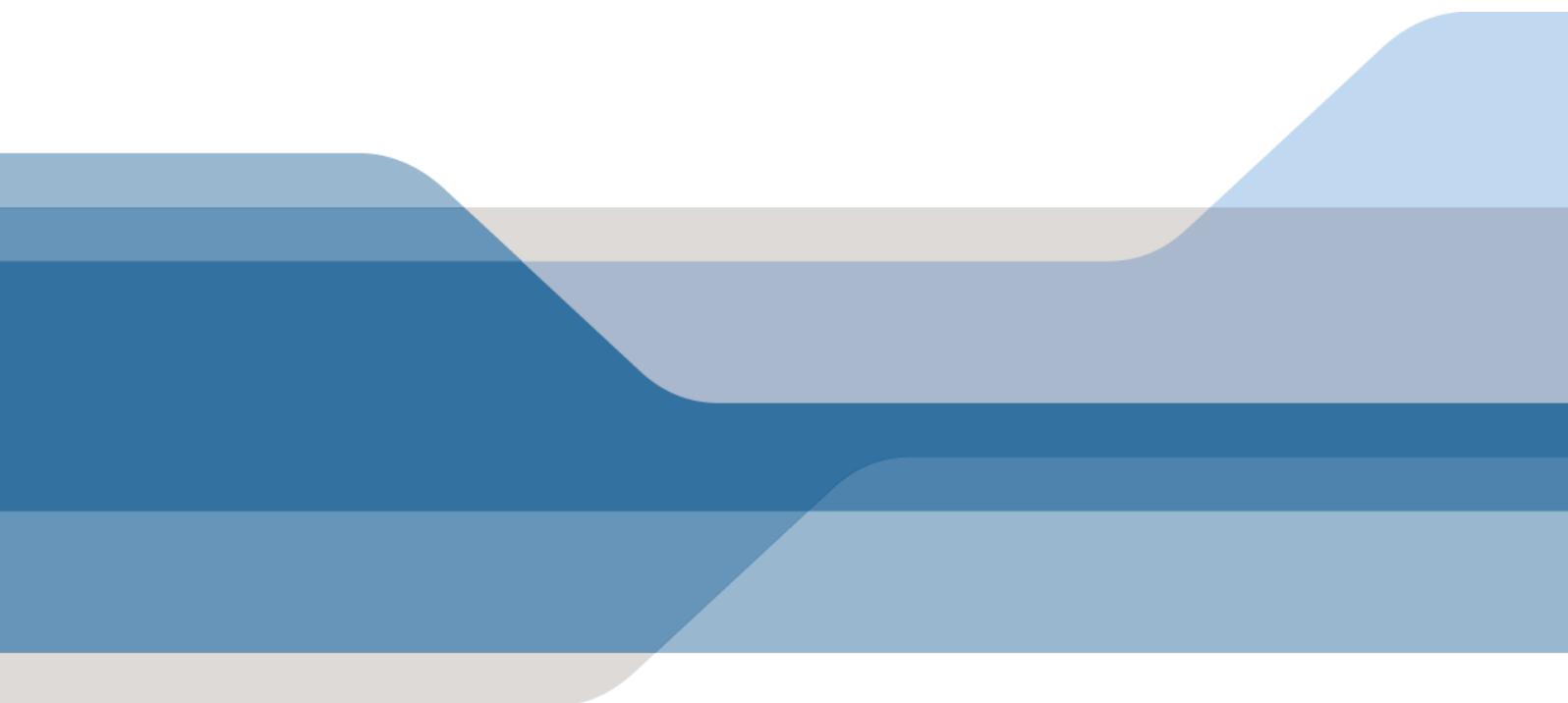


## Annual Report 2009

SIX SIS Ltd  
Baslerstrasse 100  
CH-4600 Olten



Annual report	3
Balance sheet	5
Income statement	6
Annex to financial statements	7
Report of the auditors	20
Corporate bodies and addresses	22

## Annual report SIX SIS Ltd

### Extensive network in the European market

**SIX SIS has strengthened its position in cross-border securities settlement in Europe with its participation in the joint venture Link Up Markets and preparations for the founding of SIX SIS International. 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 146.5 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 SIS with an opportunity to significantly increase its customer base and to expand the international network. 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.

### Asset growth

SIX SIS' business income decreased from CHF 171.2 million in the previous year to CHF 146.5 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). 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. Asset growth amounted to CHF 55,728 million, an increase of 28% compared to the preceding year's figure. Repo services were provided to 158 clients, 18 more than in 2008.

Thanks to their sound capital resources, SIX SIS was 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 SIS systematically pressed ahead with internationalization in 2009. In March 2009, Link Up Markets – a joint venture between SIX SIS and seven European 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.

### **Focusing on implementation**

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 Group expects a marked increase in cross-border settlement and custody volumes 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 CSDs will duly have an impact on business development.

## Balance sheet of SIX SIS as at 31 December 2009

(CHF 1,000)	31.12.2008	31.12.2009
<b>Assets</b>		
Liquid funds	439,756	841,154
Due from banks	1,725,869	2,591,692
Due from clients	7,814	703
Participations	3,717	3,274
Fixed assets	53,896	50,218
Accrued income and prepaid expenses	4,749	814
Other assets	5,292	97,975
<b>Total assets</b>	<b>2,241,093</b>	<b>3,585,829</b>
Due from qualified participants (indirect)	4,067	7,869
Due from qualified participants (direct)	–	–
Due from affiliated companies (banks)	1,035	73
Due from affiliated companies (clients)	7,792	684
<b>Liabilities</b>		
Due to banks	1,948,286	2,832,416
Due to clients	5,746	2,758
Prepaid expenses and deferred income	22,179	12,297
Other liabilities	46,461	540,858
Valuation adjustments and provisions	63,670	70,729
Share capital	26,000	26,000
General legal reserves	23,300	23,300
Free reserves	64,200	64,200
Profit carried forward from previous year	1,143	1,252
Annual profit	40,108	12,020
<b>Total liabilities and equity</b>	<b>2,241,093</b>	<b>3,585,829</b>
Due to qualified participants (indirect)	169,603	83,027
Due to qualified participants (direct)	11	22
Due to affiliated companies (banks)	119,175	105,914
Due to affiliated companies (clients)	5,107	1,994
<b>Off-balance sheet transactions</b>		
Irrevocable commitments	6	10

## Income statement 2009 of SIX SIS

(CHF 1,000)	2008	2009
Interest and discount income	53,720	8,599
Interest expenses	– 23,431	– 566
<b>Net interest income</b>	<b>30,289</b>	<b>8,032</b>
Commission income from securities and investment transactions	172,867	176,008
Commission income from other services business	10,912	11,059
Commission expenses	– 54,142	– 57,736
<b>Net commission and services business income</b>	<b>129,637</b>	<b>129,331</b>
<b>Net trading income</b>	<b>400</b>	<b>695</b>
Income from participations	– 187	– 548
Other ordinary income <sup>1</sup>	11,076	9,044
Other ordinary expenses	– 43	– 13
<b>Net other income</b>	<b>10,847</b>	<b>8,484</b>
<b>Business income</b>	<b>171,172</b>	<b>146,542</b>
Personnel expenses	– 40,694	– 40,343
Operating expenses <sup>2</sup>	– 68,406	– 79,115
<b>Total operating expenses</b>	<b>– 109,101</b>	<b>– 119,458</b>
<b>Gross income</b>	<b>62,072</b>	<b>27,084</b>
Depreciation on fixed assets	– 3,590	– 3,574
Valuation adjustments, provisions and losses	– 8,181	– 7,682
<b>Subtotal</b>	<b>50,301</b>	<b>15,828</b>
Extraordinary income	1,162	–
Extraordinary expenses	–	– 233
Taxes	– 11,355	– 3,575
<b>Annual profit</b>	<b>40,108</b>	<b>12,020</b>
<b>Appropriation of disposable profit</b>		
Profit carried forward from previous year	1,144	1,252
<b>Profit at the General Meeting's disposal</b>	<b>41,252</b>	<b>13,272</b>
Allocation to general legal reserves	–	–
Allocation to free reserves	–	–
Dividend	– 40,000	–
<b>Profit carried forward</b>	<b>1,252</b>	<b>13,272</b>

<sup>1</sup> Incl. Group-internal services worth CHF 4.604 m (previous year: CHF 4.632 m).

<sup>2</sup> Incl. Group-internal services of CHF 72.133 m (previous year: CHF 64.306 m).

## **Annex to the financial statements 2009**

### **1 Notes on business activities and workforce**

#### **1.1 General**

SIX SIS' core business is the settlement of securities transactions as well as the safe custody and administration of securities both in Switzerland and abroad. As the national central securities depository (CSD), the company is a key element of the Swiss Value Chain in its home market, Switzerland. It guarantees the settlement of securities transactions on a simultaneous, final and irrevocable delivery versus payment basis. In its role as an international central securities depository (ICSD), SIX SIS offers a wide range of tailor-made global custody services for clients in 54 markets.

To facilitate settlement of securities transactions, particularly in cross-border business, national and international participants as well as foreign custodians hold accounts with SIX SIS. Without exception, interim financing to ensure problem-free settlements of securities transactions is short-term in nature and provided on the basis of current accounts. The company does not engage in commercial financing.

The number of staff on a full-time equivalent basis was 285 people as at year-end 2008 (previous year-end: 293).

SIX SIS is licensed as a bank under Swiss law and supervised by FINMA.

#### **1.2 Outsourcing**

Wherever possible, SIX SIS uses the services of other affiliated companies of SIX Group.

The affiliated company SIX x-clear Ltd is responsible for risk management for the entire Securities Services division. SIX x-clear, too, is also a regulated bank and supervised by FINMA.

As of 1 April 2006, the Securities Services division outsourced the operation and maintenance of the 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 are obligated to maintain banking secrecy.

#### **1.3 Risk management**

##### **1.3.1 General**

As a part of SIX Group, SIX SIS 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 specific risks faced by SIX SIS is assumed by senior executives of the Securities Services division. Risk controlling tasks specific to SIX SIS are assigned to the Risk Controlling unit of the

Securities Services division For this purpose, the risk management instruments are continually enhanced and adjusted.

### **1.3.2 Risk policy**

The scope of SIX SIS' 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.

### **1.3.3 Risk groups**

#### **1.3.3.1 Strategic risk and project risk**

Strategic risks and project risks arise both from the implementation of the Securities Services division's strategy and from the implementation of the strategies of the individual subsidiaries. They are the responsibility of the Group Executive Board as well as of the Executive Boards of the subsidiaries. Strategic risks and projects risks are not directly quantified; the risk profiles of the individual SIX Group companies are, however, reviewed semi-annually.

#### **1.3.3.2 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 at a group level. Reputational risk management includes all operational and strategic management instruments of SIX Group and the Securities Services division, 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.

#### **1.3.3.3 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 SIS pursues a conservative risk and credit policy. New participants of SIX SIS are required to meet strict regulatory standards. Inadequately regulated and supervised market participants, or institutions not subject to money laundering monitoring, are not admitted. Management is effected via limits granted to the participant by the relevant bodies within SIX Group pursuant to the competency rules. 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 on the collateral it provides. Limits are monitored on a daily basis.

Although the members of SIX SIS have sole responsibility for investments, SIX SIS has defined certain country limits to ensure appropriate risk monitoring.

SIX SIS 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 SIS avails itself of a system for the internal monitoring of cluster risks. As at 31 December 2009, one position exceeded the 10% reporting threshold for accumulated liabilities. The reporting threshold was not exceeded on a single occasion with regard to accumulated assets.

To calculate the capital adequacy requirements for credit risks in accordance with Basel II SIX SIS uses the Swiss standard approach.

#### **1.3.3.4 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.

#### **1.3.3.5 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).

#### **1.3.3.5.1 Risk of interest rate fluctuations**

The Securities Services division does not engage in credit transactions or in major mid-term or long-term fixed interest transactions. However, interest rate fluctuations may influence the treasury result.

#### **1.3.3.5.2 Foreign currency risk**

In principle, the Securities Services division 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.

#### **1.3.3.5.3 Price risk in trading portfolio**

SIX SIS does not maintain any securities trading portfolios.

#### **1.3.3.6 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 of SIX Group 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 the Securities Services division 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. Furthermore, they ensure the adjustment of internal rules and directives to changing legal provisions and the observance thereof.

The Securities Services division 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 a backup IT center. Appropriate steps on the part of SIX SIS' outsourcing partners are subject to contractual agreements. In addition, the Securities Services division is supervised by the Swiss National Bank due to special legislation in this respect.

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

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

Capital on 31 December 2009 (in CHF m):

### Eligible capital

	2008	2009
<b>Eligible capital:</b>	<b>155.0</b>	<b>171.8</b>
<b>Total required capital:</b>	<b>55.1</b>	<b>60.8</b>
thereof for credit risks:	17.3	25.8
thereof for non counterparty-related risks:	11.1	10.3
thereof for market risks:	0.3	0.2
thereof for operational risks:	26.3	24.5

## 2 Principles of accounting and valuation

### 2.1 General principles

The bookkeeping, balance and valuation comply with the provisions of the Swiss Code of Obligations, the Swiss Federal Law on Banks and Savings Banks and the accounting guidelines of the Swiss Financial Market Supervisory Authority (FINMA-RS 08/2).

The financial statement reporting date is 31 December.

Transactions are entered according to the principle of settlement date accounting whereas for balancing trade date accounting is applied.

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

### 2.2 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.

#### Exchange rate

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

### 2.3 Liquid funds, borrowed funds

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

### 2.4 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.

Receivables from and liabilities towards banks arise mainly from SIX SIS' clearing and settlement activities with banks and financial organizations in Switzerland and abroad.

### 2.5 Lending and repurchase transactions in securities

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

## 2.6 Securities lending and borrowing transactions

The Securities Services division 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.

## 2.7 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 emphasizes 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.

## 2.8 Financial investments in securities

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

## 2.9 Fixed assets

The following depreciation rates are applicable:

Asset class	Lifetime in years maximum	Depreciation rate, linear, based on acquisition value
Installations	7	14.3 %
Building installations	10	10 %
Fixtures logistics	12	8.3 %
Furnishings and equipment	5	20 %
Vehicle park	5	20 %
EDP hardware	5	20 %
Computer hardware	3	33.3 %
Computer software	immediate depreciation	100 %
Ordinary office buildings	35	3 %
Buildings for special uses	20	5 %
Real estate	unlimited	0 %

Real estate and buildings are to be reported separately. Real estate is not depreciated. Fixed assets are reported on a net basis, i.e. after deduction of accumulated depreciations. Costs for own software developments are recognized in the balance sheet and fully written off within the same year.

## 2.10 Pension fund liabilities

Liabilities towards SIX SIS' own pension fund as at 31.12.2009 amount to TCHF 297 (in 2008: TCHF 313).

The Securities Services division offers defined contribution plans.

## 2.11 Information on off-balance sheet transactions

Off-balance sheet transactions requiring disclosure concern derivative financial instruments. There are no contingent liabilities.

SIX SIS engages in transactions involving derivative financial instruments for its own account only to a very limited extent and for the sole purpose of hedging.

## 2.12 Valuation adjustments and provisions

### 2.12.1 Valuation adjustments and provisions for default risks (counterparty, customer and country risk)

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

Acute and latent default risks are to be evaluated individually and the decrease in value calculated therewith is to be accounted for under the relevant asset item.

Provisions for global risks are considered as hidden reserves if their adequacy cannot be documented. However, they may nevertheless be reported as provisions in the financial statements of the Group companies.

The flat-rate provisions related to the account balances as at 31 December were as follows:

Account type	Rate
Nostro accounts	0.30%
Placements (investments/receivables from third-party banks)	0.20%
Short-term interim financing granted to participants on a blank basis	1.00%
Short-term interim financing granted to participants on a covered basis	0.20%

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.

### 2.12.2 Valuation adjustments and provisions for other business-related risks (in particular settlement risks)

Latent settlement risks in the securities business are accounted for by flat-rate provisions for operational risks. These provisions amount to 2% of the commission and services business income.

Actual losses resulting from settlement are allocated to existing provisions. However, realized settlement proceeds need to be reported under Sundry ordinary income.

### **2.12.3 Provisions in respect of safekeeping**

The maximum provision is 0.0025% of the deposit value and the current provision is 3% of the net income from custody business. These provisions are dependent on the business result. If the maximum amount is reached or exceeded due to a decline in deposit value or share prices, no further provisions are made. However, the provision will remain unchanged in the balance sheet, even if one portion might have to be taken into account for tax purposes.

### **2.13 Amended principles of accounting and valuation**

None

### 3 Balance sheet information

#### 3.1 Statement of assets

	Cost price	Accumulated depreciation	Book value 31.12.2008	Investments	Disposals	Depreciation	Book value 31.12.2009
(CHF 1,000)							
<b>Fixed assets</b>							
Installations and furnishings	7,146	– 6,110	1,036	33	–	– 205	864
Hardware	213	– 181	32	–	–	– 13	19
Real estate and buildings <sup>1</sup>	115,953	– 63,125	52,828	96	– 233	– 3,356	49,335
Software	1,119	– 1,119	–	–	–	–	–
<b>Total fixed assets</b>	<b>124,431</b>	<b>– 70,535</b>	<b>53,896</b>	<b>129</b>	<b>– 233</b>	<b>– 3,574</b>	<b>50,218</b>
Fire insurance value of buildings (Group)			87,631				87,486
Fire insurance value of sundry fixed assets (Group)			41,169				53,548

<sup>1</sup> Real estate is not depreciated.

#### 3.2 Other assets and other liabilities

	Other assets		Other liabilities	
	Previous year	31.12.2009	Previous year	31.12.2009
(CHF 1,000)				
SECOM settlement accounts	5,268	97,973	28,570	522,161
Indirect taxes	–	–	15,525	15,960
Settlement accounts	3	–	721	1,012
Sundry assets and sundry liabilities	20	2	1,646	1,725
<b>Total other assets and other liabilities</b>	<b>5,292</b>	<b>97,975</b>	<b>46,462</b>	<b>540,858</b>

#### 3.3 Assets pledged or assigned as cover for liabilities

	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	–	–	–	–
<b>Total pledged assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

### 3.4 Lending and repurchase transactions in securities

(CHF 1,000)	Previous year	31.12.2009
Book value of receivables deriving from cash deposits due to 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

Collateral for loaned securities was primarily provided in the form of other securities rather than cash.

### 3.5 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
<b>Value adjustments and provisions for:</b>						
Default risk (counterparty risk)	3,196	–	–	356	–	3,553
Operational risks	17,992	– 701	–	6,794	– 1,970	22,115
Social security stop-gap benefit	–	–	–	77	–	77
Other risks	42,482	–	–	2,501	–	44,983
<b>Total valuation adjustments and provisions</b>	<b>63,670</b>	<b>– 701</b>	<b>–</b>	<b>9,729</b>	<b>– 1,970</b>	<b>70,729</b>

As regards value adjustments and provisions for default risks as well as operational risks, please refer to item 0.1 of this Annex.

Other provisions contain, on the one hand, the provision for securities safekeeping in the Swiss financial market mentioned under item 2.12.3 and, on the other hand, a provision for dividend claims resulting from a settlement project involving securities.

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

	Previous year			31.12.2009		
	Total nominal value (CHF m)	Quantity	Capital entitled to dividends (CHF m)	Total nominal value (CHF m)	Quantity	Capital entitled to dividends (CHF m)
Registered shares	26	260,000	26	26	260,000	26
Share capital	26		26	26		26
<b>Company capital</b>	<b>26</b>		<b>26</b>	<b>26</b>		<b>26</b>

All registered shares, and thus all voting rights (1 share = 1 vote), are held by the parent company SIX Securities Group Ltd.

### 3.7 Statement of equity

Equity at the beginning of the year under review	(CHF 1,000)
Paid-in share capital	26,000
General legal reserves	23,300
Free reserves	64,200
Disposable profit	41,252
<b>Total capital and reserves at the beginning of 2009 (prior to appropriation of profit)</b>	<b>154,752</b>
./. Dividend from previous year's annual profit	- 40,000
+ Annual profit	12,020
<b>Total capital and reserves at the end of 2009 (prior to appropriation of profit)</b>	<b>126,772</b>
Thereof:	
Paid-in share capital	26,000
General legal reserves	23,300
Free reserves	64,200
Disposable profit	13,272

### 3.8 Receivables from and payables to affiliated companies

(CHF 1,000)	Previous year	31.12.2009
Due from from affiliated companies	8,872	757
Due to affiliated companies	124,283	107,908

### 3.9 Transactions with associated persons

The same services are provided and the same conditions are applied to associated persons as to third parties.

#### 4 Information on the income statement

##### 4.1 Net trading income

(CHF 1,000)	Previous year	2009
Income from forex transactions	– 292	86
Income from securities trading	692	609
<b>Total</b>	<b>400</b>	<b>695</b>

#### 5 Additional information

##### 5.1 Contingent liabilities

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

The annex to the consolidated financial statements of SIX Securities Group Ltd, which are based on the true and fair view principle, contains additional information.



Ernst & Young Ltd  
Badenerstrasse 47  
P.O. Box  
CH-8022 Zurich

Phone +41 58 286 31 11  
Fax +41 58 286 30 04  
[www.ey.com/ch](http://www.ey.com/ch)

To the General Meeting of  
SIX SIS Ltd, Olten

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 SIS 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.

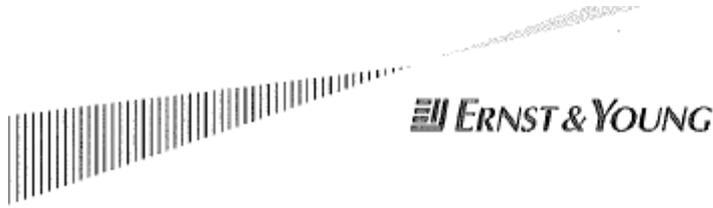
#### *Board of Directors' responsibility*

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 SIS Ltd

##### Board of Directors

Prof. Dr. Peter Gomez

Dr. Urs Rügsegger

Thomas Zeeb

Chairman of the Board of Directors

Member of the Board of Directors

Member of the Board of Directors

### Addresses

#### SIX SIS Ltd

Baslerstrasse 100

P.O. Box

CH-4601 Olten

T +41 62 205 3111

F +41 62 205 3112

#### Zurich office:

Brandschenkestrasse 47

P.O. Box 1758

CH-8021 Zürich

T +41 44 288 4511

F +41 44 288 4512

[www.six-sis.com](http://www.six-sis.com)

[office@sisclear.com](mailto:office@sisclear.com)