

The risk profile did not change significantly in financial year 2021. As at 31 December 2021, the REC of Eurex Clearing AG amounted to €393 million, with the REC composition for the individual risk types as follows:

For operational and financial risk the REC was €185 million and €208 million. Financial risk was made up of credit risk with REC of €202 million and market risk with REC of €6 million.

The capital requirements for the risk-weighted assets (RWA) of Eurex Clearing AG in the amount of €120.3 million as at 31 December 2021 were at all times met by a sufficient amount of regulatory capital in the financial year under review. The regulatory capital as at the end of the financial year totalled €750 million. The total capital ratio was 49.84 per cent as at 31 December 2021. The regulatory capital requirement pursuant to Article 16 EMIR was €255.8 million as at 31 December 2021.

## **Outlook**

Eurex Clearing AG evaluates its risk situation on an ongoing basis. Based on stress tests and the calculated REC and using the risk management system, the Executive Board of Eurex Clearing AG concludes that the available risk-bearing capacity is sufficient. Furthermore, no risk can be identified that would jeopardise Eurex Clearing AG as a going concern.

Frankfurt am Main, 9 March 2022

Eurex Clearing Aktiengesellschaft

Erik Tim Müller

Matthias Graulich

Manfred Matusza

Dr Dmitrij Senko

Jens Janka





**Annual Financial Statements for the Financial Year 2021**



**Balance Statement as at 31 December 2021  
of Eurex Clearing AG, Frankfurt/Main**

Assets	12/31/2021	12/31/2020	12/31/2021	12/31/2020
	€	T€	€	T€
1. Liquid funds				
a) Balances with central banks of which with the Bundesbank	31.479.009.058,21	29.889.209	26.792.995.612,15	24.183.941
31.479.009.058,21			638.066.645,37	553.970
(previous year: 29.889.209 T€)				
2. Receivables from credit institutions	3.443.142.321,19	2.515.630	7.794.576.357,96	7.632.293
a) Payable on demand	986.035.620,25	803.295	22.091.636,11	7.632.293
b) other receivables	4.429.177.941,44	3.118.926	7.794.576.357,96	7.632.293
			<i>thereof: to affiliated companies 29.100.000,00 €</i>	
			<i>(previous year: 23.101 T€)</i>	
3. Receivables from customers	139.445.891,82	165.304	93.616.579,20	95.371
4. Bonds and other fixed-interest securities			29.584.609,84	52.135
a) Bonds and debt instruments of public-sector issuers	12.012.420,35	11.144		
6. Assets held in trust	93.616.579,20	95.371	2.696.132,14	2.680
7. Property, plant and equipment	3.537,00	6	6.444.609,98	5.787
8. Other assets	22.894.966,45	59.152	46.452.696,84	42.966
9. Deferred expenses	177.908,81	171	25.000.000,00	25.000
			719.312.845,52	715.313
			2.500.000,00	2.500
			7.000.578,17	7.001
			9.500.578,17	9.501
			0,00	0
			749.813.423,69	749.814
			36.176.338.303,28	33.339.283
Total assets	36.176.338.303,28	33.339.283	36.176.338.303,28	33.339.283
Other obligations			2.000.000,00	2.000
Irrevocable credit commitments				

Shareholders' equity and liabilities	12/31/2021	12/31/2020	12/31/2021	12/31/2020
	€	T€	€	T€
1. Liabilities to credit institutions				
a) Payables on demand	26.792.995.612,15	24.183.941		
b) Other payables	638.066.645,37	553.970		
2. Liabilities to customers				
a) Other liabilities				
aa) Other payables	22.091.636,11			
bb) Payables on demand	7.794.576.357,96	7.632.293		
<i>thereof: to affiliated companies 29.100.000,00 €</i>				
<i>(previous year: 23.101 T€)</i>				
3. Liabilities held in trust	93.616.579,20	95.371		
4. Other liabilities	29.584.609,84	52.135		
5. Provisions				
a) Provisions for pensions and similar obligations	2.696.132,14	2.680		
b) Provisions for tax	6.444.609,98	5.787		
c) Other provisions	46.452.696,84	42.966		
6. Equity				
a) Subscribed capital	25.000.000,00	25.000		
b) Capital reserves	719.312.845,52	715.313		
c) Retained earnings				
ca) Legal reserves	2.500.000,00	2.500		
cb) Other retained earnings	7.000.578,17	7.001		
d) Unappropriated surplus	0,00	0		
	749.813.423,69	749.814		
			36.176.338.303,28	33.339.283
Total shareholders' equity and liabilities	36.176.338.303,28	33.339.283	36.176.338.303,28	33.339.283
Other obligations			2.000.000,00	2.000
Irrevocable credit commitments				



**Income Statement**  
of Eurex Clearing AG, Frankfurt/Main  
for the period from 1 January to 31 December 2021

	31.12.2021		31.12.2020	
	€	€	€	€
1. Interest income from				
a) loan and money market business				
aa) Loan and money market business with positive interest rates	585.469,53		1.183	
ab) Loan and money market business with negative interest rates	214.853.686,80	215.439.156,33	280.134	281.317
2. Interest expense				
a) Interest expense from business with positive interest rates	-2.092.828,10		-1.704	
b) Interest expense from business with negative interest rates	-138.876.301,92	-140.969.130,02	-195.587	-197.291
3. Commission expense		-12.748.163,56		-10.580
4. Other operating income		98.943.097,40		119.247
<i>thereof from currency translation 964.374,61 € (previous year 21.935 T€)</i>				
5. General administrative expenses				
a) Personnel expenses				
aa) Wages and salaries	-35.059.282,32		-32.395	
ab) Social security and expenses				
for pensions and other employee benefits	-5.674.791,93	-40.734.074,25		-37.332
<i>thereof for pensions -1.461.807,58 € (previous year -1.311 T€)</i>				
b) Other administrative expenses	-99.003.443,94	-139.737.518,19	-108.891	-146.223
6. Depreciation and amortization of fixed and intangible assets		-2.423,00		-3
7. Other operating expenses				
<i>thereof from currency translation 935.598,44 € (previous year 21.949 T€)</i>				
<i>thereof from accumulation -59.432,17 € (previous year -89 T€)</i>		-10.118.926,83		-34.426
8. Income from write-ups to claims and certain securities and reversal of provisions for lending business		-21.659,00		0
<b>9. Net operating income</b>		<b>10.784.433,13</b>		<b>12.041</b>
10. Income tax expense		-139,01		0
11. Profit transferred under profit transfer agreement		-10.784.294,12		-12.041
<b>12. Net income for the year</b>		<b>0,00</b>		<b>0</b>
<b>13. Unappropriated surplus</b>		<b>0,00</b>		<b>0</b>



# Notes to the financial statements for financial year 2021

## Accounting policies

Eurex Clearing Aktiengesellschaft (hereinafter “Eurex Clearing”), which has its registered office in Frankfurt am Main, Germany, is registered in the Commercial Register of Frankfurt am Main District Court under the number HRB 44828.

The annual report of Eurex Clearing for the financial year 2021 was prepared in accordance with the provisions of the Handelsgesetzbuch (HGB, German Commercial Code), the Aktiengesetz (AktG, German Stock Corporation Act) and the Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute (RechKredV, German Ordinance Regulating the Accounting Requirements for Financial Institutions and Financial Service Providers).

Cash on hand and balances with central banks are reported as cash reserve and measured at their nominal value.

Assets and liabilities denominated in foreign currency are translated using the applicable Bloomberg rates as at the reporting date. If the assets and liabilities denominated in foreign currency have a maturity of one year or less, then sections 253 (1) clause 1 and 252 (1) no. 4 sub-clause 2 of the HGB were not applied.

Receivables and other assets are always carried at their nominal amount. Item-by-item valuation allowances are established for all discernible risks, while latent risks are considered on a portfolio basis. Receivables and other assets, as well as balances held with banks in foreign currency, are translated at the respective Bloomberg rates applicable at acquisition and at the reporting date.

Where the amounts of assets and liabilities in the same currency correspond, these items are regarded as duly covered in accordance with section 340h of the HGB.

Bonds and other fixed-interest securities are recognised at acquisition cost according to the strict lower of cost or market principle in compliance with the requirement to reinstate original values.

The trust-receivables relate in full to receivables from customers for remunerations, which are collected by Eurex Clearing AG in its own name but for the account of Deutsche Börse AG and Eurex Global Derivatives AG. The corresponding trust liabilities results from the obligation of Eurex Clearing AG to forward these fees via Eurex Frankfurt AG to Deutsche Börse AG and Eurex Global Derivatives AG.

Property, plant and equipment is carried at cost. Depreciable property, plant and equipment is depreciated using the straight-line method over its useful life or valued at its lower fair value. Operating and office equipment is depreciated over a useful life of between 5 and 8 years.

Prepaid expenses generally include expenditure incurred before the reporting date if it represents an expense for a certain time thereafter.

Foreign currency liabilities are translated using the Bloomberg rates applicable at acquisition and at the reporting date.

In accordance with section 253 (1) clause 2 of the HGB, liabilities are recognised with their respective settlement amounts.

If the margin that clearing members are required to deposit with Eurex Clearing as collateral or a contribution to the default fund is paid in cash, Eurex Clearing recognises them as liabilities towards Banks and customers (under member cash deposits). The margins to be paid are calculated at time "t" and are due at "t+1". Margin payments are calculated only after the post-trading period. In accordance with standard sector practice, the margin payments to be deposited as collateral are recognised only after the margins have been collected.

With respect to transactions settled via the central counterparty (CCP), Eurex Clearing AG is not financially burdened and entitled due to its special business purpose, the contractual arrangements in the clearing conditions and the special security mechanisms. Therefore, the transactions are not recognised on the balance sheet by Eurex Clearing AG. For further information, refer to section "Other information about the clearing business".

The open positions from the CCP are determined for each clearing member and shown as assets or liabilities.

Provisions for pensions and similar obligations have been stated on the basis of actuarial tables using the Projected Unit Credit Method based on the 2018 G mortality tables (generation tables) developed by Dr Klaus Heubeck.

<b>Actuarial assumptions</b>		
	31.12.2021	31.12.2020
	%	%
10-year average discount rate	1.87	2.30
7-year average discount rate	1.35	1.60
Salary growth	3.00	3.00
Pension growth	2.00	1.90
Staff turnover rate (up to age 50, thereafter 0.00%)	2.00	2.00

Calculations for the projected benefit obligations arising from the employee-financed deferred compensation plan were made on the basis of the interest rate issued by Deutsche Bundesbank (the German central bank) of 1.87 per cent (previous year: 2.3 per cent) along with actuarial tables using 2018 G mortality tables developed by Dr Klaus Heubeck.



In accordance with section 253 (2) clause 1 HGB, provisions for pension obligations with a residual term of more than a year are to be discounted at the average market interest rate for the past ten financial years that corresponds to their residual term. Section 253 (2) clause 2 HGB provides the option of using the average market interest rate relating to an assumed duration of 15 years in order to discount all the pension obligations. Use has been made of this option. The discount rates are calculated and announced by Deutsche Bundesbank. The calculation methodology and the modes of publication are in accordance with the Rückstellungsabzinsungsverordnung (RückAbzinsV, German Regulation on the Discounting of Provisions).

In accordance with section 246 (2) of the HGB, the settlement amount of pension liabilities as at the reporting date was offset against the fair value of those assets that are protected from all creditors and exclusively serve the purpose of meeting liabilities arising from pension obligations or comparable long-term commitments to employees (plan assets). The accumulated acquisition costs of these assets are €22,252 thousand (previous year: €19,610 thousand).

The total assets that were offset, which correspond to a 5.8 per cent share in a special fund as defined by section 1 (10) of the Kapitalanlagegesetzbuch (KAGB, German Capital Investment Code), had a fair value at the balance sheet date of €25,264 thousand (previous year: €21,719 thousand), which equates to the market value as defined by section 278 in conjunction with section 168 of the KAGB. In addition, an amount of €2,672 thousand (previous year: €2,831 thousand) was added to the special fund in the year under review and an amount of €30 thousand (previous year: €31 thousand) transferred. The assets are protected from all creditor claims and are not repayable on demand.

Due to an amendment to the law relating to the implementation of the Mortgage Credit Directive, the pension provisions have been discounted using a 10-year average discount since 2016 (until 2015: 7-year average discount). The resulting difference is as follows:

Pension provision discounted using a 10-year average	€27,884 thousand
Pension provision discounted using a 7-year average	€30,310 thousand
Difference	€2,426 thousand

The difference less deferred taxes may not be distributed, in accordance with section 253 (6) HGB.

The other provisions take into account all recognisable risks and uncertain liabilities as at the reporting date and were recognised at the amount required to settle the obligation based on a reasonable commercial assessment.

The values of the provisions for the Stock Bonus Plan and Long-term Sustainable Instrument (LSI) are calculated on the basis of the price of Deutsche Börse AG's shares on the reporting date.

The provisions for anniversary payments and early retirement were measured at the amount to be paid in accordance with actuarial principles, and for early retirees at present value. The projected unit credit method was applied as the basis of this assessment. The interest rate of 1.35 per cent (previous year: 1.60 per cent) published by Deutsche Bundesbank (the German central bank) was applied during the year under review. The 2018 G mortality tables developed by Dr Klaus Heubeck were the basis of these projections. In this case, too, the simplification provision of section 253 (2) clause 2 HGB was applied.

The interest-related financial instruments of the banking book are examined annually for excess liability. Eurex Clearing engages in maturity transformation only to a very limited extent, which means that interest rate risk is accordingly low. Due to the fixed-interest surplus in assets as at the reporting date, there was no excess liability resulting from the on-balance-sheet and off-balance-sheet transactions of the banking book, meaning that no provision was required in accordance with section 340a in conjunction with section 249 (1) of the HGB.

Deferred taxes are calculated in accordance with section 274 HGB on temporary differences between the carrying amounts according to commercial law and their taxable values. Deferred tax liabilities are reported only insofar as they exceed deferred tax assets. In view of the existing single-entity relationship for tax purposes with Eurex Frankfurt Aktiengesellschaft, Frankfurt/Main (hereinafter "Eurex Frankfurt"), temporary differences between the carrying amounts according to commercial law and the taxable values were accounted for at the level of the controlling company, Eurex Frankfurt. The calculation of deferred taxes is based on the expected, combined income tax rate of all the companies comprising the single entity for tax purposes with Eurex Frankfurt, which is currently 27.5 per cent.

There is currently a uniform corporation tax rate of 15 per cent plus a solidarity surcharge of 5.5 per cent. Taking a weighted trade tax rate into account, this results in an aggregate tax rate of 27.4 per cent.

Income and expenses in foreign currencies were translated on the posting date at the Bloomberg rates.

Interest income and expenses are classified as transactions with positive interest rates and transactions with negative interest rates according to their source. They are reported based on this classification in sub-positions of the interest result.

Interest rate effects from pensions and plan assets from the clearing item in accordance with section 246 (2) of the HGB, in the amount of €1,444 thousand, are included under other operating expenses in the financial year (previous year: €2,157 thousand, included in interest expense).

The other operating expenses also include interest rate effects from the addition of discounted interest for other provisions.

## Balance sheet disclosures

### Cash reserve

As at the reporting date, the cash reserve of Eurex Clearing AG amounted to €31,479,009 thousand (previous year: €29,889,209 thousand) and consisted exclusively of the credit balance at the Deutsche Bundesbank.

The bank balance in the amount of €31,479,009 thousand, the receivables from banks in the amount of €3,443,144 thousand and receivables from customers in the amount of €139,446 thousand are essentially offset by the clearing members' cash collateral which are shown as liabilities towards banks €26,661,108 thousand and liabilities towards customers €7,783,360 thousand.

### Assets in foreign currency

Assets in foreign currencies as at the reporting date amounted to €3,063,032 thousand (previous year: €2,408,825 thousand).

### Receivables from banks

Of the receivables from credit institutions in the amount of €4,429,178 thousand, €537 thousand (previous year: €737 thousand) are related to receivables to affiliated companies.

Receivables from banks break down as follows:

	31.12.2021	31.12.2020
	€ thousand	€ thousand
<b>Payable on demand</b>		
Balances at foreign central banks	2,230,321	1,822,417
Bank balances and receivables from the clearing business	1,195,211	678,117
Interest receivables from the clearing business	17,612	15,091
Other receivables from banks	0	4
	<b>3,443,144</b>	<b>2,515,629</b>
<b>Term up to 3 months</b>		
Reverse repo investments	687,497	415,834
Time and notice deposits	298,537	187,463
	<b>986,034</b>	<b>603,297</b>
	<b>4,429,178</b>	<b>3,118,926</b>

**Receivables from customers**

Receivables from customers amounting to €139,446 thousand (previous year: €165,304 thousand) are payable on demand and mainly comprise receivables from passing on negative interest in EUR and USD amounting to €137,492 thousand (previous year: €165,008 thousand).

**Bonds and other fixed-interest securities**

The bonds held as at the reporting date were exchange-listed securities in the amount of 12,012 thousand (previous year: €11,114 thousand), of which €1,980 thousand mature is less than one year and €10,114 thousand between one and four years. There are no bonds whose maturity exceeds five years.

**Assets held in trust**

This item concerns receivables from clearing members arising from turnover related to remuneration that is ultimately collected via Eurex Frankfurt AG for Deutsche Börse and Eurex Global Derivatives AG, Zug, Switzerland, on a fiduciary basis. As at the reporting date, these receivables amounted to €93,617 thousand (previous year: €95,371 thousand), of which €63,580 thousand (previous year: €61,329 thousand) were from banks and €30,037 thousand (previous year: €34,042 thousand) were from customers.

**Fixed assets**

The changes in fixed assets are described in the statement of changes in fixed assets. Property, plant and equipment comprises operating and office equipment in the amount of €4 thousand (previous year: €6 thousand).

## Other assets

Other assets as at the reporting date comprise the following:

	31.12.2021	31.12.2020
	€ thousand	€ thousand
Receivables from Eurex Frankfurt AG	20,233	55,128
Receivables from Deutsche Börse AG	1,535	3,198
Receivables from incentive programme	426	277
Receivables from Deutsche Börse Systems Inc.	420	168
Receivables from Clearstream Services Luxemburg S.A.	161	0
Miscellaneous other assets	52	39
Receivables from Clearstream Banking AG	39	0
Receivables from Eurex Securities Transaction Services GmbH	21	238
Personnel-related receivables	6	4
Receivables from taxes	2	6
Receivables from Eurex Repo GmbH	0	70
Receivables from Clearstream Banking S.A.	0	19
Receivables from Eurex Global Derivatives AG	0	5
	<b>22,895</b>	<b>59,152</b>

## Prepaid expenses

Prepaid expenses include accruals and deferrals for invoices received from deliveries and services amounting to €178 thousand (previous year: €171 thousand).

## Liabilities in foreign currency

As at the reporting date, liabilities in foreign currency amounted to €3,362,925 thousand (previous year: €2,594,641 thousand).

## Liabilities towards banks

Liabilities towards banks totalling €27,431,062 thousand (previous year: €24,737,911 thousand) are made up of €26,792,996 thousand (previous year: €24,183,941 thousand) payable on demand and comprise mainly margins paid by clearing members amounting to €26,023,040 thousand (previous year: €23,580,553 thousand) and liabilities from the clearing business of €733,054 thousand (previous year: €565,288 thousand). In addition, €638,067 thousand (previous year: €553,970 thousand) in liabilities towards banks with an agreed term of up to one year. There are no liabilities towards banks whose maturity exceeds one year.

### Liabilities towards customers

Of the liabilities towards customers amounting to €7,816,668 thousand, €7,794,576 thousand (previous year: €7,632,293 thousand) are payable on demand and mainly comprise margins paid by clearing members amounting to €7,761,269 thousand (previous year: €7,595,486 thousand), as well as liabilities towards affiliated companies from cash pooling amounting to €33,300 thousand (previous year: €36,800 thousand). In addition, there are liabilities to customers with an agreed term of up to one year of €22,092 thousand (previous year: €20,326 thousand). There are no liabilities towards customers whose maturity exceeds one year.

### Liabilities held in trust

Liabilities held in trust are liabilities towards customers associated with the collection of remuneration on a fiduciary basis that has not yet been forwarded via Eurex Frankfurt to Deutsche Börse and Eurex Global Derivatives AG.

### Other liabilities

	31.12.2021	31.12.2020
	€ thousand	€ thousand
Liabilities towards Eurex Frankfurt AG	13,596	15,059
Liabilities towards Deutsche Börse AG	10,565	26,312
Liabilities from taxes	1,471	814
Trade payables	1,355	1,045
Liabilities towards Clearstream Banking AG	962	4,048
Liabilities towards Eurex Repo GmbH	502	2,745
Liabilities towards Clearstream Operations Prague sro	437	519
Liabilities towards Eurex Frankfurt AG London Branch	417	1,114
Liabilities towards Clearstream Banking S.A.	185	0
Miscellaneous other liabilities	53	6
Liabilities towards Eurex Global Derivatives AG	22	82
Liabilities towards Eurex Securities Transaction GmbH	20	0
Liabilities towards Clearstream Services S.A.	0	225
Liabilities towards Deutsche Börse Systems Inc.	0	166
	<b>29,585</b>	<b>52,135</b>

**Provisions for pensions and similar obligations**

<b>Asset offsetting pursuant to section 246 (2) clause 2 of the HGB</b>	
	€ thousand
Pension obligations payable	27,960
Fair value of plan assets	(25,264)
<b>Provisions for pensions and similar obligations</b>	<b>2,696</b>
<b>Netting profit and loss</b>	
	€ thousand
Expenses arising from pension obligations	789
<b>Net expense stated under personnel expenses</b>	<b>789</b>
Interest expense arising from pension obligations	2,363
Reversals of impairments to cover assets	(903)
Income from cover assets	(16)
<b>Net expenses stated under net interest income</b>	<b>1,444</b>

**Other provisions**

Other provisions, amounting to €46,453 thousand, comprise the following:

	31.12.2021	31.12.2020
	€ thousand	€ thousand
Personnel provisions	14,256	14,574
of which, share-based remuneration components	7,699	8,279
of which, bonus	5,534	5,277
of which, other personnel provisions	1,023	1,018
Outstanding invoices	15,763	17,632
Provisions for anticipated losses	7,140	0
Other provisions	4,061	4,179
Provisions for incentive programme	2,001	3,416
Provisions recognised as part of the restructuring programme	1,582	2,049
Flexible working time credit balance	857	795
Provisions for claims for damages	493	0
Provisions for Supervisory Board remuneration	300	320
	<b>46,453</b>	<b>42,965</b>

## Equity

The share capital of Eurex Clearing remains unchanged at €25,000,000. It is divided into 2,000,000 no-par value registered shares. The shares may be assigned only with the Company's consent. As in the previous year, the calculated par value per share is €12.50.

Equity changed as follows:

	€ thousand	€ thousand	€ thousand	€ thousand
	Subscribed capital	Capital reserves	Retained earnings	
			Legal reserves	Other retained earnings
Carried forward as at 1 January 2021	25,000	715,313	2,500	7,000
Addition	-		-	-
Addition from 2021 net income	-	-	-	-
Balance as at 31 December 2021	25,000	715,313	2,500	7,000
Total shareholder's equity	749,813			

Since the market price of the plan assets is higher than their acquisition cost, there is a block on distributions of €301 thousand (previous year: €2,109 thousand) in accordance with section 268 (8) of the HGB in conjunction with section 301 AktG .

## Income statement disclosures

### Interest income

Interest income and other operating income are primarily generated in Germany; a breakdown by geographical markets in accordance with section 34 (2) no. 1 of the RechKredV has therefore not been carried out. Interest income in the amount of €215,439 thousand (previous year: €281.317 thousand) mainly comprised lending and money market transactions with negative interest rates.



### Interest expense

Interest expense in the amount of €140,969 thousand (previous year: €197,291 thousand) mainly comprises interest expense from transactions with negative interest rates.

### Commission expense

Commission expense amounted to €12,748 thousand (previous year: €10,580 thousand and is primarily related to bank fees.

### Other operating income

Other operating income amounting to €98,943 thousand (previous year: €119,247 thousand) consists of:

	31.12.2021	31.12.2020
	€ thousand	€ thousand
Services for Eurex Frankfurt AG	81,797	79,120
<i>Thereof from operational management services</i>	81,184	79,118
Services for Deutsche Börse AG	12,086	13,934
Income from the reversal of provisions	2,800	1,749
Income from currency valuation	964	21,935
Miscellaneous other operating income	827	2,218
Services for Eurex Repo GmbH	205	70
Services for Eurex Securities Transaction Services GmbH	171	137
Services for Clearstream Banking AG	54	62
Services for Clearstream Banking Luxembourg S.A.	39	14
Services for Eurex Security Trustee GmbH	0	6
Services for Eurex Global Derivatives AG	0	2
	<b>98,943</b>	<b>119,247</b>

**General administration expenses**

The other administration expenses are broken down as follows:

	31.12.2021	31.12.2020
	€ thousand	€ thousand
Agency agreement services	38,933	46,097
provided by Deutsche Börse AG	25,214	27,963
provided by Clearstream Operations Prague s.r.o.	4,220	2,236
provided by Eurex Repo GmbH	2,641	2,947
By Eurex Frankfurt AG London Branch	2,084	1,329
provided by Eurex Frankfurt AG	-310	8,664
By Eurex Frankfurt AG Singapore Branch	1,126	1,301
provided by Deutsche Börse Systems Inc.	955	263
provided by Eurex Global Derivatives AG	679	82
By Clearstream Holding AG	496	99
provided by Clearstream Banking S.A.	213	12
By Deutsche Börse AG Paris Branch	143	79
provided by Clearstream Banking AG	1,039	212
provided by CS Luxembourg	433	504
By Regulatory Services GmbH	0	406
Communication	26,781	19,916
IT costs	11,973	9,007
provided by Deutsche Börse AG	10,691	7,579
External consultancy costs	10,328	17,704
Non-deductible input tax	7,511	12,177
Cooperation costs with Nasdaq OMX	1,452	1,276
Marketing costs	961	1,153
Other administration expenses	1,064	1,561
	<b>99,003</b>	<b>108,891</b>

In order to standardize the allocation of services in the Deutsche Börse Group and to increase transparency, the business operation costs were reclassified from other operating expenses to other administration expenses.

### **Other operating expenses**

Other operating expenses amounting to €10,119 thousand (previous year: €34,426 thousand) mainly comprise the provision for onerous contracts of €6,000 thousand (previous year: €0 thousand) for the discontinuance of the OTC Business FX.

### **Transfer of profit**

Based on the profit transfer agreement with Eurex Frankfurt, an amount of €10,784 thousand (previous year: €12,041 thousand) is transferred.

### **Auditor's fee**

In accordance with section 285 no. 17 of the HGB, disclosures on the auditor's fee are contained in the notes to the consolidated financial statements of Deutsche Börse.

In addition to the audit of the annual report and the management report of Eurex Clearing, the auditor conducted an audit of the separate financial statements of Eurex Clearing, which are prepared voluntarily in accordance with IFRS.

### **Other information about the clearing business**

As at 31 December 2021, market participants had netting-eligible gross payment obligations from open positions due to transactions traded via the central counterparty with a total value of €112,4 billion (previous year: €87.5 billion). From the point of view of Eurex Clearing, the receivables and liabilities from these open positions always fully offset each other. The total value of €112,4 billion takes into account gross payment obligations, i.e. the risk-oriented net view would lead to a significantly lower value.

To hedge Eurex Clearing's risk in the event of the default of a clearing member, the clearing conditions require clearing members to deposit margins in the form of cash or securities on a daily or intraday basis in the amount stipulated by Eurex Clearing.

The aggregate margin calls based on the executed transactions and clearing fund requirements amounted to €66,793.6 million at the reporting date (previous year: €55,955.5 million). The actual collateral deposited was as follows:

<b>Composition of Eurex Clearing's collateral (after haircuts)</b>		
	<b>Collateral value as at 31 Dec 2021</b>	<b>Collateral value as at 31 Dec 2020</b>
	€m	€m
Cash collateral (cash deposits) <sup>1)</sup>	34,359.6	31,625.7
Securities and book-entry securities collateral <sup>1)</sup>	46,811.0	41,243.2
<b>Total</b>	<b>81,170.6</b>	<b>72,868.9</b>

<sup>1)</sup> Including clearing fund

As at 31 December 2021, the volume of Eurex Clearing's clearing fund stood at €6,799.5 million (previous year: €6,271.0 million).

### Other financial obligations

Amount in €m	Total amount	Thereof: up to 1 year	Thereof: 1-5 years
Rental, leasing and maintenance contracts (previous year)	2.3 (3.3)	1.2 (1.1)	1.1 (2.2)
Other agreements (previous year)	0.9 (0)	0.9 (0)	0 (0)
Management and agency agreements (previous year)	17.1 (15.7)	17.1 (15.7)	0 (0)
- Thereof to affiliated companies (previous year)	17.1 (15.7)	17.1 (15.7)	0 (0)
<b>Total amount</b>	<b>20.3 (19.0)</b>	<b>19.2 (16.8)</b>	<b>1.1 (2.2)</b>

There are no other financial obligations that exceed five years.

## Other disclosures

### Supervisory Board

The members of the Supervisory Board are:

Jeffrey Tessler <i>Chairman</i>	Member of the Supervisory Board of China Europe International Exchange AG, Frankfurt/Main, Chairman of the Supervisory Board of Eurex Frankfurt AG, Frankfurt/Main
Gregor Pottmeyer <i>Deputy Chairman</i>	Member of the Executive Board, Deutsche Börse AG, Frankfurt/Main
Peter Barrowcliff (until 23 June 2021)	Former Managing Director, Société Générale Newedge UK Financial Limited, London
Charles Bristow	Co-Head of Global Rates Trading & Head of Funding & Capital Macro Markets, JP Morgan Securities PLC, London
Nikolaus Ralf Horst Giesbert	Divisional Board Member, Fixed Income, Currencies & Commodities, Trade Finance & Cash Management, Commerzbank AG, Frankfurt/Main
Wim den Hartog	Managing Director, STX Group B.V., Amsterdam
Clifford M. Lewis	Lead Independent Director, Eris Exchange, Chicago Non-Executive Chair, TradAir, Tel Aviv
Roselyne Renel	Group Chief Credit Officer, Lloyds Banking Group, Berlin
Thilo Roßberg	Head of Fixed Income Currency & Commodity Markets, Landesbank Baden-Württemberg, Stuttgart
Tammo Diemer	Member of the Executive Board of Federal Republic of Germany Finance Agency GmbH, Frankfurt/Main
David Feldmann	Managing Director and Head of Markets in Germany, Austria and Switzerland, Deutsche Bank AG, Frankfurt am Main
Tong Lee	Head of Fixed Income & Currencies and a member of Markets Executive Committee, UniCredit S.p.A., Milan

Katrin Labitzke                                      Former Head of CRO Central Functions, UniCredit Bank AG  
(since 23 September 2021)

The members of the Supervisory Board received remuneration of €300 thousand in the year under review.

### Executive Board

The members of the Executive Board are:

Erik Tim Müller                                      Chief Executive Officer (CEO)  
*Chairman*    Responsible for Human Resources, Compliance, Internal Audit, Legal, Corporate Office, Sales, Communication & Media, Treasury

Matthias Graulich                                    Chief Strategy Officer  
Responsible for Business Development, Strategy, Pricing, Marketing

Dr Dmitrij Senko                                    Chief Risk Officer  
Responsible for Models & Analytics, Model Validation, Default Management, Risk Exposure Management, Credit, Treasury Back Office, Enterprise Risk Management, Financial Accounting & Controlling, Business Continuity Management, Business Information Security

Manfred Matusza                                    Chief Technology Officer  
Responsible for Clearing & Risk IT, System Architecture, Networks & Infrastructure, SAP & Office Automation, Group Security

Jens Janka    Chief Operating Officer  
Responsible for Clearing Design, Clearing Models, Clearing Delivery & Control, Member Services & Admission, Vendor Relations & Market Readiness, Facility Management, Purchasing & Resourcing, Outsourcing Management

Total remuneration paid to members of the Executive Board in 2021 amounted to €4,844.3 thousand (previous year: €3,607.4 thousand), including share-based compensation of €2,081.9 thousand (previous year: €1,192.7 thousand). The corresponding shares were valued in the year under review at the market price on the reporting date.

The estimated number of shares (5,710) is based on the share price of Deutsche Börse on the reporting date.

A total of €3,677 thousand has been reserved for pension obligations to former members of the Executive Board and their surviving dependants.

### **Appointments to supervisory boards and other supervisory committees**

In accordance with section 340a (4) no. 1 of the HGB, a list of appointments to supervisory boards and other supervisory committees is presented below:

Erik Tim Müller

- Eurex Deutschland AG, Frankfurt am Main, Member of the Management Board
- International Swaps and Derivatives Association (ISDA), New York City, Member of the Board of Directors

Matthias Graulich

- Eurex Repo GmbH, Frankfurt am Main, Managing Director

Dr. Dmitrij Senko

- CCP12 (global association of CCPs); Member of Executive Committee, EMEA Vice Chair

## Employees

As at 31 December 2021, the number of employees at Eurex Clearing AG (excluding the Executive Board) was 296.6 (previous year: 271.5). During financial year 2021, the average number of employees was 291.3 (previous year: 261.5).

	Male	Female	Total
Management employees	15.2	6.0	21.2
Non-management employees	168.5	101.6	270.1
<b>Number of employees</b>	<b>183.7</b>	<b>107.6</b>	<b>291.3</b>

## Intercompany agreements

As part of the profit transfer agreement concluded between Eurex Clearing and Eurex Frankfurt, Eurex Clearing is obliged to transfer its net income for the year to Eurex Frankfurt, less any losses carried forward from the previous year and the amount to be added to the reserves, as required by section 300 of the AktG. At the same time, Eurex Frankfurt is required during the term of the agreement to make up any annual deficit incurred at Eurex Clearing through loss absorption, provided such losses have not already been offset through transfers from other retained earnings added during the term of the agreement.

A shareholders' agreement is in place between Deutsche Börse AG and Eurex Global Derivatives AG, which governs in particular the collaboration of the Eurex companies (EFAG and ECAG), the distribution of turnover and the reimbursement of operational management expenses. With regard to Deutsche Börse AG, the operational management agreement with Eurex Frankfurt AG and the "clearing" agency agreement between Eurex Frankfurt AG and Eurex Clearing AG should be emphasised. There are identical agreements between Eurex Global Derivatives AG and Eurex Frankfurt AG and Eurex Clearing AG. On the basis of the "clearing" agency agreement, Eurex Clearing AG receives the combined trading and clearing fees for operating and clearing on the Eurex derivatives market in its own name and for the account of third parties for Deutsche Börse AG and Eurex Global Derivatives AG. The corresponding fees will be divided between Deutsche Börse AG and Eurex Global Derivatives AG at a ratio of 85:15. Fees for connecting trading participants to the Eurex systems are invoiced centrally to Eurex Frankfurt for all Eurex companies and are forwarded in full at a ratio of 85:15. On the basis of the shareholders' agreement, it was stipulated between Deutsche Börse AG and Eurex Global Derivatives AG that the operational management expenses of



Eurex Frankfurt AG and Eurex Clearing AG are assumed by Deutsche Börse AG and Eurex Global Derivatives AG at a ratio of 85:15.

### **Group structure**

Eurex Clearing is a wholly-owned subsidiary of Eurex Frankfurt, which has its registered office in Frankfurt/Main. In addition, Eurex Frankfurt is a wholly-owned subsidiary of Deutsche Börse AG, which has its registered office in Frankfurt/Main.

Eurex Clearing is incorporated into the consolidated accounts of Deutsche Börse AG, Frankfurt/Main, which may be viewed at the business premises of the Company. These consolidated financial statements exempt the Company from the requirement to produce accounts in accordance with the HGB. The consolidated financial statements of Deutsche Börse are prepared on the basis of International Financial Reporting Standards (IFRS) and published in the electronic German Federal Gazette.

In accordance with section 20 (4) of the AktG, Deutsche Börse and Eurex Frankfurt have notified us that they hold a majority interest in the Company.

### **Disclosure requirements in accordance with Part 8 of Directive (EU) no. 575/2013**

Eurex Clearing AG meets the disclosure requirements in accordance with Part 8 of Directive (EU) no. 575/2013 (CRR) by publishing

1. a remuneration report for the fulfilment of the disclosure requirements in accordance with Article 450 of the CRR; and
2. a disclosure report for all other matters requiring disclosure in accordance with Part 8 of the CRR and regarding details for governance arrangements in accordance with section 26a (1) clause 1 of the KWG.

Both reports are published on the Eurex Clearing website (<https://www.eurex.com/ec-en/>). The remuneration report is accessible by year on the following website: <https://www.eurex.com/ec-en/find/about-us/remuneration>. The disclosure report is available on the website <https://www.eurex.com/ec-en/find/about-us/pillar-3-disclosure-report-year>. The reports for financial year 2021 are not yet available online as at the publication date of the 2021 annual report.

### **Report on events after the reporting date**

No material, reportable events have taken place since the end of financial year 2021.

Frankfurt am Main, 9 March 2022

Eurex Clearing Aktiengesellschaft

Erik Tim Müller

Matthias Graulich

Manfred Matusza

Dr Dmitrij Senko

Manfred Matusza

**Statement of changes in non-current  
assets as at December 31, 2021**



Eurex Clearing AG, Frankfurt am Main

Statement of changes in non-current assets as at December 31, 2021

	Costs				Depreciation and amortization				Carrying amounts				
	Balance as at 1/1/2021 €	Additions 2021 €	Disposals 2021 €	Reclassification 2021 €	Balance as at 12/31/2021 €	Balance as at 1/1/2021 €	Depreciation 2021 €	Write-Ups 2021 €	Disposals 2021 €	Reclassification 2021 €	Balance as at 12/31/2021 €	12/31/2021 €	12/31/2020 €
<b>Property, plant and equipment</b>													
Operating and business equipment	31.653,47	0,00	0,00	0,00	31.653,47	25.693,47	2.423,00	0,00	0,00	0,00	28.116,47	3.537,00	5.960,00
	<b>31.653,47</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>31.653,47</b>	<b>25.693,47</b>	<b>2.423,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>28.116,47</b>	<b>3.537,00</b>	<b>5.960,00</b>
	<b>31.653,47</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>31.653,47</b>	<b>25.693,47</b>	<b>2.423,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>28.116,47</b>	<b>3.537,00</b>	<b>5.960,00</b>



**INDEPENDENT AUDITOR'S REPORT**

To EUREX Clearing Aktiengesellschaft, Frankfurt am Main

***REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT****Audit Opinions*

We have audited the annual financial statements of EUREX Clearing Aktiengesellschaft, Frankfurt am Main, which comprise the balance sheet as at 31 December 2021, and the statement of profit and loss for the financial year from 1 January to 31 December 2021 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of EUREX Clearing Aktiengesellschaft for the financial year from 1 January to 31 December 2021.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the financial year from 1 January to 31 December 2021 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

*Basis for the Audit Opinions*

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we

declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

### *Key Audit Matters in the Audit of the Annual Financial Statements*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

#### ① Calculation of other operating income from services

Our presentation of this key audit matter has been structured as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matter:

#### ① **Calculation of other operating income from services**

- ① In the annual financial statements of EUREX Clearing AG income from services provided to Eurex Frankfurt AG and Deutsche Börse AG totaling EUR 94 million is reported under the line item "Other operating income" in the income statement.

Agency and management agreements are in place between EUREX Clearing AG, Eurex Frankfurt AG and Deutsche Börse AG, under which EUREX Clearing AG provides clearing services on the markets operated by Eurex Frankfurt AG and Deutsche Börse AG. As consideration, EUREX Clearing AG receives from those companies a reimbursement of all the associated costs incurred plus a profit mark-up that it recognizes in other operating income. Due to the extensive service relationships between EUREX Clearing AG and companies of the Deutsche Börse Group, and the material significance of other operating income from services for the Company's financial performance, this matter was of particular significance in the context of our audit.

- ② As part of our audit, we initially inspected the relevant contracts for the intra-Group settlement of services, gained an understanding of the contractual arrangements and assessed their accounting treatment. On that basis, we assessed the appropriateness of the design of the controls in the Company's relevant internal control systems and tested the effectiveness of



those controls. In doing so, we also considered the IT systems used and the relevant billing processes. We also examined, on a test basis, the amount of income received. Based on our audit procedures, we were able to satisfy ourselves overall that the method used to calculate other operating income from services is appropriate.

- ③ The Company's disclosures on services provided to Eurex Frankfurt AG and Deutsche Börse AG are contained in the section "Other operating income" in the notes to the annual financial statements. The contractual basis is presented in the section "Corporate agreements and other agreements".

*Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report*

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

### *Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report*

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the

date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

### ***OTHER LEGAL AND REGULATORY REQUIREMENTS***

#### ***Further Information pursuant to Article 10 of the EU Audit Regulation***

We were elected as auditor by the annual general meeting on 22 April 2021. We were engaged by the supervisory board on 15 August 2021. We have been the auditor of the EUREX Clearing Aktiengesellschaft, Frankfurt am Main, without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

***GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT***

The German Public Auditor responsible for the engagement is Dr. Michael Rönning.

Frankfurt am Main, 22 March 2022

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

sgd. Dr. Michael Rönning  
Wirtschaftsprüfer  
(German Public Auditor)

sgd. Nicolle Pietsch  
Wirtschaftsprüferin  
(German Public Auditor)

