

Company Number: 7282077

ISWAP EURO LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2011



ISWAP EURO LIMITED

Directors' Report for the period ended 31 March 2011

Company Number 7282077

The directors present their report and the audited financial statements of the company for the period from incorporation on 11 June 2010 to 31 March 2011

PRINCIPAL ACTIVITY

The company's principal activity will be to provide access to customers to trade Euro interest rate derivatives on the i-Swap trading platform. The platform supports trading in Interest Rate Swaps, Overnight Index Swaps, Forward Rate Agreements, Single and Cross-currency basis swaps. It is anticipated that the company will continue its present business activities next year.

The company is incorporated and domiciled in the United Kingdom ("UK"). The registered office is 2 Broadgate, London, EC2M 7UR.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors consider that the period end financial position was satisfactory and do not anticipate any changes to the principal activities.

The directors anticipate trading to commence during the next financial year.

RESULTS AND DIVIDENDS

The company did not trade during the period, therefore there is no income statement or statement of comprehensive income for the period ended 31 March 2011.

The directors do not recommend the payment of a dividend.

FINANCIAL RISK MANAGEMENT

The company's risk profile and financial risk management policies are disclosed in note 2 to the financial statements.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

DIRECTORS

The directors of the company, who held office during the period were:

D McClumpha	(appointed 21 March 2011)
J Nixon	(appointed 21 March 2011)
I Torrens	(resigned 17 November 2010)
S Wren	(resigned 21 March 2011)
S Caplen	(resigned 21 March 2011)

None of the directors had any interests in the shares of the company during the period.

CREDITOR PAYMENT POLICY

The company has no external trade creditors.

ISWAP EURO LIMITED

Directors' Report for the period ended 31 March 2011

Company Number 7282077

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POST BALANCE SHEET EVENTS

There have been no material post balance sheet events which require separate disclosure.

AUDITORS

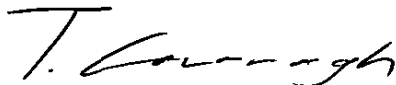
PricewaterhouseCoopers LLP, have been appointed as auditors of the company and indicated their willingness to continue in office and are deemed reappointed in the next financial year.

PROVISION OF INFORMATION TO THE AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

The directors have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board



T Cavanagh
Secretary

Friday, June 24, 2011

ISWAP EURO LIMITED

Independent Auditors' Report to the members of iSwap Euro Limited

We have audited the financial statements of iSwap Euro Limited for the period ended 31 March 2011 which comprise the Statement of Changes in Equity, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the parent company financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Carl Sizer (Senior Statutory Auditors)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Friday June 24, 2011

ISWAP EURO LIMITED
Balance Sheet as at 31 March 2011

Company Number 7282077

	<u>Note</u>	<u>As at</u> <u>31/03/2011</u> \$
Current assets		
Trade and other receivables	7	3
Net assets		<u>3</u>
Equity		
Called up share capital	8	<u>3</u>
Total equity		<u><u>3</u></u>

The notes on pages 6 to 9 are an integral part of these financial statements

The financial statements on pages 4 to 9 were approved by the board of directors on 24 June 2011 and were signed on its behalf by



D McClumpha
Director

ISWAP EURO LIMITED

Statement of Changes in Equity as at 31 March 2011

	<u>Share capital (note 8)</u> \$	<u>Total</u> \$
As at incorporation on 11 June 2010	-	-
Issue of ordinary shares	3	3
As at 31 March 2011	<u>3</u>	<u>3</u>

The notes on pages 6 to 9 are an integral part of these financial statements

Share capital

The balance classified as share capital includes the nominal value of the proceeds on issue of the company's equity share capital, comprising €1 ordinary shares

ISWAP EURO LIMITED

Notes to the financial statements for the period ended 31 March 2011

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, the Companies Act 2006 and under the historical cost convention

During the period, the company did not trade on its own account and therefore has not prepared an income statement or cash flow statement. The company had no employees and annual filing fees were borne by a fellow subsidiary undertaking of ICAP plc

b) Trade receivables

Trade receivables are recognised initially at fair value less provision for impairment

c) Share capital

Ordinary shares are classified as equity. Dividends are recognised as deductions from retained earnings in the period in which they are declared

2. FINANCIAL RISK MANAGEMENT

Financial risk factors

The overall financial risk management framework, strategy and policies of the company are determined by the board of its ultimate parent company, ICAP plc (the "Group"). It does this through the board committee, the Group Risk and Capital Committee, and also by regional and market risk committees. The company does not manage its own financial risk framework

Financial assets and liabilities

The company's financial assets are classified as loans and receivables

Market risk

Foreign exchange risk

The functional currency of the company is Euros. As predominately all transactions and balances are denominated in that currency the company has minimal exposure to foreign exchange risk.

Interest rate risk

The company's financial assets are non interest bearing

Price Risk

The company's activities do not expose it to price risk.

ISWAP EURO LIMITED

Notes to the financial statements for the period ended 31 March 2011

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk arises from the potential that a counterparty is unable or unlikely to perform on an obligation resulting in a loss for the company. The company's exposure to credit risk is limited since it acts as an intermediary whereby business is transacted on an agency basis. All counterparties are subject to regular review and assessment by regional credit officers and credit limits are set and approved by the appropriate credit committee as overseen by the Group Risk Committee. Limits are set based on Group parameters determining the maximum loss any one company (within the Group) can suffer as a result of counterparty default. Typically the company's counterparties are highly credit rated large financial institutions.

The company has no significant concentrations of credit risk and the maximum exposure is limited to receivables (note 7).

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of funding through an adequate amount of committed credit. This is important to ensure that the company can meet all present and future financial obligations as they fall due and comply with regulatory requirements. The Group Risk and Capital Committee monitors free cash resources ensuring that all companies within the Group maintain sufficient resources to finance their operations and that all investments comply with the Group Investment Policy. This dictates borrowing and investing limits based on an institution's credit rating and the nature of financial instruments that can be held.

The company's exposure to liquidity risk is not significant.

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction. The fair values of financial instruments are determined as per the company's accounting policies.

As at 31 March, there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value due to their short term nature.

3. KEY ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The company makes various judgements in applying its accounting policies and various assumptions and estimates, including about the future, when determining the carrying value of certain assets and liabilities.

As at 31 March 2011 there were no such judgements or assumptions that had a significant effect on the amounts recognised in the financial statements. None of these items give rise to a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

ISWAP EURO LIMITED

Notes to the financial statements for the period ended 31 March 2011

4. ADMINISTRATIVE EXPENSES

During the current period, the company did not trade on its own account and had no employees. The company's auditors' remuneration in the UK was \$8,000 which has been borne by other group undertakings.

Fees paid to the company's auditor, PricewaterhouseCoopers LLP, and its associates for services other than the statutory audit of the company are not disclosed in the company's accounts since the consolidated accounts of the its parent, ICAP plc, disclose these fees on a consolidated basis.

6. DIRECTORS' REMUNERATION

No fees were paid to the directors in respect of services to the company during the period.

The directors received no remuneration in respect of their services as directors of the company.

7. TRADE AND OTHER RECEIVABLES

As at
31/03/2011
\$

Current

Amounts owed by group undertakings (note 9)

3

3

8. CALLED UP SHARE CAPITAL

As at
31/03/2011
\$

Authorised:

2 Ordinary share(s) of €1 each

3

3

Allotted and fully paid:

2 Ordinary share(s) of €1 each

3

3

ISWAP EURO LIMITED

Notes to the financial statements for the period ended 31 March 2011

9. RELATED PARTY TRANSACTIONS

Parent undertakings

The company's immediate parent is iSwap Limited, which does not prepare consolidated financial statements

The company's ultimate parent is ICAP plc, which is incorporated in the United Kingdom and heads the largest group of companies of which the company is a member. ICAP plc prepares consolidated financial statements in accordance with IFRS and copies may be obtained from the Company Secretary, ICAP plc, 2 Broadgate, London, EC2M 7UR

During the period ended 31 March 2011, the company did not enter into transactions with related parties who are members of the group other than as previously disclosed

The company had the following net outstanding balances owed by related parties who are members of the group

	<u>As at</u> <u>31/03/2011</u> \$
Fellow subsidiary undertakings	<u>3</u>
	<u>3</u>

All balances are unsecured, non-interest bearing and have no fixed terms of repayment

Remuneration of key management personnel

There are no key management personnel other than the directors of the company. Directors' remuneration is disclosed in note 6