



Financial Statements 2023

SIX Interbank Clearing Ltd



Contents

3	Financial Year Report
4	Balance Sheet
5	Income Statement
6	Notes to the Financial Statements
8	Statement of Changes in Equity
9	Appropriation of Profit
10	Report of the Statutory Auditor on the Financial Statements

Financial Year Report

Efficient, cost-effective, reliable, and secure payment systems are essential for the functioning of the real economy and for building trust among market participants in financial market infrastructures. In this context, the Swiss Interbank Clearing (SIC) payment system plays a key role. Operated by SIX Interbank Clearing Ltd. (SIC Ltd) on behalf of and under the supervision of the Swiss National Bank (SNB), the seamless functioning of payment transactions between financial institutions significantly contributes to the stability of the financial system. It is crucial for the Swiss financial center and the implementation of the monetary policy.

Noteworthy developments during the reporting year include:

Introduction of SIC5: In November 2023, the technical launch of the new Instant Payment Service for the Swiss financial center took place as planned. SIC5, the fifth generation of the SIC platform, was developed inhouse and from scratch on a modern technical platform. It processes instant payments around the clock and can be operated and maintained without interruption of service. Before year-end, the first financial institutions successfully onboarded on the new platform, processing end-to-end instant payments in a pilot operation mode. The step by step onboarding of additional financial institutions will continue until the official launch of instant payments on August 20th, 2024.

SIC5 Project: The first phase of the SIC5 project by SIC Ltd was completed with the technical go-live of the SIC5 platform. The second phase started immediately afterwards with the main goal to technically migrate the SIC and euroSIC-RTGS from the SIC4 to the SIC5 platform. Upon completion of this migration, currently planned by the end of 2026, all services provided by SIC Ltd will be technically harmonized on the SIC5 platform, allowing the decommissioning of the SIC4 platform.

The stability and reliability of SIC Ltd's services once again reached a very high level (SIC availability: 99.99%) during the reporting year, contributing significantly to a smoothly operating financial center. In addition to the introduction of the SIC annual release, the migration to the new communication protocol and security software SASS2 was completed successfully.

The number of transactions processed in the SIC system increased from 944 million in the previous year to 968 million (+2.5%). At the same time, the average price per individual transaction decreased from 2.21 centimes to 2.06 centimes (-6.8%). Similarly, in the euroSIC system, the number of transactions grew from 16.1 million to 17.2 million (+6.8%). Due to the larger volume, the average price in euroSIC decreased from 24.1 Euro cents to 22.9 Euro cents (-4.9%).

The natural growth in transactions also allowed for further price reductions in the SIC system for 2024. In the euroSIC system, the pricing model for 2024 was fundamentally revised to better differentiate the services provided by SIC Ltd and SECB.

As of the end of 2023, 317 financial institutions were connected to the SIC system, and 189 to the euroSIC system, including 57 SIC participants and 11 euroSIC participants domiciled outside Switzerland/Liechtenstein.

The Board of Directors of SIC Ltd appointed Matthias Sailer as the new Managing Director, effective June 1, 2023, succeeding Michael Montoya, who retired.

Balance Sheet

in CHF	Notes	31/12/2023	31/12/2022
Assets			
Cash and cash equivalents	7	11,507,476	11,497,988
Trade receivables	8	2,497,670	2,655,279
Other receivables	9	28,361,852	28,587,524
Positive replacement values of derivatives		0	56
Accrued income and prepaid expenses		1,093,900	127,723
Total current assets		43,460,899	42,869,020
Non-current financial assets	10	91,705	62,080
Total non-current assets		91,705	62,080
Total assets		43,552,604	42,931,099
Liabilities			
Trade payables	11	987,143	1,011,333
Current interest-bearing liabilities	12	84,576	15,456
Other current liabilities	13	129,896	138,764
Negative replacement values of derivatives		2,954	0
Accrued expenses and deferred income		1,372,433	1,444,928
Total current liabilities		2,577,002	2,610,480
Non-current financial liabilities	14	87,375	0
Total non-current liabilities		87,375	0
Total liabilities		2,664,377	2,610,480
Share capital		1,500,000	1,000,000
Legal reserves			
General legal reserves		600,000	1,100,000
Free reserves		10,550,000	10,400,000
Retained earnings			
Profit carried forward		23,870,619	22,144,211
Profit for the year		4,367,607	5,676,408
Total equity		40,888,226	40,320,619
Total liabilities and equity		43,552,604	42,931,099

Income Statement

in CHF	Notes	2023	2022
Service revenues		3,819,884	4,178,391
Transaction revenues		23,731,318	24,824,251
Other revenues		1,441,642	1,984,416
Total operating income		28,992,843	30,987,058
Commission and transaction-related expenses		-3,582,721	-2,938,755
Service-related expenses ¹		-1,807,990	-2,025,399
Personnel expenses		-6,993,099	-6,657,414
Space and building infrastructure		-794,455	-825,011
IT infrastructure cost		-3,243,009	-3,286,418
Consulting and other professional fees		-6,849,211	-5,988,221
Marketing and advertising expenses		-882,957	-2,145,827
Valuation adjustments and losses	16	1,421	7,418
Other operating expenses		-259,878	-424,702
Total operating expenses		-24,411,899	-24,284,330
Operating profit before interest and tax		4,580,944	6,702,728
Financial income	17	352,416	23,461
Financial expenses	17	-32,410	-24,303
Earnings before tax and extraordinary items		4,900,949	6,701,886
Other extraordinary income	19	34,021	0
Earnings before tax		4,934,970	6,701,886
Taxes		-567,364	-1,025,478
Profit/Loss for the year		4,367,607	5,676,408

¹ In the prior year, consulting fees of CHF 0.6 million were included in Service-related expenses and are now shown correctly in Consulting and other professional fees.

Notes to the Financial Statements

Principles of the Financial Statements

1 General Principles

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. The financial statements may be influenced by the creation and release of hidden reserves.

The amounts stated in the financial statements are whole numbers. The total may therefore differ from the sum of the individual values, which are calculated including the decimal point.

2 Foreign Currency Translation

Transactions in foreign currencies are recorded at the current exchange rates. Monetary items are translated using the closing rates. Non-monetary items are translated using historical exchange rates. Exchange rate gains and losses are credited or debited to the income statement.

Foreign currency positions were translated into CHF using the following closing rates:

Foreign Currency	31/12/2023	31/12/2022
EUR	0,9333	0,9837
GBP	1,0763	1,1131
USD	0,8415	0,9237

3 Properties, Tangible Assets and Intangible Assets

Properties, tangible assets and intangible assets are stated at cost less necessary depreciation. Depreciation is calculated using the straight-line method. All assets are regularly tested for impairment.

4 Derivative Financial Instruments

Derivatives are recognized initially at cost. Subsequent to initial recognition derivatives are measured at market value.

5 Revenue Recognition

Commission revenue is recorded when the service is provided. Transaction revenue is recognized on the day of settlement.

Disclosure on Balance Sheet and Income Statement Items and Other Information

6 Number of Full-Time Equivalents

The annual average number of full-time equivalents in the reporting year was 38 (2022: 37).

7 Cash and Cash Equivalents

in CHF	31/12/2023	31/12/2022
Due from third parties	11,507,476	11,497,988
Cash and cash equivalents	11,507,476	11,497,988

8 Trade Receivables

in CHF	31/12/2023	31/12/2022
Due from third parties	2,502,253	2,599,554
Due from Group and associated entities	133,987	198,296
Valuation adjustments	-138,570	-142,120
Trade receivables	2,497,670	2,655,729

9 Other Receivables

in CHF	31/12/2023	31/12/2022
Due from third parties	3,287	2,902
Due from shareholder	28,358,566	28,584,622
Other receivables	28,361,852	28,587,524

10 Financial Assets

in CHF	31/12/2023	31/12/2022
Equity	91,705	62,080
Financial assets	91,705	62,080
<i>of which non-current</i>	<i>91,705</i>	<i>62,080</i>

11 Trade Payables

in CHF	31/12/2023	31/12/2022
Due to third parties	259,270	51,442
Due to Group and associated entities	607,411	836,292
Due to shareholders	120,462	123,598
Trade payables	987,143	1,011,333

12 Current Interest-Bearing Liabilities

in CHF	31/12/2023	31/12/2022
Due to shareholders	84,576	15,456
Current interest-bearing liabilities	84,576	15,456

13 Other Current Liabilities

in CHF	31/12/2023	31/12/2022
Due to third parties	129,896	138,764
Other current liabilities	129,896	138,764

14 Other Non-current Liabilities

in CHF	31/12/2023	31/12/2022
Due to third parties	87,375	0
Other current liabilities	87,375	0

15 Contingent Liabilities

	31/12/2023	31/12/2022
Joint liability from consolidated value-added tax filing status	p.m.	p.m.

In the course of business, different legal opinions may arise between the company and third parties (contractual partners, authorities, etc.), which could possibly lead to legal disputes. The company assesses the corresponding risks and recognizes provisions if it considers the probability of occurrence to be probable. No provisions are recognized for risks that the company currently considers to be unlikely or highly unlikely to occur. However, it cannot be ruled out that risks will be assessed differently in the future as a result of new findings and that there will be cash outflows. This is particularly the case because the assessment of legal uncertainties involves a degree of discretion and legal developments can also lead to new assessments.

16 Valuation Adjustments and Losses

in CHF	2023	2022
Current assets	1,421	7,418
Valuation adjustments and losses	1,421	7,418

17 Financial Result

in CHF	2023	2022
Foreign exchange gains	22,951	22,735
Interest income	329,465	726
Financial income	352,416	23,461
Foreign exchange losses	-31,825	-20,777
Interest expenses	-1,079	-15
Other financial expenses	494	-3,510
Financial expenses	-32,410	-24,303

18 Hidden Reserves Released

In the reporting year, hidden reserves in the amount of CHF 3'550 were released (2022: CHF 10'489).

19 Explanations of Extraordinary Positions in the Income Statement

A reversal of an impairment on an investment of CHF 34'021 was recognized.

Statement of Changes in Equity

in CHF	Share capital	Legal reserves		Retained earnings		Total equity
		General legal reserves	Free reserves	Profit carried forward		
Balance at 31 December 2021	1,000,000	1,100,000	10,400,000	25,944,211	38,444,211	
Profit distribution				-3,800,000	-3,800,000	
Profit of the year				5,676,408	5,676,408	
Balance at 31 December 2022	1,000,000	1,100,000	10,400,000	27,820,619	40,320,619	
Profit distribution			150,000	-3,950,000	-3,800,000	
Reclassification of reserves	500,000	-500,000			0	
Profit of the year				4,367,607	4,367,607	
Balance at 31 December 2023	1,500,000	600,000	10,550,000	28,238,226	40,888,226	

The share capital consists of 1'500 registered shares with a par value of CHF 1'000 each.

Appropriation of Profit

in CHF	2023	2022
Profit carried forward	23,870,619	22,144,211
Profit for the year	4,367,607	5,676,408
Available profit carried forward	28,238,226	27,820,619
The Board of Directors proposes to the General Meeting of Shareholders the following appropriation of profit:		
Paying a dividend of	-3,800,000	-3,800,000
Allocation to free reserve	0	-150,000
Profit carried forward to the following year	24,438,226	23,870,619
Allocation from free reserve into general legal reserve	-150,000	0

Report of the Statutory Auditor on the Financial Statements



Ernst & Young Ltd
Maagplatz 1
P.O. Box
CH-8010 Zurich

Phone: +41 58 286 31 11
www.ey.com/en_ch

To the General Meeting of
SIX Interbank Clearing Ltd, Zurich

Zurich, 12 April 2024

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of SIX Interbank Clearing Ltd (the Company), which comprise the balance sheet as at 31 December 2023, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Report of the Statutory Auditor on the Financial Statements



Page 2

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report of the Statutory Auditor on the Financial Statements



Page 3

Report on other legal and regulatory requirements



In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we 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



Bruno Patusi
(Qualified Signature)

Licensed audit expert
(Auditor in charge)



Davide Bernasconi
(Qualified Signature)

Licensed audit expert

Enclosures

- ▶ Financial statements (balance sheet, income statement and notes)
- ▶ Proposed appropriation of available earnings

SIX Interbank Clearing Ltd

Hardturmstrasse 201

P.O. Box

CH-8021 Zurich

www.six-group.com/en/products-services/banking-services/interbank-clearing.html