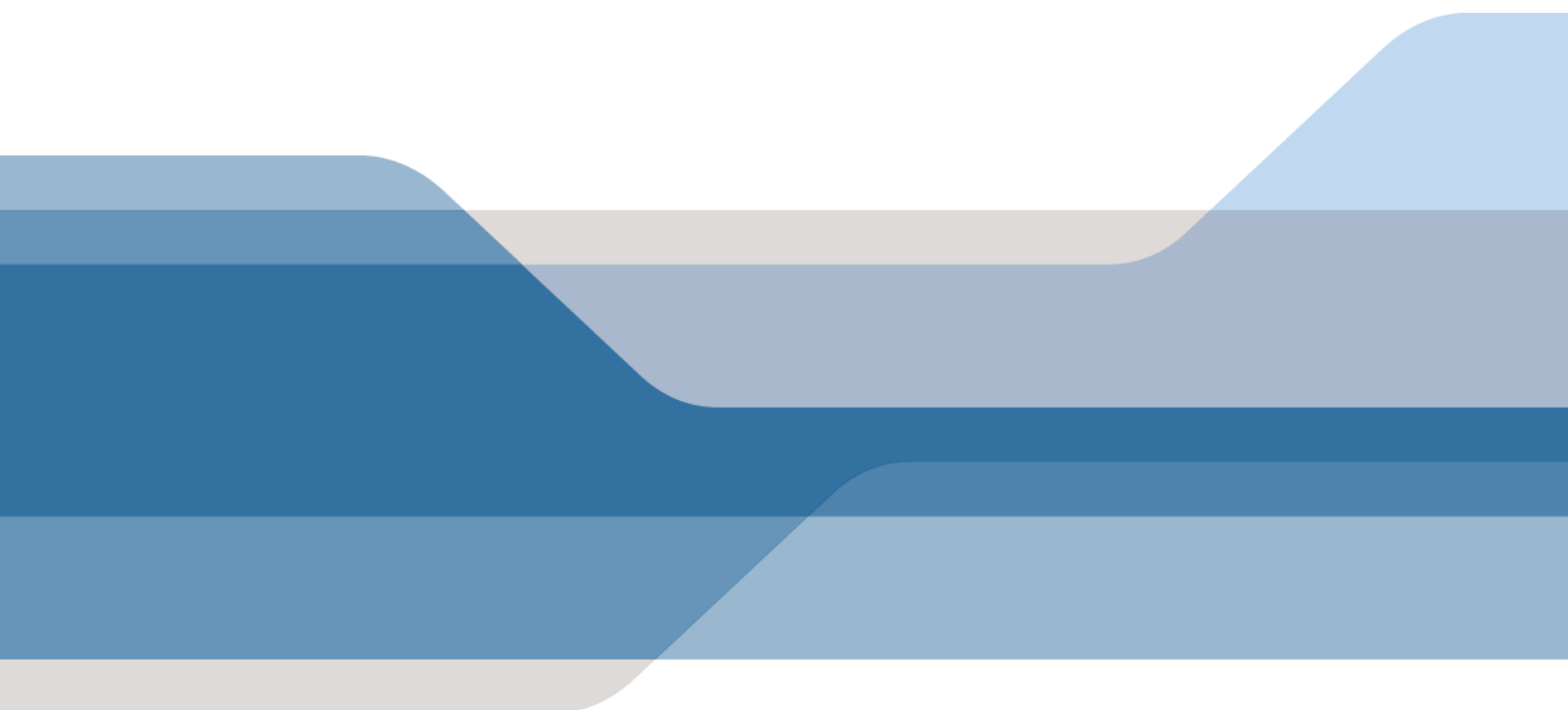


Annual Report 2009

SIX Securities Group Ltd
Brandschenkestrasse 47
CH-8002 Zurich



Preface	3
Annual report	4
Consolidated balance sheet	6
Consolidated income statement	7
Consolidated cash flow statement	8
Annex to the financial statements	9
Report of the auditors on the consolidated financial statements	34
Balance sheet of SIX Securities Group Ltd	36
Income statement of SIX Securities Group Ltd	37
Annex to the financial statements of SIX Securities Group Ltd	38
Report of the auditors for SIX Securities Group Ltd	41
Corporate bodies and addresses	43

Preface

SIX Securities Group is a part of SIX Group.

SIX Group operates Switzerland's financial market infrastructure and offers on a global scale comprehensive services in the areas of securities trading, securities services, as well as financial information and payment transactions. As a globally operating infrastructure provider, the company is an important pillar of the Swiss financial center.

SIX Securities Group is an internationally operating, leading full-service provider of clearing, settlement, risk management, securities custody and share register services. It provides the Swiss financial centre and international markets with an efficient and largely-automated infrastructure.

With its subsidiaries SIX SIS, SIX x-clear, SIX SAG and SIX Systems, SIX Securities Group forms the Securities Services division covering the securities services business field.

Annual report of SIX Securities Group

Key figures of SIX Securities Group

	2008	2009
Business income (in CHF 1,000)	206,578	170,429
Workforce as at 31.12. (full-time equivalents)	396.6	411.6
Business income per employee ¹	531	422
Number of settlement transactions (in 1,000)	34,331	28,842
Deposit volume (in CHF m)	2,447,808	2,859,554
Increase in customer holdings (in CHF m)	43,452	55,728
Number of clearing transactions (in 1,000)	25,422	33,371

¹ Staff number = Average number of full-time equivalents

Securities Services

Extensive network in the European market

SIX Securities Group has strengthened its position in cross-border securities settlement in Europe with its participation in the joint venture Link Up Markets and the preparations for founding SIX SIS International. The number of clearing transactions increased significantly following the link-up to several foreign trading platforms. Business income came under pressure due to a reduction in tariffs, smaller trading volumes and low interest rates, resulting in a decrease of 14.4% to CHF 170.4 million.

A far-reaching transformation is currently taking place in the post-trading business in Europe. Changes to the regulatory framework have led to the opening of markets and the establishment of new trading platforms. This provides SIX Securities Group with an opportunity to significantly increase its customer base and expand its international network in the Securities Services business field. One important development is the European Central Bank's plan to create a central settlement infrastructure for Europe by 2013 in the form of TARGET2-Securities.

Expansion of clearing activities

SIX Securities Group's business income decreased from CHF 206.6 million in the previous year to CHF 170.4 million. This is attributable to the new pricing structure with reduced tariffs which was introduced by SIX SIS at the beginning of the year as well as lower interest rates on client custody accounts as a result of the generally lower level of interest. The number of settlement transactions at SIX SIS fell to 28.8 million (2008: 34.3 million). As a result of the link-up to new trading platforms, the number of clearing transactions effected through SIX x-clear increased from 25.4 million to 33.4 million. The volumes held within the client custody accounts rose from CHF 2,447,808 million in the previous year to CHF 2,859,554 million. Growth of assets amounted to CHF 55,728 million, an increase of 28% compared to the preceding year's figure. A total of 158 clients engaged in the Repo business, 18 more than in 2009. SIX

SAG expanded its leading position in share register management for Swiss companies, winning 12 additional clients. This brought the total number of clients to 191 at the end of 2009.

Thanks to their sound capital resources, SIX SIS and SIX x-clear were once again awarded a peak rating of Prime 1 for short-term deposits and Aa1 for long-term deposits by Moody's in 2009. This served to confirm the valuations of the previous years. Furthermore, SIX SIS ranked "Best in Class" for all business segments operated by the company in the international survey carried out each year by the Global Custodian magazine, a recognized and independent trade publication.

International initiatives

SIX Securities Group systematically pressed ahead with internationalization in 2009. In March 2009, Link Up Markets – a joint venture between SIX SIS and seven European central securities depositories (CSDs) – commenced operations. Link Up Markets offers clients of participating companies access to the settlement and custody infrastructure of linked markets. During the course of the year, the first non-European CSD, namely Strate from South Africa, joined the network.

The international expansion of the settlement and custody business necessitated preparations for the founding of the new company SIX SIS International. This move will enable SIX Group to cater more flexibly to client requirements in the cross-border securities settlement area. SIX SIS International has applied for a banking license under Swiss law. Furthermore, SIX SIS has been developing concepts for the appropriate business model with regard to future participation in TARGET2-Securities.

After the London Stock Exchange (LSE) introduced SIX x-clear as a second central counterparty at the end of 2008, many additional stock exchange organizations and multilateral trading facilities (MTFs) followed suite: NYFIX, Equiduct, Liquidnet, CHI-X, BATS, Nasdaq OMX Europe, Turquoise and Nasdaq OMX all reached corresponding agreements with SIX x-clear during the course of 2009. Measured by the number of linked trading platforms, SIX x-clear is meanwhile positioning itself as Europe's second-ranking provider. SIX x-clear has opened a branch office in Stockholm which will improve customer proximity in the Scandinavian markets.

Focusing on implementation

SIX Securities Group aims to significantly increase international clearing volumes and connect to further European stock exchanges and MTFs. SIX SIS International is expected to become operational in the first half of 2010 once it has received a banking license from FINMA. As a result of international expansion, SIX Securities Group expects a distinctive increase in clearing transaction volumes as well as cross-border settlement and custody in 2010. Despite low interest rates, a slight increase in turnover revenue is expected if securities markets remain stable. A drive for increased regulation of the infrastructure sector is expected within the EU in the course of 2010. The interoperability guidelines for clearing organizations and CSDs will subsequently have an impact on business development. Along with domestic and foreign stakeholders, SIX Securities Group is involved internationally in the lobbying process concerning the regulatory framework.

Consolidated balance sheet as at 31 December 2009

(CHF 1,000)	Annex	31.12.2008	31.12.2009
Assets			
Liquid funds		439,756	841,204
Due from banks	3.6	1,874,420	2,650,747
Due from clients	3.1	11,323	97,331
Securities trading portfolio	3.2, 3.6	5,456	3,350
Financial investments	3.2	1,071	1,071
Non-consolidated participations	3.3	6,710	6,253
Fixed assets	3.4, 3.6	54,526	50,281
Accrued income and prepaid expenses		5,564	1,185
Other assets	3.5	18,311	104,174
Total assets		2,417,136	3,755,596
Total due from qualified participants		17,146	102,104
Liabilities			
Due to banks		1,899,886	2,782,429
Due to clients		13,872	4,998
Prepaid expenses and deferred income		38,179	22,508
Other liabilities	3.5	58,842	547,613
Value adjustments and provisions	3.7, 3.8	54,678	50,181
Share capital	3.9, 3.10	26,000	26,000
Own shares	3.10	–	–
General legal reserves	3.10	34,550	34,910
Free reserves	3.10	131,521	136,721
Retained earnings	3.10	104,084	125,284
Group net income	3.10	55,525	24,952
Total liabilities and equity		2,417,136	3,755,596
Total due to qualified participants		169,603	83,073
Off-balance sheet transactions			
Irrevocable commitments		8	12
Equity derivatives			
Contract volumes	4.3	3,602,650	4,293,586
Positive replacement values	4.3	37,578	25,285
Negative replacement values	4.3	37,584	25,124
Fiduciary transactions	4.4	816	639

Consolidated income statement 2009

(CHF 1,000)

	Annex	2008	2009
Business income			
Net interest income			
Interest and discount income		56,274	8,804
Interest and dividend income from securities trading portfolio		229	130
Interest expenses		– 19,290	– 635
Net interest income		37,213	8,299
Net commission and other services business income			
Income from transaction activities		49,367	32,896
Income from custody and management activities		70,495	83,147
Income from global funds business		1,058	2,177
Income from SLB and Repo activities		9,884	8,626
Income from other services business		19,283	17,515
Income from clearing services		6,883	7,559
Net commission and other services business income		156,969	151,919
Net trading income	5.1	– 964	1,224
Net other income			
Participation income Group		79	– 562
Net sundry income		13,758	9,932
Other ordinary expenses		– 478	– 382
Net other income		13,359	8,987
Total business income		206,578	170,429
Operating expenses			
Personnel expenses	5.2	– 60,853	– 64,119
Non-recurring expenses for pension fund changeover	3.8, 5.2	–	–
Other operating expenses	5.3	– 59,295	– 68,378
Total operating expenses		– 120,148	– 132,497
Gross income		86,430	37,933
Depreciation on fixed assets	3.4	– 12,635	– 12,283
Valuation adjustments, provisions and losses	3.8	– 8,098	–
Subtotal		65,698	25,649
Extraordinary income	5.4	5,162	6,692
Extraordinary expenses	5.4	–	– 270
Taxes	5.5	– 15,335	– 7,119
Group net income		55,525	24,952

Consolidated cash flow statement 2009

(CHF 1,000)	Annex	2008	2009
Group net income		55,525	24,952
Depreciation on fixed assets	3. 4	12,625	12,283
Allocations to valuation adjustments and provisions	3. 8	9,471	- 3,599
Decrease in valuation adjustments and provisions	3. 8	- 6,200	-
Cash flow from operations		71,421	33,636
Dividend payments	3.10	- 3,900	- 24,765
Own shares	3.10	-	-
Cash flow from equity transactions		- 3,900	- 24,765
Change in non-consolidated interests	3. 3	- 2,289	562
Change in financial investments	3. 2	-	-
Additions to fixed assets	3. 4	- 1,302	- 129
Disposals of fixed assets	3. 4	10	642
Additions to intangible assets	3. 4	- 8,850	- 8,551
Disposals of intangible assets	3. 4	-	-
Cash flow from fixed assets		- 12,431	- 7,476
Cash flow from financing activities		- 4,844	- 899
Change in net current assets		50,246	496

Annex

1. Notes on business activities and workforce

SIX Securities Group is the parent company of five operating units: SIX SIS Ltd, SIX SIS International Ltd, SIX x-clear Ltd, SIX SAG Ltd and SIX Systems Ltd. As a wholly-owned subsidiary of SIX Group, it comprises the Securities Services business field.

SIX SIS Ltd's core business is the settlement of securities transactions as well as the safekeeping and administration of securities both in Switzerland and abroad. As the national central securities depository (CSD), SIX SIS is a key element of the Swiss Value Chain. It also offers global custody services. As a licensed bank under Swiss law, SIX SIS is supervised by the Swiss Financial Market Supervisory Authority (FINMA). Financial system supervision is performed by the Swiss National Bank.

As central counterparty (CCP), SIX x-clear Ltd provides clearing services for SIX Swiss Exchange as well as, since 2008, for the London Stock Exchange. SIX x-clear is responsible for risk management within SIX Securities Group. As a licensed bank under Swiss law, SIX x-clear is supervised by FINMA. Financial system supervision is performed by the Swiss National Bank. Furthermore, the company has Recognised Overseas Clearing House (ROCH) status in the United Kingdom.

SIX SAG Ltd's core business comprises the management of share registers for third companies. Further specialities include the preparation, organization and holding of general meetings on a mandate basis as well as services in connection with special share registers. It also supports companies planning a change of corporate structure or an initial public offering.

SIX Systems Ltd provides IT and logistics services to all SIX Securities Group companies. The company maintains a wide-ranging network of partners, uses state-of-the-art technologies and systematically exploits outsourcing opportunities.

Workforce

At year-end 2009, SIX Securities Group Ltd employed 411 staff members on a full-time equivalent basis (year-end 2008: 396).

Outsourcing

As of 1 April 2006, SIX Securities Group outsourced the operation and maintenance of its computer center to SIX Group Services Ltd. This outsourcing arrangement is governed by Service Level Agreements in compliance with FINMA regulations. Staff members of SIX Group Services Ltd are obligated to maintain banking secrecy.

2. Principles of accounting and valuation

All amounts shown in the financial statements have been rounded. Therefore, the totals may deviate from the sum of the individual values.

General principles

The accounting, reporting and valuation for the individual companies comply with the provisions of the Swiss Code of Obligations and the accounting guidelines of the Swiss banking legislation (BAG SFBC). As the entire Group is supervised by FINMA, the financial statements of the Group have also been consolidated in line with the accounting guidelines of the Swiss banking legislation. SIX Securities Group applies the true and fair view principle in the consolidated financial statements. Settlement date accounting was applied to all transactions, i.e. the transactions are shown in the balance sheet as at the relevant settlement/value date.

Detail positions reported under a specific balance sheet item are valued individually.

Scope and method of consolidation

The consolidated financial statements comprise all substantial participations, which are fully consolidated. All assets and liabilities as well as income and expenditure are reported at their full value (100%). Group-internal receivables and liabilities as well as income and expenditure are offset against the individual Group companies. The consolidation is effected at the time of purchase according to the purchase method. AccuMatch AG is consolidated according to the equity method.

Conversion of foreign currencies

Transactions in foreign currency are posted at the current exchange rates. Balance sheet items in foreign currencies are translated into Swiss francs at the exchange rates applicable on the balance sheet date. Exchange rate gains or losses are credited or debited to the income statement.

Currency	USD	EUR	GBP	JPY	HKD	CAD
Unit	1	1	1	100	100	1
Exchange rates as at 31.12.2009	1.03	1.49	1.66	1.12	13.29	0.98
as at year-end 2008	1.06	1.49	1.53	1.17	13.64	0.87

Liquid funds, money market papers

These items are shown in the balance sheet at their nominal value.

Receivables from and liabilities towards banks and clients

Receivables and liabilities in CHF are shown at their nominal values. Risks arising in respect of customer claims are taken into account in the balance sheet item "Valuation adjustments and provisions." Predictable risks of loss are accounted for through individual valuation adjustments and latent risks through flat-rate valuation adjustments calculated on the basis of clearly defined rates.

Claims and liabilities towards banks arise mainly from clearing and settlement activities between SIX SIS Ltd and SIX x-clear Ltd with financial organizations in Switzerland and abroad.

Securities trading portfolio

The securities trading portfolio is reported at market value.

Financial investments in securities

Financial investments are stated at the lower of cost or market value.

Lending and repurchase transactions in securities

In accordance with the accounting guidelines, the substance over form principle applies for lending and repurchase activities with securities. Thus, non-monetary values are shown in the balance sheet of the party delivering these values.

- Securities lending and borrowing transactions

SIX Securities Group lends and borrows non-monetary instruments such as money market papers or securities for its own account and risk (principal status). Basically, it only engages in trading book transactions, whereby receivables and liabilities arising from the lending or borrowing of non-monetary instruments are valued at market price. Lending transactions in securities or money market papers are treated like repo transactions, provided they are covered by cash collateral and are subject to daily margining. Lending transactions in securities or money market papers that are not covered by cash collateral are not included in the balance sheet, but shown in the Annex. Fees paid and received are shown under commission income rather than interest income.

- Repurchase and reverse repurchase transactions (Repo)

Repo transactions are shown in the balance sheet as cash deposits against pledge of own securities. Reverse repo transactions are treated as loans covered by securities collateral. This emphasises the nature of such transactions as financing instruments. The transfer of securities is treated in such manner as if the securities had been pledged as collateral to cover the loan. Fees paid and received are shown under commission income rather than interest income.

Participations

Companies in which SIX Securities Group has a majority holding and management responsibilities are fully consolidated. All assets, liabilities, income and expenditures are included at 100%.

As an inactive non-bank participation, AccuMatch AG is consolidated according to the equity method.

Fixed assets

Fixed assets are shown in the balance sheet at the cost price less necessary depreciation. Depreciation is calculated using the straight-line method. All tangible assets are regularly assessed with respect to a possible impairment of their value.

The estimated useful life of the individual assets is defined as follows:

– Installations	max. 7 years
– Furnishings	max. 5 years
– SECOM and other software	immediate depreciation
– Hardware	3 to max. 5 years
– Vehicle park	max. 5 years
- Buildings and building installations ¹	max. 35 years

¹ Real estate is not depreciated.

SIX Securities Group does not report any intangible assets. Costs for own software developments are recognized in the balance sheet and fully written off within the same year.

Valuation adjustments and provisions

Allowance is made for risks predictable on the balance sheet date by means of individual valuation adjustments and provisions based on the accounting principle of prudence. Latent risks are covered by flat-rate adjustments and provisions.

The overall provision for default risks covers any latent defaults on balance sheet date with respect to short-term interim financing granted to ensure the settlement of securities transactions. Provisions depend on the balances on the balance sheet date: dependent on the account type, provisions of 0.2-1.0% of the respective balances are made per account. If the amount needed has increased year-on-year, it is charged to the income statement. If the amount is lower, the value of the previous year is used.

Adequate overall provisions have been made to cover latent operational risks on balance sheet date. Such provisions are established by setting aside 1.5-3.0% of the business income. Actual losses are allocated to existing provisions.

The provision for deferred taxes, included in the Group's consolidated statements as profit reserves, covers provisions in respect of safekeeping and other provisions. The amount of this provision is adjusted accordingly.

Pension fund liabilities

Pension fund liabilities are treated according to Swiss GAAP FER 16. SIX Securities Group offers defined contribution plans. On balance sheet date, SIX Securities Group has no liabilities in excess of the regulatory contributions.

Own shares

Own shares, for which a separate balance sheet item has been created, are deducted from capital and reserves at cost price. Dividend payments and disposal proceeds are allocated directly to the capital reserves. No own shares were held on the balance sheet date.

Information on off-balance sheet transactions

Off-balance sheet transactions requiring disclosure concern derivative financial instruments as well as fiduciary bank accounts. There are no contingent liabilities.

SIX Securities Group engages in transactions involving derivative financial instruments for its own account only to a very limited extent and for the sole purpose of hedging. The positive and negative replacement values as well as the respective contract volumes are spot transactions of SIX x-clear which were outstanding at year-end.

The fiduciary accounts are bank accounts held with third-party banks. SIX SAG administers these accounts in connection with the management of special share registers. Off-balance sheet transactions are reported in the tables under item 4.

Other assets and other liabilities

Other assets and other liabilities include SECOM settlement accounts as well as receivables and liabilities related to indirect taxes and towards social insurance institutions. This position further includes positive and negative replacement values.

Taxes

Current taxes for the year under review are reported on an accrual basis. The consolidated financial statements include latent taxes for untaxed profit reserves.

3. Balance sheet information

3.1 Summary of collateral for receivables and off-balance sheet transactions

Amounts due from clients

(CHF 1,000)	Previous year	31.12.2009
Due from clients	11,323	97,331
thereof without collateral	11,323	97,331
thereof impaired	–	–
Individual value adjustments	–	–

Off-balance sheet transactions

(CHF 1,000)	Previous year	31.12.2009
Contingent liabilities	–	–
thereof without collateral	–	–
Irrevocable commitments	8	12
thereof without collateral	–	–

3.2 Segregation of securities trading portfolio, financial investments and participations

3.2.1 Securities trading portfolio

	Book value		Market value	
	Previous year	31.12.2009	Previous year	31.12.2009
(CHF 1,000)				
Securities trading portfolio				
Debt instruments	5,456	3,350	5,456	3,350
thereof listed on a stock exchange	5,456	3,350	5,456	3,350
Equities				
Total securities trading portfolio	5,456	3,350	5,456	3,350
thereof securities eligible for Repo transactions according to liquidity regulations	5,456	3,350	5,456	3,350

3.2.2 Financial investments

	Book value		Fair value	
	Previous year	31.12.2009	Previous year	31.12.2009
(CHF 1,000)				
Financial investments in securities				
Debt instruments	–	–	–	–
Equities	2,669	1,071	2,996	1,071
Total financial investments in securities	2,669	1,071	2,996	1,071
thereof securities eligible for Repo transactions according to liquidity regulations	–	–	–	–

3.3 Information on substantial participations

(CHF 1,000)	Business activity	Capital 31.12.2009	Quote 31.12.2009	Quote 2008
Fully consolidated participations				
SIX Securities Group Ltd, Zurich	Holding company	26,000	Holding company	Holding company
SIX SIS Ltd, Olten	Settlement/Custody	26,000	100%	100 %
SIX x-clear Ltd, Zurich	Clearing	30,000	100%	100 %
SIX SAG Ltd, Olten	Share register	100	100%	100%
SIX Systems Ltd, Olten	Service provider	2,500	100%	100%
SIX SIS Nominee U.K. Ltd., Olten	Nominee	100	100%	100%
SIX SIS International Ltd, Zurich	Settlement/Custody	100	100%	0%

Items included in the participations and consolidated according to the equity method

AccuMatch AG, Zurich ¹	Inactive	301	70%	70%
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¹ Book value: CHF 3.074 m (previous year: CHF 3.089 m).

Link up, Madrid ¹	Settlement	EUR 8,043	17%	18%
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¹ Book value: CHF 1.475 m (previous year: CHF 2.023 m).

3.4. Property and equipment

(CHF 1,000)	Cost price	Accumulated depreciation	Book value 31.12.2008	Investments	Disposals	Depreciation	Book value 31.12.2009
Fixed assets							
Installations and furnishings	15,110	– 13,444	1,666	33	– 408	– 364	926
Hardware	21,849	– 21,817	32	0	–	– 13	19
Real estate and buildings ¹	116,378	– 63,550	52,828	96	– 233	– 3,356	49,335
Software	124,219	– 124,219	–	8,551	–	– 8,551	–
Total tangible assets	277,556	– 223,030	54,526	8,680	– 641	– 12,283	50,281

Fire insurance value of buildings	87,631	87,486
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Fire insurance value of sundry tangible assets	41,169	53,548
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¹ Real estate is not depreciated.

3.5 Other assets and other liabilities

(CHF 1,000)	Other assets		Other liabilities	
	Previous year	31.12.2009	Previous year	31.12.2009
Internal SECOM settlement accounts	5,277	98,099	29,363	522,336
Indirect taxes	636	372	15,533	16,308
Replacement values	11,331	5,685	11,331	5,685
Sundry assets and sundry liabilities	1,067	18	2,615	3,284
Total other assets and other liabilities	18,311	104,174	58,842	547,613

3.6 Assets pledged or assigned as cover for liabilities and assets under reservation of ownership

3.6.1 Pledged assets

	Previous year		31.12.2009	
	Amount of the claim or book value	Liabilities or claimed liabilities respectively	Amount of the claim or book value	Liabilities or claimed liabilities respectively
(CHF 1,000)				
Real estate and buildings	–	–	–	–
Due from banks	100,718	–	–	–
Securities trading portfolio	5,456	–	–	–
Total pledged assets	106,173	–	–	–

3.6.2 Lending and repurchase activities with securities

	Previous year	31.12.2009
(CHF 1,000)		
Book value of receivables deriving from cash deposits due to reverse repo transactions	917,042	1,334,771
Fair value of securities received due to securities lending and reverse repo transactions	1,011,661	1,515,349
Thereof: those for which the right to sell or pledge was granted without restriction	1,011,661	1,515,349
Thereof: resold or repledged securities	94,619	180,579

3.7 Liabilities towards own pension funds

(CHF 1,000)	Previous year	31.12.2009
Total liabilities towards own pension funds	487	503

3.7.1 Economic benefit from surplus cover

According to the latest audited financial statements (according to Swiss GAAP FER 26) of SIX Securities Group's pension funds, the covering ratio is as follows:

(in percent)	Previous year	31.12.2009
Occupational Benefits Foundation of Telekurs Holding AG, Zurich	–	102.10
Provident Fund of Swiss Banks and Savings Banks (Vorsorgekasse Schweizerischer Banken und Sparkassen), Bellinzona	100.20	–
<i>Based on the audited financial statements of the pension funds as at:</i>	<i>31.12.2007</i>	<i>31.12.2008</i>
According to a current pension fund estimate (unaudited), the covering ratio as at 31 December 2009 is above 105%.		

SIX Securities Group is connected to the pension fund of Telekurs Holding AG. SIX Securities Group does not gain any economic benefits in the event of a surplus cover.

3.7.2 Employer contribution reserves

(CHF 1,000)	Previous year	2009
as at 1 January	25,620	22,949
– Liquidation costs of the SIX Securities Group Ltd pension fund	–	– 152
– Withdrawals	– 924	–
– Change in profit on securities holdings	– 1,747	–
+ interest	–	–
as at 31 December	22,949	22,797

The pension fund of SIX Securities Group was purely a patronal foundation and was liquidated in the course of the 2009 business year. The entire liquidation surplus was transferred to the Occupational Benefits Foundation of Telekurs Holding AG as an employer contribution reserve. The employer contribution reserves are shown on the assets side of the SIX Securities Group balance sheet and fully offset since they are subject to designated uses (refer to table 3.8).

3.7.3 Pension fund expenses and the main influencing factors

(CHF 1,000)	Previous year	31.12.2009
Pension fund expenses according to the subsidiaries' financial statements	4,158	3,942
Additions/Withdrawals employer contribution reserves (without interest)	– 924	–
Subtotal: Deferred employer contributions on an accrual basis	3,234	3,942
Change in economic benefits/liabilities from surplus/shortage of cover	–	–
Pension fund expenses according to the consolidated income statement (contributions to staff pension funds)	3,234	3,942

3.8 Valuation adjustments and provisions

(CHF 1,000)	Balance at year-end 2008	Designated uses	Recoveries, interest at risk, currency differences	New amounts charged to income statement	Reversals credited to income statement	Balance at year-end 2009
Valuation adjustments and provisions for:						
Default risk (counterparty risk)	3,637	– 14	–	325	–	3,949
Operational risks	37,467	– 701	–	7,550	– 9,842	34,473
Latent taxes ¹	12,560	–	–	625	– 1,536	11,649
Pension fund changeover	–	–	–	110	–	110
Sundry provisions ²	1,014	– 183	–	51	– 882	–
Valuation adjustment of assets deriving from employer contribution reserves	22,949	– 152	–	–	–	22,797
Total valuation adjustments and provisions	77,627	– 1,051	–	8,661	– 12,260	72,978
less: valuation adjustments directly offset against assets	22,949	– 152	–	–	–	22,797
Total value adjustments and provisions as per balance sheet	54,678	– 899	–	8,661	– 12,260	50,181

¹ The change in provisions for latent taxes is shown in the consolidated income statement under tax expenses (in compliance with RRV-FINMA).

² There are no provisions for reorganizations in connection with the merger of SWX Group, SIS Group and Telekurs Group (previous year 0.87 m).

3.9 Company capital and shareholders holding more than 5% of all voting rights

The share capital entitled to dividends of SIX Securities Group amounts to CHF 26 m and consists of 260,000 registered shares with a nominal value of CHF 100 each.

	Previous year		31.12.2009	
	Nominal (CHF m)	Share in %	Nominal (CHF m)	Share in %
Shareholders				
SIX Group Ltd	26.00	100.0	26.00	100.0
Total	26.00	100.0	26.00	100.0

The following shareholders hold indirect participations in SIX Securities Group via SIX Group:

	Previous year ¹	31.12.2009
	Share in %	Share in %
Shareholders		
UBS AG consolidated	17.9	17.9
Credit Suisse Group consolidated	13.2	13.2

3.10 Statement of equity as at 31.12.2009

(CHF 1,000)	31.12.2009
Company capital	26,000
Own shares	–
Legal reserves	34,550
Free reserves	131,521
Dividend payment	–
Retained earnings	104,084
Group net income	55,525
Total equity at the beginning of the year under review	351,679
+ Consolidated profit	24,952
+ Sale of own shares	–
– Other withdrawals from the reserves	– 3,765
– Payment of dividend from previous year's annual profit	– 25,000
+ Reclassification of fluctuation reserves	–
Total equity at the end of the year under review	347,866
thereof	
Company capital	26,000
Own shares	–
Legal reserves	34,910
Free reserves	136,721
Dividend payment	
Retained earnings	125,284
Group net income	24,952

3.11 Maturity structure of current assets and borrowed funds as at 31.12.2009

	At sight	Cancel- lable	Maturing					Total year under review
			within 3 months	after 3 months up to 12 months	after 12 months up to 5 years	after 5 years	Immo- bilized	
(CHF 1,000)								
Current assets								
Liquid funds	841,204	–	–	–	–	–	–	841,204
Due from banks	1,320,587	–	1,222,160	108,000	–	–	–	2,650,747
Due from clients	97,331	–	–	–	–	–	–	97,331
Securities trading portfolio	–	–	1,005	2,345	–	–	–	3,350
Financial investments	–	–	–	–	1,071	–	–	1,071
Total current assets	2,259,122	–	1,223,165	110,345	1,071	–	–	3,593,703
Previous year	1,413,078	–	806,427	108,000	6,119	–	–	2,333,624
Borrowed funds								
Due to banks	2,782,429	–	–	–	–	–	–	2,782,429
Due to clients	4,998	–	–	–	–	–	–	4,998
Total liabilities	2,787,428	–	–	–	–	–	–	2,787,428
Previous year	1,913,758	–	–	–	–	–	–	1,913,758

3.12 Receivables from and liabilities towards affiliated companies and loans granted to governing bodies

(CHF 1,000)	Previous year	31.12.2009
Due from affiliated companies	2,723	561
Payables to affiliated companies	232,936	4,081
Loans granted to governing bodies	–	–

These transactions were executed on the same terms as those applicable to third parties.

3.13 Assets and liabilities by domestic and foreign origin

(CHF 1,000)	Previous year			31.12.2009		
	Domestic	Abroad	Total	Domestic	Abroad	Total
Assets						
Liquid funds	1,051	438,705	439,756	575	840,628	841,204
Due from money market securities	–	–	–	–	–	–
Due from banks	1,296,257	578,164	1,874,420	1,643,448	1,007,299	2,650,747
Due from clients	11,323	–	11,323	97,331	–	97,331
Securities trading portfolio	5,456	–	5,456	3,350	–	3,350
Financial investments	1,071	1,599	2,669	1,071	–	1,071
Non-consolidated participations	3,089	2,023	5,111	3,074	3,179	6,253
Fixed assets	54,526	–	54,526	50,281	–	50,281
Accrued income and prepaid expenses	5,564	–	5,564	1,185	–	1,185
Other assets	18,311	–	18,311	104,174	–	104,174
Total assets	1,396,646	1,020,490	2,417,136	1,904,490	1,851,106	3,755,596
Liabilities						
Due to banks	1,195,800	704,085	1,899,886	1,927,438	854,992	2,782,429
Due to clients	13,872	–	13,872	4,998	–	4,998
Prepaid expenses and deferred income	38,179	–	38,179	22,508	–	22,508
Other liabilities	44,311	14,532	58,842	534,741	12,872	547,613
Valuation adjustments and provisions	54,678	–	54,678	50,181	–	50,181
Share capital	26,000	–	26,000	26,000	–	26,000
Own shares	–	–	–	–	–	–
General legal reserves	34,550	–	34,550	34,910	–	34,910
Free reserves	131,521	–	131,521	136,721	–	136,721
Retained earnings	104,084	–	104,084	125,284	–	125,284
Group net income	55,525	–	55,525	24,952	–	24,952
Total liabilities and equity	1,698,519	718,617	2,417,136	2,887,732	867,864	3,755,596

3.14 Total assets by country/region

	Previous year		31.12.2009	
	(CHF 1,000)	Share in %	(CHF 1,000)	Share in %
Europe	2,050,325	84.82	3,597,056	95.78
Switzerland	1,166,647	48.27	1,907,493	50.79
Liechtenstein	431	0.02	4,096	0.11
Czech Republic	869	0.04	200	0.01
Denmark	4,557	0.19	466,634	12.43
Eurozone	675,297	27.94	1,062,694	28.30
United Kingdom	171,821	7.11	109,600	2.92
Iceland	2	0.00	8	0.00
Norway	20,627	0.85	23,535	0.63
Poland	922	0.04	1,042	0.03
Sweden	3,503	0.14	17,824	0.47
Turkey	2,964	0.12	2,746	0.07
Hungary	2,686	0.11	1,183	0.03
North America/Central America	226,473	9.37	51,723	1.38
Cayman Islands	–	0.00	–	0.00
Canada	30,974	1.28	51,034	1.36
Mexico	1,277	0.05	646	0.02
USA	194,222	8.04	43	0.00
South America	416	0.02	289	0.01
Argentina	416	0.02	289	0.01
Africa	13,889	0.57	3,407	0.09
South Africa	13,889	0.57	3,407	0.09
Asia	107,620	4.45	79,072	2.11
Hong Kong	2,572	0.11	8,260	0.22
India	174	0.01	–	0.00
Indonesia	945	0.04	224	0.01
Japan	67,365	2.79	61,708	1.64
Korea	419	0.02	14	0.00
Malaysia	643	0.03	547	0.01
Philippines	114	0.00	151	0.00
Singapore	34,143	1.41	6,097	0.16
Taiwan	5	0.00	6	0.00
Thailand	1,240	0.05	2,066	0.06
Australia/Oceania	18,413	0.76	24,049	0.64
Australia	12,167	0.50	16,725	0.45
New Zealand	6,246	0.26	7,324	0.20
Total assets	2,417,136	100.00	3,755,596	100.00

3.15 Balance sheet by currency as at 31.12.2009

(CHF 1,000)	CHF	EUR	USD	GBP	Other	Total
Assets						
Liquid funds	575	840,628	–	–	–	841,204
Due from money market securities	–	–	–	–	–	–
Due from banks	1,267,023	82,485	480,458	99,793	720,990	2,650,747
Due from clients	97,331	–	–	–	–	97,331
Securities trading portfolio	3,350	–	–	–	–	3,350
Financial investments	1,071	–	–	–	–	1,071
Non-consolidated participations	4,549	1,704	–	–	–	6,253
Fixed assets	50,281	–	–	–	–	50,281
Accrued income and prepaid expenses	1,185	–	–	–	–	1,185
Other assets	6,107	99	97,798	85	86	104,174
Total assets reflected in the balance sheet	1,431,471	924,916	578,256	99,877	721,075	3,755,596
Delivery claims from spot-exchange, forward-exchange and currency option transactions	–	–	–	–	–	–
Total assets	1,431,471	924,916	578,256	99,877	721,075	3,755,596
Liabilities						
Due to banks	995,616	871,809	556,738	99,217	259,049	2,782,429
Due to clients	4,998	–	1	–	–	4,998
Accrued income and prepaid expenses	22,508	–	–	–	–	22,508
Other liabilities	12,469	51,313	20,845	1,048	461,937	547,613
Valuation adjustments and provisions	50,181	–	–	–	–	50,181
Share capital	26,000	–	–	–	–	26,000
Own shares	–	–	–	–	–	–
General legal reserves	34,910	–	–	–	–	34,910
Free reserves	136,721	–	–	–	–	136,721
Retained earnings	125,284	–	–	–	–	125,284
Group net income	24,952	–	–	–	–	24,952
Total liabilities reflected in the balance sheet	1,433,638	923,122	577,584	100,265	720,987	3,755,596
Delivery claims from spot-exchange, forward-exchange and currency option transactions	–	–	–	–	–	–
Total liabilities and equity	1,433,638	923,122	577,584	100,265	720,987	3,755,596
Net position per currency as at 31.12.2009	– 2,167	1,794	672	– 387	89	–
Net position per currency as at 31.12.2008	– 2,850	– 1,501	– 965	3,263	2,053	–

4. Information on off-balance sheet transactions

4.1 Contingent liabilities

	Previous year	31.12.2009
Joint liability from consolidated value-added tax filing status	p.m.	p.m.

4.2 Commitment credits

There are no commitment credits.

4.3 Open derivative financial instruments

(in CHF 1,000)	Previous year	31.12.2009
Equity derivatives		
Contract volumes	3,602,650	4,293,586
Positive replacement values	37,578	25,285
Negative replacement values	37,584	25,124
(in CHF 1,000)	Previous year	31.12.2009
Total after consideration of netting contracts		
Positive replacement values	11,331	5,685
Negative replacement values	11,331	5,685

4.4 Fiduciary transactions

(in CHF 1,000)	Previous year	31.12.2009
Fiduciary transactions	816	639
Total fiduciary transactions	816	639

4.5 Irrevocable commitments

(in CHF 1,000)	Previous year	31.12.2009
Deposit protection	8	12
Total irrevocable commitments	8	12

5. Information on the income statement

5.1 Income from trading activities

(CHF 1,000)	Previous year	2009
Net trading income		
Income from forex transactions	– 1,711	718
Income from securities	747	506
Net trading income	– 964	1,224

5.2 Personnel expenses incl. pension fund expenses

(CHF 1,000)	Previous year	SIX SIS	SIX x-clear	SIX SAG	SIX Systems	SIX Securities Group	2009
Personnel expenses							
Salaries (incl. bonuses)	– 48,893	– 32,091	– 4,022	– 3,221	– 11,729	–	– 51,063
National insurance contributions and sundry social benefits	– 3,514	– 3,250	– 213	– 403	– 1,095	–	– 4,961
Contributions to staff pension funds	– 4,158	– 2,345	– 261	– 263	– 964	–	– 3,832
Sundry personnel expenses	– 4,288	– 2,657	– 274	– 288	– 1,044	–	– 4,262
Total personnel expenses	– 60,853	– 40,343	– 4,769	– 4,175	– 14,832	–	– 64,119

5.3 Other operating expenses

(CHF 1,000)	Previous year	SIX SIS	SIX x-clear	SIX SAG	SIX Systems	SIX Securities Group	2009
Other operating expenses							
Cost of premises	– 1,906	– 3	– 64	– 14	– 1	–	– 82
SECOM expenses, IT maintenance	– 4,644	– 33	–	– 19	– 7,461	–	– 7,513
Travel and representation	– 1,086	– 786	– 361	– 13	– 171	– 23	– 1,353
Expenses for third-party services	– 44,909	– 73,164	– 8,908	– 5,061	– 40,196	– 885	– 52,684
Telecommunication and postal expenses	– 2,726	– 3,201	– 144	–	– 42	–	– 3,387
Other operating expenses ¹	– 4,024	– 1,928	– 537	– 247	– 550	– 96	– 3,359
Total operating expenses	– 59,295	– 79,116	– 10,014	– 5,354	– 48,420	– 1,004	– 68,378

5.4. Extraordinary expenses and income

(CHF 1,000)	Previous year	2009
Extraordinary income		
Release of redundant provisions	5,162	6,692
Items reported as financial investment assets	–	–
Profit on sale of tangible assets	–	–
Total extraordinary income	5,162	6,692
Extraordinary expenses		
Retroactive adjustments of assets	–	– 270
Tax-related adjustments in previous business years	–	–
Total extraordinary expenditure	–	– 270

5.5 Taxes

Current taxes for the year under review are reported on an accrual basis. The consolidated financial statements include latent taxes for untaxed profit reserves.

(CHF 1,000)	Previous year	2009
Tax expenses		
Expenses for taxes in previous years	–	–
Expenses for current taxes	– 14,217	– 8,030
Provisions for deferred taxes	– 1,118	911
Total tax expenses	– 15,335	– 7,119

6. Risk management

6.1 General

As a part of SIX Group, SIX Securities Group is an important pillar of the Swiss financial center, laying great emphasis on reliability and security, and thus creating the trust that is essential for the financial center's smooth functioning. The Board of Directors of SIX Group is responsible for risk. Internal control over the risk situation is in the hands of the Risk Committee of the Board of Directors of SIX Group. The Board of Directors of SIX Group approves the risk policy and delegates risk management tasks.

Overall responsibility for risk management lies with the members of the Group Executive Board of SIX Group, which is supported at Group level by the specialized units Corporate Development (for strategic risks), Corporate Security Officer (for security risks) and Compliance Officer as well as the Finance & Risk division. SIX Group's risk control measures are executed by the Chief Risk Officer of SIX Group, who is independent of the line. Risk management and controlling are monitored by the internal and external auditors.

The management of risks specific to SIX Securities Group is assumed by senior executives of the Securities Services division. Risk controlling tasks specific to SIX Securities Group are assigned to the Risk Controlling unit of the Securities Services division. For this purpose, the risk management instruments are continually enhanced and adjusted.

6.2 Risk policy

The scope of SIX Securities Group's risk policy is determined by the risk policy of SIX Group, in which the principles and philosophy applied to various risks is set out. The risk policy precisely defines organization, structures, competencies, and responsibilities and provides the basis for dealing with different kinds of risk as well as outlining the readiness to assume risk. Thus, the risk policy constitutes the central framework for regulations and directives of the individual companies and for the risk categories.

6.3 Risk groups

6.3.1 Strategic risk and project risk

Strategic risks and project risks arise both from the implementation of SIX Group's strategy and from the implementation of the strategies of the individual subsidiaries. They are the responsibility of the Group Executive Board of SIX Group as well as of the Executive Boards of the subsidiaries.

Strategic risks and project risks are not directly quantified; the risk profiles of the individual SIX Group companies are, however, reviewed semi-annually.

6.3.2 Reputational risk

Reputational risk involves the risk of SIX Group's or one of its subsidiaries' reputation being tarnished. As reputational risk is inherent in business activities, reputational risk management mainly consists of ensuring competency, integrity, responsibility as well as compliance in business activities on a group level. Reputational risk management includes all operational and strategic management instruments of SIX Group, in particular financial reporting, monitoring of performance key figures as well as studies on customer and staff satisfaction. Reputational risks are not directly quantified either.

6.3.3 Counterparty risk (default risk, credit risk)

Credit risk, counterparty risk or default risk is defined as the danger of a loss caused by a counterparty not fulfilling its contractual obligations, i.e. a counterparty or a country becoming insolvent. This includes settlement risk or the risk of the counterparty becoming insolvent at the time when the transaction is settled.

SIX Securities Group applies a conservative risk and credit policy. New participants of SIX SIS and new members of SIX x-clear are required to meet strict standards. Market participants that are not subject to adequate financial institution and/or money laundering regulation are not accepted. All limits are revised at least annually, taking into account the development of the participant's business, its market standing and its relationship with SIX SIS. An external credit committee consisting of specialists from reputable and internationally active Swiss banks is involved in the assessment of all applications. The limit granted mainly depends on the participant's rating or the collateral it provides. Limits are monitored on a daily basis.

As the Central Counterparty, SIX x-clear applies the following multi-level risk management techniques in order to minimize cases of default: Regular evaluations of positions at the latest quotation, rules for the prevention and coverage of possible losses, application of initial and variation margin requirements as well as a default fund contributed by the participants. Furthermore, the default fund is mutualized and participants are under the duty to make additional contributions (margin calls).

Although the participants of SIX SIS and the members of SIX x-clear have sole responsibility for investments, SIX Securities Group has defined certain country limits to ensure appropriate risk monitoring.

SIX Securities Group is linked online/real-time with SIX Swiss Exchange as well as with the SIC/euroSIC systems. The system of real-time settlement of irreversible transactions on the basis of simultaneous delivery versus payment, which has been in operation for several years, offers the best guarantee of eliminating settlement risk. This system does not function for cross-border securities transactions. The resulting receivables and liabilities towards banks are subject to counterparty risk and – to a limited extent, i.e. in the case of counterparty default – also market risk. These risks, which are of extremely short duration, are strictly monitored through detailed limits procedures.

SIX Securities Group avails of a system for internal monitoring of cluster risks. As at the previous year-end, no position was above the reporting limit of 10% defined by cluster risk provisions as at 31 December 2009.

In 2005, SIX Securities Group decided to calculate the capital adequacy requirements for credit risks using the Swiss standard approach in accordance with Basel II. The changeover to the Swiss standard approach was implemented as at 1 January 2007.

6.3.4 Non counterparty-related risk

Non counterparty-related risk is defined as the danger of a loss due to value changes or liquidation of assets that are not related to a specific counterparty. This category includes positions that concern the actual infrastructure for the business activities. In particular, it includes office buildings, sundry tangible assets, software as well as other assets subject to depreciation.

Non counterparty-related risks are accounted for through adequate depreciation as well as insurances. In particular, software is written off in full in the production year, respectively in the purchase year.

6.3.5 Market risk

Market risk is the risk of a loss due to value fluctuations of a position triggered by a change of the underlying factors (e.g. equity or commodity prices, exchange rates and interest rates as well as their respective volatilities).

6.3.5.1 Risk of interest rate fluctuations

SIX Securities Group does not engage in credit transactions or in major mid-term or long-term fixed interest transactions. Consequently, SIX Securities Group is not exposed to any significant risk of interest rate fluctuations.

6.3.5.2 Foreign currency risk

In principle, SIX Securities Group does not hold any foreign currency for its own account outside of OECD member states. Moreover, all receivables from and liabilities towards participants and custodians are matched by currency. Currency risks are generally limited to the net amounts from interest received and paid, commissions and fees.

6.3.5.3 Price risk in trading portfolio

The value of SIX Securities Group's trading portfolio is low as it is kept as a liquidity reserve. As the diversified securities portfolio was reduced to contain primarily CHF bonds and term deposits, the related price risk was minimized.

6.3.6 Operational risks

According to Basel II, operational risk is defined as "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". The definition also covers all legal risks, including fines from supervisory bodies and settlements. Strategic risks and reputational risks, however, are excluded.

Operational risk management is a task assumed at all management levels. Operational risks are mainly limited by means of internal regulations and directives on organization and control. Additionally, it is mandatory to identify, assess and manage them continually. For this purpose, business process risks are systematically assessed by the internal audit department and adequate measures are elaborated. What is more, the Securities Services division maintains a loss and risk database reflecting the risk categories defined by Basel II to systematically identify any risks in processes and to collect data to minimize losses in all business areas as much as possible.

Together with the legal department, the compliance function ensures that the business activities of SIX Securities Group observe the current rules and regulations as well as the financial intermediaries' general obligation to exercise due diligence. These entities are responsible for implementing the requirements and developments defined by supervisory bodies, the legislator, the jurisdiction and other relevant institutions.

SIX Securities Group addresses the risk inherent in the reliance on information technology by means of business continuity planning in line with customary industry practice as well as measures to reduce the probability of such failures occurring, inter alia by maintaining an IT backup centre. Corresponding measures on the part of SIX Securities Group's outsourcing partners are subject to contractual agreements. SIX Securities Group is moreover supervised by the Swiss National Bank in this respect pursuant to specific legal provisions.

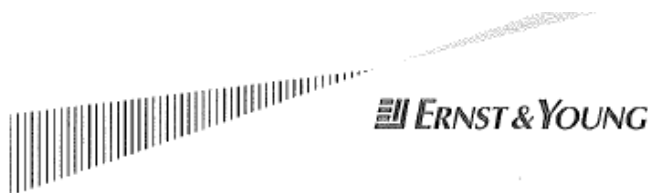
Since 1 January 2007, operational risks have been backed with capital according to the basic indicator approach under Basel II.

6.4 Disclosure in accordance with circular no. 08/22 of the FINMA on capital adequacy disclosure

In accordance with Rz 7 – 11 of FINMA-RS 08/22, SIX SIS meets the requirements for partial disclosure.

Capital on 31.12.2008 and 31.12.2009 respectively (in CHF m):

	2008	2009
Eligible capital:	296.155	325.366
Total required capital:	64.706	76.041
thereof for credit risks	21.722	36.147
thereof for non counterparty-related risks	11.414	10.554
thereof for market risks	0.548	0.269
thereof for operational risks	31.022	29.071



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To the General Meeting of
SIX Securities Group Ltd, Zurich

Zurich, 5 March 2010

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of SIX Securities Group Ltd, which comprise the balance sheet, income statement, cash flow statement and notes, for the year ended 31 December 2009. The prior period financial statements were audited by another auditor whose report dated 25 March 2009, expressed an unqualified opinion on those financial statements.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with Swiss banking law and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2009 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss banking law and comply with Swiss law.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd


Iqbal Khan
Licensed audit expert
(Auditor in charge)


Pascal Berli
Licensed audit expert

Balance sheet of SIX Securities Group Ltd as at 31 December 2009

(CHF 1,000)	31.12.2008	31.12.2009
Assets		
Current assets		
Due from banks	96,845	50,042
Due from clients	693	63,680
Securities trading portfolio	5,456	3,350
Accrued expenses and deferred income	307	113
Other assets	423	165
Total current assets	103,723	117,351
Investment capital		
Financial investments	1,071	1,071
Participations	69,189	69,224
Total investment capital	70,259	70,295
Total assets	173,982	187,646
Due from qualified participants (direct)		63,497
Due from Group companies	704	206
Liabilities		
Borrowed funds		
Due to banks	135	133
Due to clients	778	83
Prepaid expenses and deferrred income	2,444	1,757
Other liabilities	–	–
Value adjustments and provisions	20,231	–
Total borrowed funds	23,588	1,973
Equity		
Share capital	26,000	26,000
General legal reserves	10,000	10,000
Reserves for own shares	–	–
Reserves for general business risks	35,000	35,000
Other reserves	56,071	54,271
Profit carried forward	83	123
Annual profit	23,240	60,280
Total equity	150,394	185,673
Total liabilities	173,982	187,646
Due to Group companies	913	216

Income statement 2009 of SIX Securities Group Ltd

(CHF 1,000)	2008	2009
Interest and discount income	1,536	88
Interest and dividend income from securities trading portfolio	229	130
Interest expenses	–	– 52
Net interest income	1,766	167
Net trading income	62	– 105
Participation income	25,266	42,721
Income from management fees	–	–
Net sundry income	17	1
Other ordinary expenses	– 53	–
Net other income	25,230	42,722
Total business income	27,058	42,784
Personnel expenses	–	–
Non-recurring expenses for pension fund changeover	–	–
Operating expenses	– 1,250	– 1,004
Total operating expenses	– 1,250	– 1,004
Gross income	25,808	41,780
Depreciation on fixed assets	–	–
Value adjustments, provisions and losses	– 2,500	–
Subtotal	23,308	41,780
Extraordinary income	–	20,231
Extraordinary expenses	–	–
Taxes	– 68	– 1,731
Group net income	23,240	60,280
	– 23,240	– 60,280
Appropriation of disposable profit		
Profit carried forward from the previous year	83	123
Profit at the General Meeting's disposal	23,323	60,403
Allocation to general legal reserves	–	–
Allocation to other reserves	1,800	–
Dividend	– 25,000	– 20,000
Profit carried forward	123	40,403
1 Incl. Group internal services worth CHF 0.817 m (previous year: CHF 1.154 m).		

Annex to the financial statements of SIX Securities Group

1. Assets pledged or assigned as cover for liabilities and assets under reservation of ownership

In 2008, the securities trading portfolio and cash in banks of SIX Securities Group in the amount of CHF 102.300 m served as collateral for unused credit limits of the holding company.

2. Pension fund liabilities

SIX Securities Group has not made any provisions for pension liabilities.

3. Participations

Participations comprised the following companies on 31 December 2009:

(CHF 1,000)	Business activity	Capital 31.12.2009	Quote 31.12.2009	Quote 2008
SIX SIS Ltd, Olten	Settlement/Custody	26,000	100 %	100 %
SIX x-clear Ltd, Zurich	Clearing	30,000	100 %	100 %
SIX SAG Ltd, Olten	Share register	100	100 %	100 %
SIX Systems Ltd, Olten	Service provider	2,500	100 %	100 %
SIX SIS International Ltd, Zurich	Settlement/Custody	100	100 %	0 %
AccuMatch AG, Zurich	Inactive	301	70 %	70 %

4. Valuation adjustments and provisions

Allowance is made for risks predictable and latent on the balance sheet date by means of individual value adjustments and provisions based on the accounting principle of prudence. Other risks are covered by flat-rate adjustments and provisions.

	Balance at year-end 2008	Designated uses	Recoveries, interest at risk, currency differences	New amounts charged to income statement	Reversals credited to income statement	Balance at year-end 2009
(CHF 1,000)						
Valuation adjustments and provisions for:						
Pension fund changeover	-	-	-	-	-	-
Other risks	15,361	-	-	-	15,361	-
Reorganizations	4,871	-	-	-	4,871	-
Total valuation adjustments and provisions	20,231	-	-	-	20,231	-

5. Company capital and shareholders

The share capital entitled to dividends of SIX Securities Group amounts to CHF 26 m. It consists of 260,000 registered shares with a nominal value of CHF 100 each.

The shareholders are the following:

	Previous year		31.12.2009	
	Nominal (CHF m)	Share in %	Nominal (CHF m)	Share in %
Shareholders				
SIX Group Ltd	26.00	100.0	26.00	100.0
Total	26.00	100.0	26.00	100.0

The following shareholders hold indirect participations in SIX Securities Group Ltd via SIX Group Ltd:

	Previous year		31.12.2009	
	Share in %		Share in %	
Shareholders				
UBS AG consolidated	17.9		17.9	
Credit Suisse Group consolidated	13.2		13.2	

The following table illustrates the changes in equity:

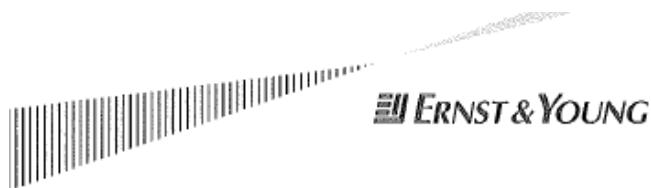
(CHF 1,000)	Balance at 01.01.2009	Appropriation of profit	Change in 2008	Balance at 31.12.2009
Company capital	26,000	–	–	26,000
Reserves for own shares	–	–	–	–
General legal reserves	10,000	–	–	10,000
Reserves for general business risks	35,000	–	–	35,000
Other reserves	56,071	– 1,800	–	54,271
Dividend payment	–	25,000	– 25,000	–
Profit carried forward from previous year	83	40	–	123
Annual profit	23,240	– 23,240	60,280	60,280
Total equity	150,394	–	35,280	185,673

6. Risk assessment

SIX Securities Group Ltd is a part of SIX Group Ltd. Risk assessment is carried out within the scope of Group-wide risk management processes. A separate risk assessment by the Board of Directors was therefore deemed redundant.

7. Contingent liabilities

	Previous year	31.12.2009
Joint liability from consolidated value-added tax filing status	p.m.	p.m.



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To the General Meeting of
SIX Securities Group Ltd, Zurich

Zurich, 5 March 2010

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of SIX Securities Group Ltd, which comprise the balance sheet, income statement and notes, for the year ended 31 December 2009. The prior period financial statements were audited by another auditor whose report dated 25 March 2009, expressed an unqualified opinion on those financial statements.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended 31 December 2009 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Iqbal Khan
Licensed audit expert
(Auditor in charge)

Pascal Berli
Licensed audit expert

Corporate bodies

SIX Securities Group Ltd

Board of Directors

Prof. Dr. Peter Gomez

Dr. Urs Rügsegger

Ursula La Roche

Chairman of the Board of Directors

Member of the Board of Directors

Member of the Board of Directors

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