SEC3
a SIX company

Annual Report 2022

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Management Report

1. General Conditions and Business Performance

SECB Swiss Euro Clearing Bank GmbH, which was founded on February 27, 1998, was entered in the Commercial Register of the Frankfurt am Main Local Court under No. HRB 46 118 after being granted a full banking license by the Federal Financial Supervisory Authority, Bonn (BaFin).

The bank's share capital of Euro 30 million is held 100% by SIX Group Ltd, Zurich.

The processing of payment transactions in euros as part of correspondent banking remained the main component of the SECB's business activities in the reporting year 2022. The majority of services are provided to Swiss financial institutions (approx. 87%).

Due to the COVID-19 pandemic, EU countries experienced a decline in economic output in 2020, with a recovery in the macroeconomic environment in 2021. This trend continued in 2022: Overall, GDP increased by 3.5% in both the euro area and the EU in 2022, after +5.3% and +5.4%, respectively, in 2021. However, 2022 was also characterized by the direct and indirect influences of the Ukraine war, which further fueled the already prevailing inflation, not least via rising energy prices.

The German economy was also noticeably impacted by the COVID 19 pandemic and the war in Ukraine: According to initial calculations by the Federal Statistical Office (Destatis), price-adjusted gross domestic product (GDP) in 2022 was 1.9% higher than in the previous year. Adjusted for calendar effects, economic growth was 2.0%.

The European Central Bank (ECB) has massively changed its monetary policy in the course of 2022: since the middle of 2022, interest rates have been increased in four interest rate steps. The key ECB interest rate rose from 0% to 2.5% and the interest rate on the deposit facility from -0.5% to 2% as of December 2022.

In Switzerland, GDP proved difficult in fiscal 2022: According to the provisional results available, seasonally, calendar- and sport event-adjusted GDP grew by 2.1% in 2022, compared with 3.9% in the previous year. As major international sporting events were held in both 2021 and 2022, the result for 2022 without adjustment (rounded) is also GDP growth of 2.1%, compared with 4.2% in 2021. The Swiss National Bank also changed course in its interest rate policy, raising key rates by 0.5% to 1%.

In 2022, there were some changes in the management of SECB GmbH: Mr. Dieter Goerdten succeeded the retiring Mr. Hans-Joachim Michel on the market side on an interim basis as of July 01, 2022. Dr. Franz Siener-Kirsch then took over the management responsibility for the market side from Mr. Goerdten as of November 01. Mr. Goerdten left the management again as of November 30, 2022. Mr. Hans A. Schlottner started his activities at SECB GmbH on October 01, 2022 and took over the responsibilities in the management for the market success side. Ms. Ayse Kun resigned operationally from the Management Board as of December 19, 2022.

In general, the business development of the year 2022 continued to be positive with regard to the payment transactions to be processed: an increase in transactions of around 10% compared to the previous year (previous year increase: 15.5%) was recorded. However, for SECB GmbH, the departure from negative key interest rates in the course of 2022 meant a drastic event: until the middle of 2022, SECB was still able to benefit from negative interest rates in the form of interest income on the liabilities side, but in the course of 2022, the increase in interest rates increasingly became a burden on SECB in the form of interest expenses on the liabilities side, which had not been recorded for years. These significant changes on the liabilities side could not be offset by the assets side: the assets of the SECB consist predominantly of a securities portfolio with final maturities over the next few years and with exclusively fixed interest rates. The average interest rate of this securities portfolio is below the increased EUR key interest rates. As a result of these two factors (asset side: low, fixed interest rates; liability side: passing on of positive, rising interest rates to customers), the initially positive monthly interest results were replaced by negative monthly interest results from August 2022 onwards.

In addition, there is another consequence of the mismatch between asset and liability items just mentioned: in the consideration of future financial years up to the final maturity of all securities in the portfolio, a provision for contingent losses from the loss-free valuation of the banking book in the amount of EUR 24.6 million was also necessary. This was done in accordance with Section 340a HGB in conjunction with Section 249 (1) sentence 1 HGB.

The provision for contingent losses to be recognized from the loss-free valuation of the banking book pushed the overall result for 2022 into the red. Without this provision, a small positive result would still have been achieved for 2022.

Further challenges also arose in the valuation of the securities portfolio, which lost value as interest rates rose and thus recorded hidden charges at year-end.

The emerging challenges in an environment with rising interest rates prompted the new management to apply to SIX Group for a capital increase by paying EUR 50 million into the capital reserve as of December 2022. The shareholder agreed to this request, so that in 2022 the equity of SECB GmbH will increase by approximately EUR 20 million, taking into account the annual result.

2. Earnings

The SECB's earnings performance in fiscal year 2022 was very challenging due to the changing interest rate environment: the net interest income of EUR 12,761 thousand (previous year: EUR 21,544 thousand) reflects this fact very clearly. Due to the conversion of interest income to interest expenses on the liabilities side in the course of 2022 and due to the relatively low average interest rate of the securities portfolio, the interest result is significantly below the previous year's figure and far below the original planned figure (EUR 20,295k). Net fee and commission income of EUR 5,293 thousand was increased even further compared to the previous year (EUR 4,500 thousand), with this increase being primarily due to the rise in the volume of transactions processed.

General and administrative expenses of EUR 11,006 thousand are EUR 2,491 thousand higher than in the previous year (EUR 8,515 thousand) and also above the budget figure set for fiscal year 2022 (EUR 9,538 thousand), due in particular to increased personnel and IT expenses.

Due to the interest rate environment in 2022, SECB was not able to translate its successful business development, which is reflected in an increased transaction volume, into earnings, so that the result from ordinary activities at the end of the fiscal year was EUR -22,803 thousand (previous year: EUR 18,067 thousand). This result was also largely due to the recognition of a provision for contingent losses from the loss-free valuation of the banking book in the amount of EUR 24.6 million. The need for a provision for contingent losses arose from the mismatch in interest rates between the asset and liability items over the remaining term of the securities portfolio (cf. comments on this under 1. General Conditions and Course of Business). As a result, a net loss of EUR 23,805 thousand (previous year: net profit of EUR 12,054 thousand) had to be reported.

3. Net Assets and Financial Position

Receivables and liabilities are denominated exclusively in euros. The liquidity surplus on the liabilities side ensures that the bank does not have to draw on credit lines with other financial institutions.

As of the balance sheet date, 68.4% or EUR 1,037 thousand of the liabilities to banks consisted of deposits payable on demand, which resulted exclusively from the settlement of payment transactions, and 31.6% from Lombard business with the Deutsche Bundesbank. Approximately 15.5% of the overnight deposits are represented by a major customer, a Group company of the shareholder.

The stable base of customer deposits and shareholders' equity was invested primarily in fixed-income securities issued by public-sector borrowers and banks. A large portion of these fungible securities is pledged to the Deutsche Bundesbank with a nominal value of EUR 1,182,735 thousand.

The funds included in loans and advances to banks and customers relate primarily to the promissory note loans and registered bonds held in the investment portfolio in the nominal amount of EUR 30,000 thousand.

Purchases of interest-bearing securities, promissory note loans and registered bonds were only made with issuers that have a country rating of at least long-term AA and an issuer rating of at least long-term BBB+. No money market investments were made in 2022.

Derivative financial instruments were not used.

Shareholders' equity including the capital increase by payment into the capital reserve amounts to EUR 135,895 thousand.

Liquidity was secured at all times in the past fiscal year. The bank also met the capital ratios required by the regulatory authorities. As of the balance sheet date, the total capital ratio was 56.61 percent, well above the minimum regulatory requirements. The SECB's leverage ratio was 8.03 percent as of December 31, 2022. Similarly, the regulatory minimum ratios for the Liquidity Coverage Ratio (LCR) to the Net Stable Funding Ratio (NSFR) were met. The bank's solvency was ensured at all times.

The cost-income ratio of approximately 94% (previous year: 32.1%), the personnel expense ratio of 22.38% (previous year: 13.2%) and the non-personnel expense ratio of 38.17% (previous year: 19.0%) had almost doubled compared with the previous year, which was due to increased costs in IT and consulting.

In summary, the SECB's net assets, financial position and results of operations were negatively impacted in the fiscal year due to the rise in EUR key interest rates, increased expenses and the recognition of a provision for contingent losses from the loss-free valuation of the banking book in the amount of EUR 24,600 thousand.

4. Employees and Memberships

The average number of employees decreased compared to the previous year. As of December 31, 2022, there were 31 permanent employees (previous year: 32 incl. two student trainees) and two managing directors.

The bank attaches great importance to the continuous training of its employees. Without the professional competence of all employees and the permanent further development of the systems, the success of the bank cannot be represented.

Employee compensation was in line with the internal salary and bonus system.

The Bank is a member of the Entschädigungseinrichtung deutscher Banken GmbH, Berlin, and a member of the Verband der Auslandsbanken e.V., Frankfurt.

5. Risk Report

Although the SECB has a license to conduct all banking activities, the internal regulation on products of payment transactions and investment of free funds in investments in the money market and securities is still valid.

Based on the strategic direction of the Bank as decided by the Management Board and approved by the Board of Directors, the business and risk strategy is reviewed annually and adjusted as necessary.

The risk strategy is defined on the basis of procedures for determining and ensuring the Bank's risk-bearing capacity.

Risks arising from business activities are identified, limited and managed by means of a risk management system implemented for this purpose.

To identify risks, the Management Board and Risk Controlling regularly review the Bank's risk profile on the basis of a risk inventory.

The risk-bearing capacity concept implemented is intended to ensure that the SECB's risk coverage potential is sufficient to cover all material risks at all times. For this purpose, the risk-bearing capacity concept is based on the going-concern approach. As of the reporting date of March 31, 2023, there will be a change in the risk-bearing capacity concept to the normative and economic perspective defined in BaFin's 2019 RTF guidelines.

Based on the risk coverage potential determined, limits are set as total loss and partial loss ceilings in line with the business strategy for all risks identified as material.

The risk-bearing capacity and the utilization of risk-relevant limits are determined and monitored on a daily basis and reported to the management. The monthly monitoring of the utilization of the internally granted limits by Risk Controlling and the Management Board is intended to ensure that this overall limit is complied with at all times. The Board of Directors continues to receive comprehensive quarterly reports on this. Limit overruns are to be reported immediately to the management and also to the Board of Directors.

In addition, the Bank records, manages and monitors its identified risks on the basis of organizational guidelines, rules governing the organizational structure and workflows, and implemented risk management and controlling processes.

The Bank regularly carries out the stress scenario analyses required by regulatory law. For this purpose, constellations of risk factors are first identified that have a material impact on the net assets, financial position, and results of operations as well as on the risk-bearing capacity of the Bank. Suitable historical and hypothetical scenarios are taken into account on the basis of the bank's strategic orientation. The stress scenarios based on these are analyzed with regard to their effects, which are univariate or multivariate in the respective risk types (counterparty risk, reinvestment and interest rate risk, liquidity risk, concentration risk, operational risk).

Due to the manageable size of the company, the involvement of the management in the procedures and accounting processes and via the implemented monthly reporting, the control of the processes should be ensured.

In addition to quantitative counterparty-, issuer-, and borrower-related limits, management also sets further qualitative framework conditions, such as minimum creditworthiness and the borrower's country of domicile, taking into account the upper limit for large exposures provided for by supervisory law.

For the lending business, the bank applied the standardized approach in accordance with the CRR for the last time as of August 31, 2022. For the first time, as of September

30, 2022, there has been a switch to the statistical calculation of a VaR model using a Monte Carlo simulation with a confidence level of 99% and a risk horizon of one year. The model parameters are the probabilities of default, the loss rates, the asset correlation and the outstanding receivable amounts (collateral values). In principle, counterparty default risks continue to be taken into account in that investments in fixed-income securities, promissory note loans, registered bonds and money market investments may only be made with counterparties that must meet strict minimum rating requirements with Standard & Poor's or comparable ratings with another rating agency. Fixed-income securities, which are allocated in their entirety to the banking book, must also meet the ESCB's requirements for marketable securities in liquidity categories I, II and III and, to the extent eligible for collateral, must be deposited in the SECB's corresponding collateral deposit account at the Deutsche Bundesbank.

In order to assess counterparty risks, individual credit analyses are carried out on a regular basis, also taking into account external ratings, and classified into risk-relevant and non-risk-relevant lending business. Credit decisions are made directly by the entire management on the basis of the credit analysis.

The permissible trading partners have been communicated by the management to the employees authorized to trade, subject to a maximum limit. The limits for the trading partners are continuously reviewed by the management and adjusted if necessary.

Intraday and overnight loans are generally granted exclusively on a collateralized basis against pledges of central bank-eligible securities from EU countries, which are subject to daily valuation to determine the available loan amount.

Concentration risk exists in the investment in fixed-income securities in the form of concentration on domestic and European public-sector counterparties, including the Federal Republic of Germany and its federal states, special federal funds and federal and state institutions (in particular development banks), which is taken into account in the SECB's risk-bearing capacity concept by allocating a separate limit.

In the area of investments in variable- and fixed-income securities, promissory note loans and registered bonds, there are reinvestment, interest rate change and earnings risks in the form of a lack of attractive reinvestment opportunities due to low interest rates for new issues and a resulting reduction in earnings. These risks are also taken into account within the risk-bearing capacity concept by allocating a separate limit. Due to the fixed-interest securities portfolio and its daily refinancing, the interest rate risk became the most significant risk within the risk-bearing capacity due to the increase in key interest rates by the European Central Bank in the financial year. To ensure adequate measurement of this risk, the maximum change in present value from the regulatory IRRBB interest rate scenarios was applied as of the reporting date of September 30, 2022. The maximum result was found to be the ad-hoc +200bp interest rate shock scenario.

Liquidity risk, including intraday risk, is taken into account to the extent that current accounts can generally only be maintained on a credit basis. In the event of an unexpected liquidity bottleneck, the securities portfolio can be used at any time within the framework of Lombard transactions to obtain liquidity from the Deutsche Bundesbank.

Due to its business model and strategic orientation, the bank is exposed to operational risks primarily in the area of outsourcing IT and personnel. The performance of the IT systems is to be regarded as a primary risk of business operations, which is taken into account by means of appropriate redundancies where this makes technical and commercial sense. A distinction is made between material and immaterial outsourcing on the basis of a risk analysis. Material outsourcing is included in risk management and is subject to continuous monitoring. In the area of human resources, the management pursues a personnel policy geared to sustainability. The bank's management conducts an appraisal interview with all employees at least once a year with regard to their reliability. Legal risks are of minor importance and are monitored by the management and managed in consultation with external law firms. The bank has a central compliance function to counter risks that may arise from non-compliance with legal regulations and requirements. Likewise, a D&O insurance policy is in place in this context to minimize the financial consequences of such risks. All loss events of the bank are collected and evaluated in a loss event database. Operational risks are currently identified and measured on the basis of the regulatory basic indicator approach.

In addition to the ongoing monitoring and guarantee of the smooth processing of payment transactions, the SECB imposes high creditworthiness requirements (minimum issuer rating BBB+ and minimum country rating AA) on the selection and ongoing monitoring of money market trading partners and issuers for investments in securities, promissory note loans and registered bonds. The reputational risk, which could lead to the withdrawal of customer funds, for example, via a loss of reputation, is of secondary importance for the bank as a result of the aforementioned measures.

The Bank's risk management concept is monitored on an ongoing basis in accordance with the requirements of MaRisk, revised as conditions change, and forms an integral part of Internal Audit's audit plan.

SECB's risk management is designed to ensure that, taking into account its overall risk profile, the risks taken into account in the risk-bearing capacity concept are covered on an ongoing basis by the Bank's risk coverage potential.

In fiscal year 2022, the existing risk coverage potential was used up for the first time as of the reporting date of June 30, 2022 due to the expected increase in interest rates on the market. Due to the subsequent actual increase in the key interest rate by the European Central Bank, the existing risk coverage potential was charged further. In the period from June 30, 2022 to November 30, 2022, the existing risk coverage potential was completely used up. It was not until the interest rate risk method was changed to the worst IRRBB scenario that the potential extent of the capital shortfall in the risk coverage potential of the going concern approach to be applied for the last time was identified on the reporting dates of September 30, 2022 and October 31, 2022, which was accounted for by a capital increase of EUR 50,000 thousand (by transfer to the capital reserve) on December 1, 2022. As a result, the risk-bearing capacity was again ensured as of the reporting date of December 31, 2022. The regulatory capital requirements (CRR) were met at all times in the 2022 financial year.

6. Forecast Report

The leading economic research institutes, including the ifo Institute, Munich, expect the German economy to stagnate in 2023. On the one hand, the economy is likely to be supported by easing supply bottlenecks for intermediate products and sharp falls in energy prices. On the other hand, still relatively high inflation is dampening consumer spending and the real estate sector is struggling with high financing costs. The ifo Institute therefore expects price-adjusted GDP to stagnate at around -0.1%.

At the beginning of 2023, the inflation rate of 8.7% was still significantly higher than the 2% target. Nevertheless, in a joint diagnosis the leading economic institutes in Germany forecast an inflation rate of around 6% in 2023. Only for the following year (2024) is a significantly lower increase in inflation expected at around 2.4%.

The weaker economy is also leaving its mark on the labor market, although according to the March monthly report of the German Federal Employment Agency, the labor market at the beginning of 2023 is robust. The spring recovery nevertheless got off to a weak start and, in seasonally adjusted terms, unemployment and underemployment increased significantly at the beginning of the year. Nevertheless, in its spring forecast, the Institute for Employment Research (IAB) expects employment subject to social security contributions and the number of people in employment to reach new highs in the course of 2023.

At its meeting on March 16, 2023, the ECB announced that the renewed increase in key interest rates was in the context of its determination to ensure a timely return of inflation to the 2% target. Due to heightened uncertainties, the ECB is taking a data-driven approach to policy rate decisions in 2023, basing further interest rate steps on available economic and financial data. As a result, forecasting the path of interest rates in 2023 will be difficult. However, the SECB's management will closely follow this ECB course.

With regard to the Swiss financial center, a significant event has already occurred in 2023 with the planned takeover of Credit Suisse by UBS. However, the consequences of this takeover should remain manageable for the SECB in 2023 and beyond, as the two institutions have only used the SECB as a transaction processor to a limited extent in the past. Based on the commission contributions in the past, a merger of these two institutions will only have a marginal impact on the commission income of SECB GmbH.

Annual and multi-year plans are prepared to forecast SECB's future earnings, net assets and financial position. They include capital, earnings and cost planning as well as stress scenarios, taking into account the expected new customer business, transaction volumes and the securities portfolio. In the following, the forecasts refer in each case to the planning for the year 2023.

In marketing, the bank will continue to concentrate on ensuring the efficient accessibility of Swiss and Liechtenstein financial institutions in euro payment traffic. In this regard, the focus will remain on consolidating the bank's position as an entry point for euro payments and as a gateway into the euro clearing systems. The connection of the SECB with all significant euro clearing systems in the euro area will be consistently pursued. The continuously increasing transaction figures confirm the position of the euroSIC/SECB combination as an alternative to traditional correspondent banking. The bank will continue to meet the market's demand for cost-effective payment channels and procedures with corresponding offers in the future.

We expect net fee and commission income in 2023 to continue to develop positively and increase year-on-year despite the changing payments landscape in the euro zone.

The SECB intends to participate in this by continuing its intensive marketing activities to attract new customers and additional business. The product and service portfolio is analyzed on an ongoing basis with a view to adapting it to market requirements. These measures, as well as the continuous maintenance of the high quality standards in processing and customer service, are intended to strengthen customer relationships in 2023 as well. The team of customer advisors was strengthened by new employees at the beginning of 2023.

By winning additional business, including in the area of SEPA credit transfers and SEPA direct debits, we expect net fee and commission income to continue to develop positively in 2023.

Net interest income in 2023 will reflect the challenging situation of having a securities portfolio with final maturities spread over the next few years on the assets side and flexible customer deposits on the liabilities side that are looking for a return in line with the market. We therefore expect a negative interest result for 2023.

Overall, the business result in 2023 and probably also in 2024 will be strongly influenced by the ECB's current and future interest rate policy in the context of net interest income. Net interest income is the main driver of the income statement. On the liabilities side, our customers' interest claims in line with the market are offset primarily on the assets side by a securities portfolio with an average interest rate that is below the ECB's key interest rates. We therefore expect a negative interest result for 2023. With increased net fee and commission income, moderate growth in administrative expenses, and a negative net interest result, the annual plan for 2023 envisages a very difficult year that is likely to end with a loss in the order of 2022.

Dr. Franz Siener-Kirsch, Managing Director
Hans A. Schlottner, Managing Director

SECB Swiss Euro Clearing Bank GmbH
Frankfurt am Main, 12 July 2022

Report of the Board of Directors

During the 2022 financial year, the Board of Directors, as a corporate body of the Company, performed the duties incumbent upon it under the Articles of Association. It was kept informed by the company's management on an ongoing basis about the economic development of the company on the basis of written and oral reports.

The Board of Directors approved the business transactions requiring its consent after reviewing and discussing them with the Executive Board.

The annual financial statements and management report for fiscal year 2022 were presented to the Board of Directors.

The annual financial statements as of December 31, 2022 and the management report for the fiscal year 2022, including the accounting records, were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mergenthalerallee 3, 65760 Eschborn, Germany, elected as auditors for the fiscal year 2022 by the ordinary shareholders' resolution of June 01, 2022. The auditing firm issued an unqualified audit opinion on the annual financial statements. The Board of Directors took note of and approved the auditors' report. It has examined the annual financial statements and the management report. No objections were raised.

The Board of Directors approved the annual financial statements presented by the Management Board.

The Board of Directors
Dieter Goerdten, Chairman of the Board of Directors

Annual Balance Sheet of SECB Swiss Euro Clearing Bank GmbH

as of December 31, 2022

Assets			31.12.2022	31.12.2021
		EUR	EUR	Prev. yr TEUR
1. Cash reserve				
a) Cash on hand		3,724.69	**3,724.69**	2
b) Cash at central banks		0.00		6,645
of which:				
at the German Bundesbank	0.00			
2. Receivables from credit institutions				
a) Due on demand		1,251,453.06		
b) Other receivables		10,046,109.58	**11,297,562.64**	60,822
3. Receivables from customers		20,184,699.34	**20,184,699.34**	20,185
of which:				
Secured by mortgage	0.00			
Loans to public authorities	0.00			
4. Bonds and other fixed-interest securities				
b) Bonds and debentures				
ba) issued by public authorities		444,935,654.84		435,201
of which:				
eligible as collateral at the German Bundesbank	442,534,281.47			
bb) other issuers		1,232,248,983.65	**1,677,184,638.49**	1,301,239
of which:				
eligible as collateral at the German Bundesbank	899,501,960.43			
5. Intangible fixed assets				
b) Concenssions, commercial trademarks and similar rights and assets, and licenses fur such rights and assets, purchased against payment		443,83.07	**443,183.07**	518
6. Tangible assets			**107,937.09**	168
7. Other assets			**4,088,605.06**	713
8. Prepaid expenses and other current assets			**628,886.82**	543
9. Deferred tax assets			**805,902.26**	655
Total Assets			**1,714,745,139.46**	**1,826,690**

Liablilities		**31.12.2022**	**31.12.2021**
	EUR	**EUR**	Prev. yr TEUR
1. Liabilities to credit institutions			
a) Due on demand	1,517,131,182.24	**1,517,131,182.24**	1,706,928
2. Liabilities to customers			
b) Other liabilities			
ba) Due on demand	21,365,790.13	**21,365,790.13**	5
3. Other liabilities		**12,616,584.18**	
4. Provisions			
b) Tax provisions	964,127.93		2,290
c) Other provisions	26,772,149.23	**27,736,277.16**	1,268
5. Equity capital			
a) Subscribed capital	30,000,000.00		30,000
b) Capital reserves	50,000,000.00		
c) Retained earnings			
cd) other retained earnings	79,700,000.00		73,700
d) Net profit/loss	-23,804,694.25	**135,895,305.75**	12,054
Total Liabilities		**1,714,745,139.46**	**1,826,690**

Profit and Loss Account of SECB Swiss Euro Clearing Bank GmbH

for the period from January 01 to December 31, 2022

			31.12.2022	31.12.2021
	EUR	EUR	**EUR**	TEUR
1. Interest income from:				
a) lending and money market transactions	7,415,741.46			11,568
b) fixed-interest securities and debt register claims	11,265,388.81	18,681,130.27		11,023
2. Interest expenses		5,920,394.92	**12,760,735.35**	1,047
3. Commission income		10,332,425.14		9,696
4. Commission expenses		5,039,224.88	**5,293,200.26**	5,196
5. Sonstige betriebliche Erträge			**149,042.89**	448
6. General administration expenses				
a) Personnel expenses				
aa) Wages and salaries	3,233,359.99			2,758
ab) Social security, post-employment and other employee benefit costs	825,074.03	**4,058,434.02**		774
of which: for retirement benefits EUR 305,208.46 (prev yr. EUR 0)				
b) Other administration expenses		6,947,369.74	**11,005,803.76**	4,984
7. Depreciation and vale adjustments for intangible and tangible assets			**252,618.27**	255
8. Other operating expenses			**24,600,824.97**	3
9. Depreciation and valuation allowances on shareholdings, shares in affiliated enterprises and securities held as assets		5,854,306.66		0
10. Income from write-ups on shareholdings, shares in affiliated enterprises and securities held as fixed assets		707,500.03	**-5,146,806.63**	349
11. Results from ordinary activites			**-22,803,075.13**	18,067
12. Income taxes		1,032,602.15		6,056
13. Other taxes, if not shown under item 12		23,000.00	**1,055,602.15**	23
14. Annual net profit / loss			**-23,858,677.28**	11,988
15. Profit / Loss brought forward prom previous year			**53,983.03**	66
16. Net profit / loss			**-23,804,694.25**	12,054

Notes for the Financial Year

January 1, 2022 to December 31, 2022

1. General Data

The annual financial statements of SECB Swiss Euro Clearing Bank GmbH, Frankfurt, registered in the Commercial Register at the Local Court of Frankfurt am Main under No. HRB 46 118, for the financial year 2022 have been prepared in accordance with the provisions of the German Commercial Code (HGB), the Ordinance on Accounting for Banks (RechKredV) and the provisions of the German Limited Liability Companies Act (GmbH-Gesetz) and the German Banking Act (KWG).

2. Accounting and Valuation

The accounting and valuation methods have remained unchanged from the previous year.

The valuation of assets and liabilities is in accordance with the general valuation rules of §§ 252 et seq. HGB in conjunction with §§ Sections 340e et seq. HGB.

Cash reserves are recognized at nominal value.

Receivables are stated at their nominal value plus accrued interest.

Intangible assets and property, plant and equipment are recognized at cost less scheduled depreciation over their useful lives. Low-value assets acquired in the financial year are grouped together in a collective item for the year and depreciated over a period of five years, or at 20% p.a. The depreciation and amortization expense is recognized in the income statement.

The securities held relate to bonds and debentures which, in accordance with the management's decision, are classified as fixed assets. They are reported including the pro rata interest. The valuation was based on the moderate lower of cost or market principle pursuant to Sec. 253 (3) of the German Commercial Code in conjunction with § Section 340e (1) of the German Commercial Code (HGB).

Bonds and other fixed-income securities are therefore measured at cost. The premium paid on acquisition is capitalized at cost and amortized on a straight-line basis over the remaining term. The amortization is recognized in net interest income as an adjustment to interest income.

Securities held in the portfolio were not lent out in fiscal year 2022.

The SECB performs a periodic review of the loss-free valuation of interest-related financial instruments. For this purpose, future interest claims from the over-night facilities with the Bundesbank and from securities transactions are compared with future interest obligations from customer deposits. The asset surplus is closed by equity. The SECB was established by its shareholders to secure EUR payments from Switzerland into the euro area and thus to support Switzerland's financial market infrastructure. It therefore acts like a non-profit organization without profit maximization. There is no target for return on equity and therefore a zero return is assumed. Administrative expenses and risk costs are deducted on a discounted basis from the calculated and discounted net interest income. This resulted in a negative amount for the financial year 2022.

As of December 31, 2022, it was therefore necessary to recognize a provision for onerous contracts in accordance with Section 340a HGB in conjunction with Section 249 (1) sentence 1 HGB.

As of December 31, 2021, there was therefore no need to recognize a provision for contingent losses in accordance with Section 340a HGB in conjunction with Section 249 (1) sentence 1 HGB.

In accordance with Section 250 of the German Commercial Code (HGB), expenses incurred prior to the balance sheet date are recognized as prepaid expenses if they represent expenses for a certain period after that date.

Deferred tax assets in accordance with § 274 (1) sentence 2 HGB were recognized due to differing valuation approaches to securities under commercial law and tax law. The distribution block pursuant to § 268 (8) HGB is taken into account in the management's proposal for the appropriation of profits.

As in the previous year, there were no transactions in derivative financial instruments in fiscal year 2022.

Liabilities to banks and customers are recognized at the settlement amount.

The provisions take into account all identifiable risks and uncertain obligations in an appropriate amount.

Until the European Central Bank (ECB) raised key interest rates above the level of zero, the reporting of interest income took into account the negative interest income generated on deposits in the checking account at the Deutsche Bundesbank as well as positive interest expenses from the customer deposit business.

Transactions with related parties were concluded at arm's length.

Statement of changes in fixed assets for the fiscal year 2022

List of Investments 2022

	Acquisition costs				**Depreciation 7 Write-downs**				**Residual book value**	
Balance sheet item	Balance 1/01/2022	Addition 2022	Disposal 2022	Balance 31/12/2022	Balance 1/01/2022	Addition 2022	Disposal 2022	Balance 31/12/2022	31/12/2022	31/12/2022
Office furniture	157,353.23	0.00	0.00	157,353.23	101,314.45	12,036.84	0.00	113,351.29	44,001.94	56,038.78
Office equipment	20,805.45	0.00	0.00	20,805.45	20,301.45	504.00	0.00	20,805.45	0.00	504.00
PC's	454,650.07	0.00	0.00	454,650.07	376,233.04	60,357.45	0.00	436,590.49	18,059.58	78,417.03
Fitting of rental premises	27,536.26	0.00	0.00	27,536.26	10,076.26	1,953.60	0.00	12,029.86	15,506.40	17,460.00
Low-value assets	41,003.16	25,571.36	0.00	66,574.52	25,183.91	11,021.44	0.00	36,205.35	30,369.17	15,819.25
Tangible assets total	***701,348.17***	***25,571.36***	***0.00***	***726,919.53***	***533,109.11***	***85,873.33***	***0.00***	***618,982.44***	***107,937.09***	***168,239.06***
Intangible assets	**3,880,995.41**	**92,400.00**	**0.00**	**3,973,395.41**	**3,363,467.40**	**166,744.94**	**0.00**	**3,530,212.34**	**443,183.07**	**517,528.01**
Subtotal tangible and intagible assets	*4,582,343.58*	*117,971.36*	*0.00*	*4,700,314.94*	*3,896,576.51*	*252,618.27*	*0.00*	*4,149,194.78*	*551,120.16*	*685,767.07*
Prommissory note bonds	5,000,000.00	0.00	5,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000,000.00
Registered bonds	30,000,000.00	0.00	0.00	30,000,000.00	0.00	0.00	0.00	0.00	30,000,000.00	30,000,000.00
Investment securities	1,732,314,313.95	284,611,321.00	343,585,986.24	1,673,339,648.71	2,050,400.00	473,961.54	0.00	2,524,361.54	1,670,815,287.17	1,730,263,913.95
Subtotal Securities	*1,767,314,313.95*	*284,611,321.00*	*348,585,986.24*	*1,703,339,648.71*	*2,050,400.00*	*473,961.54*	*0.00*	*2,524,361.54*	*1,700,815,287.17*	*1,765,263,913.95*
Total	1,771,896,657.53	284,729,292.36	348,585,986.24	1,708,039,963.65	5,946,976.51	726,579.81	0.00	6,673,556.32	1,701,366,407.33	1,765,949,681.02

3. Notes to the Financial Statements

Notes to the Balance Sheet

Cash reserve

The cash reserve consists mainly of cash deposits.

Receivables from financial institutions

This item mainly comprises receivables from promissory note loans including accrued interest.

	2022	2021
According to residual terms	TEUR	TEUR
Due daily	1,251	1,095
– until three months	0	44,679
– more than three months up to one year	0	5,001
– over one year up to 5 years inclusive	10,046	10,046

Receivables from customers

This item mainly includes a registered bond in the amount of EUR 20,000 thousand including accrued interest.

	2022	2021
According to residual terms	TEUR	TEUR
– due daily up to and including one year	68	68
– over one year up to 5 years inclusive	20,116	20,116
– over 5 years	0	0

Bonds and other fixed-income securities

The balance sheet figure for securities treated as fixed assets amounts to EUR 1,677,185 thousand and includes accrued interest of EUR 6,369 thousand.

	2022	2021
	TEUR	TEUR
Marketable bonds and notes	1,677,185	1,736,440
from public issuers in the amount of	444,936	435,201
– thereof valued like fixed assets	444,936	435.201
– thereof due in the following year	124,817	20,041
from other issuers in the amount of	1,232,249	1,301,239
– thereof valued like fixed assets	1,232,249	1,301,239
– thereof due in the following year	288,299	220,000

The carrying amount of securities is EUR 1,670,815k (fair value: EUR 1,585,762k). This includes securities with hidden charges with a carrying amount of EUR 1,165,062 thousand (fair value: EUR 1,078,698 thousand) and securities with hidden reserves with a carrying amount of EUR 165,753 thousand (fair value: EUR 167,065 thousand). Write-downs have not been made as these are temporary impairments and the Bank assumes that the securities concerned will be repaid at their carrying amount. All bonds and notes are listed on the stock exchange, of which securities with a nominal value of EUR 1,336,700 thousand (lending value as of December 31, 2022: EUR 1,182,735 thousand) are held in the pledged securities account at Deutsche Bundesbank.

The development of the securities portfolio is shown in the statement of changes in fixed assets as an appendix to the notes.

Intangible assets / property, plant and equipment

The development of intangible assets and property, plant and equipment in fiscal year 2022 is presented separately in the statement of changes in non-current assets as an appendix to the notes.

Other assets

Other assets mainly result from tax refund claims from value added tax, trade tax and corporate income tax (EUR 3,987 k) as well as a share in the payment transaction system S.W.I.F.T, La Hulpe, Belgium (EUR 92 k).

Prepaid expenses

This item relates in particular to prepaid maintenance contracts for 2022 in the amount of EUR 496 thousand and expenses for property insurance in the amount of EUR 112 thousand.

Deferred tax assets

Deferred tax assets relate to expected tax relief in subsequent financial years in connection with a security acquired above par that remains in the portfolio. In addition to corporate income tax of 15.0% and the solidarity surcharge of 5.5%, the company-specific trade tax rate of 16.1% was taken into account for the calculation of deferred taxes.

Liabilities to banks

All liabilities to banks are due on demand.

The total volume reported includes liabilities to a Group company of the shareholder in the amount of EUR 160,990 thousand (previous year: EUR 525,222 thousand).

Liabilities to customers

All liabilities to customers are due on demand.

The liability disclosed is a FinTech company.

Other liabilities
Other liabilities mainly include liabilities from payment transactions of EUR 12,531 thousand (previous year: EUR 201 thousand) that have already been booked before the settlement date and will not be settled by the Bundesbank until the following day.

Provisions

	2022	2021
	TEUR	TEUR
Tax provisions	964	2,290
Other provisions	26,772	1,268

The tax provisions reported relate to the financial year 2021 in the amount of EUR 964 thousand. The main component of the other provisions is the provision for onerous contracts from the loss-free valuation of the banking book in the amount of EUR 24,600 thousand. In addition, it consists of items for salaries, auditing costs and other personnel costs, whereby the utilization of these provisions is expected within one year.

Equity

	2022	2021
	TEUR	TEUR
Equity	**135,895**	**115,754**
Subscribed capital	30,000	30,000
Capital reserves	50,000	0
Retained earnings	79,700	73,700
Accumulated profit/loss	-23,805	12,054

The share capital of SECB Swiss Euro Clearing Bank GmbH remains unchanged at EUR 30,000 thousand as of December 31, 2022. As of December 01, 2022, the Board of Directors of SECB has resolved and implemented a capital increase in the form of a capital reserve in the amount of EUR 50,000 thousand. The shares are held 100% by SIX Group AG, Zurich.

Net income and retained earnings
In accordance with the resolution of the shareholders' meeting of June 1, 2022, an amount of EUR 6,000 thousand was distributed from the retained earnings of EUR 12,054 thousand for fiscal year 2021. An amount of EUR 6,000k was transferred from the unappropriated profit to retained earnings. The remaining amount of EUR 54k was carried forward to new account.

The net loss for fiscal year 2022 of EUR 23,859 thousand and the profit carried forward of EUR 54 thousand from 2021 result in the accumulated deficit for fiscal year 2022 of EUR 23,805 thousand.

The Management Board and the Board of Directors will propose at the shareholders' meeting that the profit carried forward of EUR 54 thousand be reversed against the accumulated loss.

The distribution block pursuant to Section 268 (8) HGB is taken into account in the proposed appropriation of profits and relates to deferred tax assets in the amount of EUR 806 thousand (previous year: EUR 655 thousand).

4. Notes to the Income Statement

Interest income
Interest income from fixed-income securities mainly results from the portfolio of fixed-income securities, registered bonds and promissory note loans.

Interest income from lending and money market transactions includes negative interest income for deposits in the current account at Deutsche Bundesbank amounting to minus EUR 490 thousand since the introduction of negative interest rates on deposits by the European Central Bank (ECB) until the increase in key interest rates. Positive interest income from lending and money market transactions amounts to EUR 977 thousand.

Interest income from fixed-interest securities amounts to EUR 11,265 thousand.

Interest expense
Interest expense this year shows positive interest expense from banking business of EUR 6,438 thousand and actual interest expense of EUR 5,431 thousand.

Fee and commission income
Fee and commission income results from contractual claims under a service agreement for the management of a payment transaction system as well as fees from payment transactions, primarily between Switzerland, Liechtenstein and the euro zone.

Other operating income
Other operating income of EUR 149 thousand mainly relates to income from the reversal of provisions of EUR 132 thousand for the financial year 2021.

Other operating expenses

Other operating expenses of EUR 24,601 thousand relate to the provision for contingent losses recognized on the loss-free valuation of the banking book for the financial year 2022.

Write-downs of and value adjustments to securities held as fixed assets
The write-downs of EUR 5,854 thousand are mainly attributable to the sale of 5 securities with a nominal value of EUR 70,000 thousand and to write-downs in connection with overpar purchases.

Taxes on income
The reported expenses for taxes relate in full to the result from ordinary activities and include deferred tax assets in the amount of EUR 1,056 thousand.

5. Other Information

Auditor's fee
The total fee charged by the auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, amounts to EUR 183 thousand.

The fees for audit services, amounting to EUR 183 thousand, include expenses for the statutory audit of the annual financial statements and management report of the SECB as of December 31, 2022, as well as for the audit review of the consolidated financial statements and the depository audit.

Other financial obligations
There continue to be rental obligations for office space of the bank in the amount of EUR 486 thousand, for printers in the amount of EUR 33 thousand and a franking machine in the amount of EUR 1 thousand.

SECB – Organs

Management
During the 2022 financial year, the following persons were appointed as managing directors:

- ***Hans-Joachim Michel,*** Member of the Executive Board, until June 30, 2022
- ***Ayşe Kun,*** Member of the Executive Board, until December 19, 2022
- ***Dieter Goerdten,*** Member of the Executive Board, from July 1, 2022 to November 30, 2022
- ***Hans Alfred Schlottner,*** Member of the Executive Board, since October 01, 2022
- ***Dr. Franz Michael Siener-Kirsch,*** Member of the Board of Management, since November 1, 2022

The protective clause pursuant to Section 286 (4) of the German Commercial Code (HGB) has been utilized for the disclosure of the total compensation of the Executive Board.

Board of Directors
The shareholder has appointed the following persons as members of the Board of Directors:

- ***Marco Menotti,*** Chairman, until January 31, 2023, Member of the Group Executive Board SIX Group Ltd, Zurich
- ***Dieter Goerdten,*** Chairman, since February 01, 2023, Member of the Group Executive Board SIX Group Ltd, Zurich
- ***Michael Montoya,*** Vice chairman
  Managing Director SIX Interbank Clearing Ltd, Zurich
- ***Johannes Bungert,*** Head Strategy and M&A
  Managing Director, SIX Group Services Ltd, Zurich (from 28.02.2020)

The remuneration of the Board of Directors amounted to EUR 0 thousand (previous year: EUR 0 thousand).

Employees
On average over the year, the bank employed a total of 31 employees in addition to the managing directors.

Shareholders
The Bank's capital is wholly owned by SIX Group Ltd, Zurich. The consolidated financial statements can be obtained from the Company's head office.
SIX Group Ltd
Pfingstweidstrasse 110
8005 Zurich
or at www.six-group.com/en/company/investors/annual-reporting.html

Disclosure in Accordance with CRR
The disclosure report in accordance with Articles 435 to 455 of Regulation (EU) No. 575/2013 in conjunction with Section 26a (1) sentence 1 KWG is available on the homepage of SECB Euro Swiss Clearing Bank GmbH under the link www.secb.de. The disclosures pursuant to Section 26a (1) sentence 2 KWG have been included in an annex to the annual financial statements.

Significant Events after the Balance Sheet Date
No significant events occurred after the balance sheet date.

Dr. Franz Siener-Kirsch, Managing Director
Hans A. Schlottner, Managing Director

SECB Swiss Euro Clearing Bank GmbH
Frankfurt am Main, May 25, 2023

Audit Opinion of the Independent Auditor

To SECB Swiss Euro Clearing Bank GmbH

Report on the Audit of the Annual Financial Statements and the Management Report

Audit Opinions
We have audited the annual financial statements of SECB Swiss Euro Clearing Bank GmbH, Frankfurt am Main, comprising the balance sheet as of December 31, 2022 and the income statement for the business year from January 1, 2022 to December 31, 2022, and the notes to the financial statements, including a description of the accounting policies. We have also audited the management report of SECB Swiss Euro Clearing Bank GmbH for the business year from January 1, 2022 to December 31, 2022.

In our opinion, based on the findings of our audit, the consolidated financial statements are as follows:

- the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and of its financial performance for the fiscal year from January 1, 2022 to December 31, 2022, in accordance with German principles of proper accounting; and

- on the whole the attached management report provides a suitable understanding 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 accurately presents the opportunities and risks of future development.

In accordance with Section 322 (3) Sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the annual financial statements and the management report.

Basis for the Audit Judgments
We conducted our audit of the annual financial statements and the management report in accordance with Section 317 HGB and the EU Regulation on the Audit of Annual Financial Statements (No. 537/2014; hereinafter "EU-APrVO") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those regulations and standards is further described in the "Auditor's Responsibility for the Audit of the Annual Financial Statements and Management Report" section of our auditor's report. We are independent of the Company in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services as defined in Article 5 (1) EU-APrVO. 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 the management report.

Particularly Important 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 financial statements for the fiscal year from January 1 to December 31, 2022. These matters were considered in the context of our audit of the financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

In the following, we describe the audit matters that we consider to be of particular importance:
Valuation of bonds and other fixed-income securities.

Reasons for Designation as a Particularly Important Audit Matter
The valuation under commercial law as of the balance sheet date is based on the moderate lower-of-cost-or-market principle. Impairment is indicated by a deterioration in the issuer's credit rating by external rating agencies and, in the case of listed bonds and other fixed-income securities, by the quoted market price at the balance sheet date being below amortized cost. In the event of an impairment existing at the balance sheet date, an assessment must be made as to the extent to which the impairment is expected to be permanent. Discretionary decisions in assessing whether impairment losses existing at the balance sheet date are expected to be permanent may have a significant impact on the amount of impairment losses to be recognized.

Against the background of the business model of SECB Swiss Euro Clearing Bank GmbH, in which the liquidity surpluses from the settlement of payment transactions in euros are invested primarily for Swiss financial institutions in bonds and other fixed-income securities, which account for the vast majority of the Company's assets, we identified the valuation of bonds and other fixed-income securities as a particularly important audit matter.

Audit Procedure
As part of our audit, we have traced and assessed the procedure used to assess the recoverability of the bonds and other fixed-interest securities. We evaluated the information on which the assessment of the legal representatives was based and, in particular, verified the accuracy of the credit

ratings of the issuers used by external rating agencies and the stock market prices at the reporting date used for comparison with amortized cost. In this context, we also verified that the impairment assessment was applied consistently. In addition, we understood and assessed the assessment of the legal representatives as to the extent to which impairments existing on the balance sheet date must be regarded as likely to be permanent.

No objections arose from our audit procedures with regard to the valuation of bonds and other fixed-income securities.

Reference to Related Information
The Company's disclosures on the valuation of bonds and other fixed-income securities are included in section II. "Accounting and Valuation" of the notes to the financial statements.

2. Measurement of the provision for contingent losses recognized as part of the loss-free measurement of interest-related transactions in the banking book.

Reasons for Designation as a Particularly Important Audit Matter
SECB Swiss Euro Clearing Bank GmbH is assessing the need to recognize a provision for a surplus of obligations from the business with interest-related financial instruments in the banking book in accordance with the requirements of section 340a in conjunction with section 249 (1) sentence 1 alt. § Section 249 (1) sentence 1 alt. 2 HGB as well as the IDW statement IDW RS BFA 3 n.F. In doing so, the SECB applies the periodic method, uses equity as the source of refinancing for the fictitious closing of asset surpluses and assumes zero interest on equity.

Against the background of the Company's business model, in which the liquidity surpluses from the settlement of payment transactions in euros are invested primarily for Swiss financial institutions in bonds and other fixed-interest securities, which are offset on the liabilities side by variable-interest liabilities to banks, we identified the measurement of the provision for contingent losses recognized as part of the loss-free measurement of interest-related transactions in the banking book as a particularly important audit matter.

Audit Procedure
We have assessed the Company's procedure for determining the provision for contingent losses recognized as part of the loss-free valuation of interest-related transactions in the banking book to determine whether the selected procedure is in accordance with the professional pronouncement of the Institut der Wirtschaftsprüfer in Deutschland e.V. on the loss-free valuation of interest-related transactions in the banking book (interest book) (IDW RS BFA 3 n.F.). In this context, we have, in particular, traced the determination of future interest claims from the over-night facilities at Deutsche Bundesbank and from securities transactions, as well as the future interest obligations from customer deposits that are offset against these. In addition, we assessed in particular the Company's approach of using equity as a source of funding for the notional closing of surplus assets and assuming a zero return on equity.

Our audit procedures did not give rise to any objections with regard to the measurement of the provision for onerous contracts recognized as part of the loss-free measurement of interest-related transactions in the banking book.

Reference to Related Information
The Company's disclosures on the measurement of the provision for contingent losses recognized as part of the loss-free measurement of interest-related transactions in the banking book are included in section II. "Accounting and measurement" of the notes to the financial statements.

Responsibility of the Legal Representatives and the Board of Directors for the Annual Financial Statements and the Management Report
Management is responsible for the preparation and fair presentation of these financial statements in accordance with German generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error (i.e., fraudulent accounting manipulations and misstatements of assets).

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for preparing the financial statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

Furthermore, management is responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position and is consistent in all material respects with the annual financial statements, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it determines are necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the management report.

The Board of Directors is responsible for overseeing the Company's financial reporting process for the preparation of the financial statements and management report.

Auditor's Responsibility for the Audit of the Annual Financial Statements and the Management Report
Our objective is 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 a suitable view of the Company's position and is consistent, in all material respects, with the annual financial statements and the audit findings, complies with German legal requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinions on the annual financial statements and 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-APrVO and in compliance with German generally accepted standards for the audit of financial statements 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 financial statements and management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore:

- Identify and assess the risks of material misstatement of the annual financial statements and 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit of the financial statements and of arrangements and actions 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 opinion on the effectiveness of those systems of the Company;;

- We also evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of the going concern basis of accounting used by management 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 our auditor's report to the related disclosures in the financial statements and management report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may cause the Company to cease to be able to continue as a going concern;

- Assess the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting;

- We assess the consistency of the management report with the annual financial statements, its compliance with the law and the view of the Company's position conveyed by it;

- We perform audit procedures on the forward-looking statements made by management in the management report. In particular, based on sufficient appropriate audit evidence, we reproduce the significant assumptions underlying the forward-looking statements made by management and evaluate the appropriateness of the information derived from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

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

We make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and the safeguards that have been put in place to address them.

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

Other Statutory and Other Legal Requirements

Other Information According to Article 10 EU-APrVO
We were elected as auditors by the shareholders' meeting on June 1, 2022. We were appointed by the management on November 16, 2022. We have served as auditors of SECB Swiss Euro Clearing Bank without interruption since fiscal year 2019.

We declare that the audit opinions contained in this audit opinion are consistent with the additional report to the Board of Directors pursuant to Article 11 EU-APrVO (audit report).

Responsible Auditor
The auditor responsible for the audit is Mr. Matthias Koch.
Eschborn/Frankfurt am Main, May 26, 2023

Ernst & Young GmbH
Auditing firm

Koch, German Public Auditor
Ozimek, German Public Auditor

SECB
Swiss Euro Clearing Bank
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