European Depositary Bank SA

Audited Annual Accounts
And report of the *réviseur d'entreprises agréé*
as at 31 December 2021

3, Rue Gabriel Lippmann
L-5365 Munsbach
R.C.S. Luxembourg: B 10700

European Depositary Bank SA

TABLE OF CONTENTS

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To the Board of Directors
European Depositary Bank SA
3, Rue Gabriel Lippmann
L-5365 Munsbach

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Annual Accounts

Opinion

We have audited the annual accounts of European Depositary Bank S.A. (the "Bank"), which comprise the balance sheet as at December 31, 2021, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Bank as at December 31, 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" (CSSF). Our responsibilities under the EU Regulation N° 537/2014, the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *"réviseur d'entreprises agréé"* for the Audit of the annual accounts" section of our report. We are also independent of the Bank in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

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Key Audit Matter	Our response
Commissions receivable: completeness and accuracy	
The commissions receivable amount to EUR 44,413,189.82 as of December 31, 2021 and represents 67% of total income. We refer to the Note 4.1 and Note 4.2 of the annual accounts. Commissions receivable is the Bank's main source of income and is mainly composed of depository and custodian bank fees for mutual funds, specialised investment funds and securitisation companies and commission from securities transactions executed by the Bank for depository clients. Accordingly, the recording of commissions receivable is considered a key audit matter due to the significance of the balance to the profit of the Bank, the high volume of transactions and the manual recording in the system for large part of the balance.	As part of our audit, we examined the Bank's internal control system implemented by the Management Board and the General IT Controls surrounding the Core Banking System. We have performed audit procedures on selected controls verifying that the conditions included and stored in the Core Banking System which are used for the calculation of the commissions receivable are in conformity with the contractual agreements. For a sample of the different types of commissions, we tested accuracy of the commissions receivable by either performing independent recalculation of the commission or by review of the client's calculation. This also included the reconciliation of the underlying basis to external evidence and applicable signed fee schedules, including the review of appropriate level of management authorization over fee schedules or alternative procedures. We tested completeness of the commissions receivable by performing both a substantive analytical procedure and by reconciling sample of client list with the commission receivables breakdown.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report but does not include the annual accounts and our report of the *"réviseur d'entreprises agréé"* thereon.

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

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts 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 this fact. We have nothing to report in this regard.

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Responsibilities of the Board of Directors and Those Charged with Governance for the Annual Accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the *"réviseur d'entreprises agréé"* for the Audit of the Annual Accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *"réviseur d'entreprises agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 Annual Accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Management Board.
- Conclude on the appropriateness of Executive Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *"réviseur d'entreprises agréé"* to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *"réviseur d'entreprises agréé"*. However, future events or conditions may cause the Bank to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as *"réviseur d'entreprises agréé"* by the Extraordinary General Meeting of the Shareholders on May 25, 2021.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Bank in conducting the audit.

For Deloitte Audit, *Cabinet de révision agréé*

Ekaterina Volotovskaya, *Réviseur d'entreprises agréé*
Partner

Luxembourg, April 26, 2022

European Depositary Bank SA
Balance sheet
as at December 31, 2021
(expressed in EUR)

	Assets	Notes		Dec. 31, 2021		Dec. 31, 2020
1.	Cash in hand, balances with central banks and post office banks			1,089,557,087.39		1,581,614,544.15
2.	Loans and advances to credit institutions	3.1		73,571,323.84		89,622,261.67
	a) repayable on demand		73,571,323.84		72,950,728.11	
	b) other loans and advances		0.00		16,671,533.56	
3.	Loans and advances to customers	3.2		25,652,328.55		28,779,684.80
4.	Debt securities and other fixed-income securities	3.3		333,800,752.16		370,825,225.47
	a) issued by public bodies		55,919,776.76		103,293,824.93	
	b) issued by other borrowers		277,880,975.40		267,531,400.54	
5.	Participating interests	3.4/3.5		26,728.89		26,728.89
6.	Shares in affiliated undertakings	3.4/3.6		61,937.97		61,937.97
7.	Intangible assets	3.4		6,248,155.75		6,697,493.23
8.	Tangible assets	3.4		566,011.28		666,793.29
9.	Other assets	3.7		30,376,662.74		29,851,708.45
10.	Prepayments and accrued income	3.8		5,093,116.20		2,568,414.86
	Total Assets			**1,564,954,104.77**		**2,110,714,792.78**

The attached notes form an integral part of the annual accounts.

European Depositary Bank SA
Balance sheet
as at December 31, 2021
(expressed in EUR)

	Liabilities	**Notes**		**Dec. 31, 2021**		**Dec. 31, 2020**
1.	Amounts owed to credit institutions			537,721.41		1,131,711.46
	a) repayable on demand	3.9	537,721.41		1,131,711.46	
	b) with agreed maturity dates or periods of notice	3.9	0.00		0.00	
2.	Amounts owed to customers			1,469,497,683.61		1,999,611,138.24
	Other debts					
	a) repayable on demand		1,467,737,050.41		1,996,042,007.61	
	b) with agreed maturity dates or periods of notice	3.10	1,760,633.20		3,569,130.63	
3.	Other liabilities	3.11		20,920,350.68		47,630,327.90
4.	Accruals and deferred income	3.12		879,276.13		5,823,647.53
5.	Provisions	3.13		15,732,318.42		14,349,455.65
	a) Provisions for pensions and similar obligations		447,191.84		439,544.42	
	b) Provisions for taxation		7,866,844.15		8,994,323.57	
	c) Other provisions		7,418,282.43		4,915,587.66	
6.	Subscribed capital	3.14		13,000,260.00		13,000,000.00
7.	Share premium account	3.14		7,999,740.00		0.00
8.	Reserves	3.15		29,056,000.00		19,740,000.00
9.	Profit or loss brought forward			112,512.00		111,763.09
10.	Profit or loss for the financial year (after deduction of the interim dividend)			7,218,242.52		9,316,748.91
	a) Profit or loss for the financial year (before deduction of the interim dividend)		8,948,207.81		9,316,748.91	
	b) Interim dividends		-1,729,965.29		0.00	
	Total Liabilities			**1,564,954,104.77**		**2,110,714,792.78**

The attached notes form an integral part of the annual accounts.

European Depositary Bank SA
Off-balance sheet items
as at December 31, 2021
(expressed in EUR)

	Notes		**Dec. 31, 2021**		**Dec. 31, 2020**
1. Contingent liabilities showing separately: guarantees and assets pledged as collateral security	3.16	1,277,461.00	1,736,895.22	452,937.14	2,225,245.92
2. Commitments	3.17		60,000.00		0.00
3. Fiduciary transactions	3.18		861,264,949.77		420,894,128.94

The attached notes form an integral part of the annual accounts.

European Depositary Bank SA
Profit and loss account
for the year ended December 31, 2021
(expressed in EUR)

Income	**Notes**		**2021**		**2020**
1. Interest receivable and similar income, showing separately:			17,198,336.26		19,600,070.28
that arising from fixed-income securities		1,026,827.69		2,687,218.70	
2. Income from transferable securities:			336,150.00		254,407.68
a) Income from shares and other variable-yield securities		0.00		0.00	
b) Income from participating interests		0.00		0.00	
c) Income from shares in affiliated undertakings		336,150.00		254,407.68	
3. Commissions receivable			44,413,189.82		39,127,370.22
4. Net profit on financial operations			313,173.63		0.00
5. Value re-adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings			0.00		0.00
6. Other operating income	4.3		4,410,188.97		1,976,014.51
Total Income	4.1		**66,671,038.68**		**60,957,862.69**

The attached notes form an integral part of the annual accounts.

European Depositary Bank SA
Profit and loss account
for the year ended December 31, 2021
(expressed in EUR)

	Charges	Notes			2021			2020
1.	Interest payable and similar charges				11,629,574.98			11,520,938.24
2.	Commissions payable				4,460,450.78			4,157,612.73
3.	Net loss on financial operations							67,508.63
4.	General administrative expenses:				35,633,361.23			31,013,965.64
	a) Staff costs, showing separately:			21,706,534.60			18,309,216.24	
	aa) wages and salaries		18,706,471.74			15,423,885.78		
	ab) social security costs, with a separate indication		3,000,062.86			2,885,330.46		
	of those relating to pensions		511,210.98			481,943.03		
	b) Other administrative expenses	4.4/4.5		13,926,826.63			12,704,749.40	
5.	Value adjustments in respect of Assets items 8 and 9				1,536,285.24			925,460.80
6.	Other operating charges	4.6			1,731,851.93			614,151.71
7.	Value adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings				419,466.66			133,458.65
8.	Tax on profit or loss on ordinary activities				2,298,800.00			3,197,000.00
9.	Profit or loss on ordinary activities after taxes				(8,961,247.86)			(9,327,766.29)
10.	Other taxes not shown under the preceding items				13,040.05			11,017.38
11.	Profit for the financial year				8,948,207.81			9,316,748.91
	Total Charges				**66,671,038.68**			**60,957,862.69**

The attached notes form an integral part of the annual accounts.

NOTE 1 - GENERAL INFORMATION

a) Corporate Matters

European Depositary Bank SA (the "Bank") was established as a Société Anonyme on February 15, 1973 by Prosper-Robert Elter, Notary.

The Bank registered office is located at: L-5365 Munsbach, 3, Rue Gabriel Lippmann.

The Bank is registered in the Commercial Registry of the City of Luxembourg under No B 10700.

The Bank's memorandum and articles of association were last amended by notary deed of Marc Loesch, Notary practising in Luxembourg, dated September 10, 2021 and published in the RESA [Official Gazette], number 201 of September 21, 2021.

European Depositary Bank SA, Dublin Branch ("EDB Dublin Branch") has been established in 2019. EDB Dublin Branch focuses solely on offering Depositary and Custody Services to a wide range of fund structures and SPVs. Depositary services offered include both full-depositary and depositary-lite services.

European Depositary Bank SA, Malta Branch ("EDB Malta Branch") has also been established in 2019. EDB received Malta Financial Services Authority (MFSA) principal approval for the "Category 4a Investment Services Licence" of EDB, Malta Branch on November 19, 2019. The onboarding of clients has started in 2020.

European Depositary Bank SA, London Branch ("EDB London Branch") was established on January 24, 2020, The top-up application for a full Depositary license was approved on September 8, 2020. While some initial proposed work did not eventually come to fruition, EDB London Branch is aiming to commence operations in Q2 2022.

The Bank is a wholly owned subsidiary of, and whose ultimate parent company is, Apex Group Limited, a corporation organized under the laws of Bermuda. Consolidated annual accounts of Apex Group Limited, are available at the head office of this company. These can be obtained from Apex Group Limited, Vallis Building, 4th Floor, 58 Par-la-Ville Road, Hamilton HM11, Bermuda.

b) Nature of the Bank's Business

The object of the Bank is to carry on the business of a bank. In that capacity, the Bank is empowered to engage in all banking transactions and all operations which relate, in whatever way, to banking business, whether for its own account or for the account of third parties, and in particular:
(a) to accept as deposits, and pay interest on, moneys belonging to third parties;
(b) to grant loans of money and credit of any kind;
(c) to negotiate bills of exchange and cheques;
(d) to purchase and sell securities for its own account or for the account of third parties;
(e) to hold in safe custody, and manage, securities for others;
(f) to issue and trade in bonds, public notes and promissory notes;
(g) to promote the issue of stocks, shares in companies, certificates, bonds and other securities, to subscribe for such securities in its own name or in the name of third parties and to place them publicly or privately;

(h) to execute all international financial, cash and foreign currency transactions;
(i) to assume and take on sureties, guarantees and other warranties for third parties;
(j) to engage in cashless payment and clearing operations and
(k) to carry on domestic and foreign documentary business.

In addition, the Bank may purchase, sell and encumber real property, accept, create and relinquish securities of any kind, acquire and dispose of interests, participations and holdings, and operate and set up businesses and other commercial enterprises, including any which may involve activity on the real property market, in so far as these are in some way related to the object of the Bank or may serve to further the attainment of that object.

c) <u>Annual accounts</u>

The annual accounts have been prepared in Euro (€), the currency in which the Bank's equity capital is denominated.

The financial year of the Bank is identical to the calendar year, from January 1 to December 31 of each year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bank prepares its annual accounts under the historical cost principle, in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg and on the basis of accounting principles generally accepted in the banking sector in the Grand-Duchy of Luxembourg.

In observing these, the following significant accounting policies are applied:

- Assets, liabilities and off-balance-sheet transactions in foreign currencies have been converted into the capital currency with Euro foreign exchange reference rates as at December 31, 2021.

- Income and expense items are recorded at their rate of transaction date.

- Differences arising from currency conversions in respect of cash/spot transactions hedged by forward transactions and, conversely, forwards covered by cash/spot transactions have been recorded as neutral in their effects on profits. As at the balance-sheet date, there were largely closed-out or hedged positions.

- At year-end, all uncompleted forward transactions are translated into EUR at the forward rate applicable for the remaining term at the balance sheet date.

- Receivables and credit balances (as at 3.1, 3.2, 3.7, 3.8) are stated at their nominal value less impairment, whilst debt instruments accepted at a discount are shown at their historical cost price.

- The Bank considers allowances for bad and doubtful debts, and provisions, to adequately cover all identifiable credit risks.

- As at the balance sheet date, the Bank holds bonds and other fixed-interest securities in its structural portfolio. Those securities are valued at the lower of their acquisition cost or market value, and are prorated using the premium. The value adjustments made in previous years pursuant to Articles 56(2f) and 58(2e) and Article 62(1) of the Law of June 17, 1992 as amended on the annual accounts of credit institutions in respect of certain specific assets have been retained (for tax reasons) even where the underlying reason for them has ceased to apply. As at the balance-sheet date, possible write-ups amounting to € 206 k were not made.

- Participating interests, shares in affiliated undertakings, tangible assets and intangible assets are valued at the cost of acquisition.

- Tangible assets and intangible assets are depreciated over their expected time of use on a straight-line basis. Any depreciation options offered under tax laws and regulations are fully utilised. The pro rata temporis rule is applied. The following depreciation rates are applied:

Computer/IT hardware	14 - 66%
Intangible assets	20 - 33%
Vehicle fleet	16 - 25%
Other office furniture/equipment	10 - 20%

  Low-value assets (acquisition costs below € 870) are capitalised in the year of acquisition and written off as a compound item over a five-year period.

- Lump-sum provision has been calculated in accordance with the tax authorities' directive dated December 16, 1997. The allocation of the lump-sum provision to the risk weighted assets in accordance with LuxGAAP is made through a simplified procedure over the course of the year. As at December 31, 2021, there was no allocation to the balance-sheet items in respect of participations, shares in affiliated undertakings companies, intangible assets and tangible assets.

- Liabilities are shown at the amount (re)payable. Pension obligations have been valued by an actuary in accordance with actuarial principles and are shown in the balance sheet as provisions based on their partial value in accordance with the tax law.

- All discernible risks and liabilities the basis of which was known, but not yet the amount, have been taken into account by recognition of provisions for contingent losses. The above-mentioned principles for covering risks are also applied to off-balance-sheet transactions.

- Income taxes are accounted for on an accrual basis.

- Income and Expenses are accounted on an accrual basis.

NOTE 3 - NOTES TO THE BALANCE SHEET

As at the balance sheet date, assets denominated in foreign currencies totalled € 330,879k (previous year: € 358,868k), representing 21% (previous year: 17%) of the balance sheet total. Liabilities denominated in foreign currencies totalled € 578,685k (previous year: € 664,221k), representing 37% (previous year: 31%) of the balance sheet total.

3.1. Loans and advances to credit institutions

Loans and advances to credit institutions other than those repayable on demand may be analysed according to their remaining maturity as follows:

Remaining maturity	**Credit institutions**	
€ x 1,000	**December 31, 2021**	**December 31, 2020**
Up to 3 months	0	16,672
More than 3 months and up to 1 year	0	0
More than 1 year and up to 5 years	0	0
More than 5 years	0	0
Total	**0**	**16,672**

There are no loans and advances to credit institutions including to affiliated undertakings other than those repayable on demand as at year-end (previous year: € 16,672k).

Loans repayable on demand to credit institutions amounted to € 73,571k (previous year: € 72,951k).

The carrying amount of the loans and advances to credit institutions reflect the maximum credit risk exposure as at December 31, 2021.

3.2. Loans and advances to customers

Loans and advances to customers other than those repayable on demand may be analysed according to their remaining maturity as follows:

Remaining maturity	**Customers**	
€ x 1,000	**December 31, 2021**	**December 31, 2020**
Up to 3 months	538	4,383
More than 3 months and up to 1 year	0	0
More than 1 year and up to 5 years	0	0
More than 5 years	0	0
Total	**538**	**4,383**

These loans and advances correspond to receivables from affiliated undertakings, amounting to € 1k and includes a current account (previous year: € 4,383k).

Loans to customers repayable on demand totalled € 25,114k (previous year: € 24,397k). These are almost exclusively covered by collateral in the form of securities or other instruments.

The carrying amount of the loans and advances to customers reflect the maximum credit risk exposure as at December 31, 2021.

3.3. Debt securities and other fixed-income securities

Securities included in the investment portfolio are intended to be held until maturity or, in the case of equities, on a long-term basis. The Bank holds no investment portfolio as at December 31, 2021.

Securities included in the trading portfolio have as an objective to realise a short-term capital gain. The maximum period for which securities may be held in this type of portfolio may not exceed 3 months. The Bank holds no trading portfolio as at December 31, 2021.

All other securities are shown under the heading "structural portfolio". Such securities are purchased for an indefinite period in order to achieve capital gains and/or interest income. The securities held in the structural portfolio are intended to result in a sustainable increase in earnings for the Bank. The Bank holds debt securities and other fixed-interest securities included in the structural portfolio in the amount of € 333,801k (previous year: €370,825k).

Market price risks and credit risks existing as at the balance sheet date have been taken fully into account.

Remaining maturity € x 1,000	**Debt securities and other fixed-income securities** **Structural portfolio**	
	December 31, 2021	**December 31, 2020**
Up to 3 months	36,019	78,002
More than 3 months and up to 1 year	62,984	122,628
More than 1 year and up to 5 years	209,789	170,195
More 5 years	25,009	0
Total	**333,801**	**370,825**

Of the exclusively officially quoted bonds and other fixed-interest securities shown, € 99,003k represent instruments maturing in 2022 (previous year: € 200,630k maturing in 2021). A nominal value of € 152,159k is available for use in open-market transactions with the European Central Bank. The nominal sum of € 75,802k is being kept with a depositary as collateral for futures transactions.

The carrying amount of the financial instruments reflect the maximum credit risk exposure as at December 31, 2021.

3.4. Schedule of fixed asset movements

€ x 1,000	Gross value at January 1, 2021	Additions	Disposals	Transfer	Gross value at December 31, 2021	Accumulated depreciation as at January 1, 2021	Depreciation charged in 2021	Accumulated depreciation as at December 31, 2021	Net value as at December 31, 2021
1. Participating interests [1]	27	0	0	0	27	0	0	0	27
2. Shares in affiliated undertakings [1]	62	0	0	0	62	0	0	0	62
3. Tangible assets, of which	2,123	137	0	0	2,260	(1,456)	(238)	(1,694)	566
a) Land and buildings	0	0	0	0	0	0	0	0	0
b) Business and office equipment	2,123	137	0	0	2,260	(1,456)	(238)	(1,694)	566
4. Intangible assets	13,122	849	0	0	13,971	(6,425)	(1,298)	(7,723)	6,248
a) Licences	9,205	378	0	4,293	13,876	(6,425)	(1,298)	(7,723)	6,153
b) Payments on account	3,917	471	0	(4,293)	95	0	0	0	95
Total	**15,334**	**986**	**0**	**0**	**16,320**	**(7,881)**	**(1,536)**	**(9,417)**	**6,903**

1) We refer to 3.5 Participating interests and to 3.6 Shares in affiliated undertakings.

3.5. Participating interests

The Bank holds shares in the following company:

Name	Shareholding in % 2021	2020
Quint: Essence Capital S.A.	20	20

3.6. Shares in affiliated undertakings

The Bank holds shares in the following unlisted company:

Name	Shareholding in % 2021	2020	Net Equity € 2020	Result of the last financial year € 2020
Nestor Investment Management S.A.	51	51	952,018	365,425

In reference to Article 83 (1) of the Luxembourg Law of June 17, 1992, the Bank does not consider its subsidiary to be material for the purpose of Article 85 (3) of the Luxembourg Law of June 17, 1992. Consequently, the Bank does not prepare consolidated annual accounts.

The Nestor Investment Management S.A. is in liquidation (expected liquidation Q2 2022).

3.7. Other assets

The following is a breakdown of other assets:

	Other assets	
€ x 1,000	**December 31, 2021**	**December 31, 2020**
Revenue receivables	15,526	11,468
Tax receivables	1,773	2,591
Collateral, margin accounts and other related receivables	11,641	13,544
Other receivables	1,437	2,249
Total	**30,377**	**29,852**

3.8. Prepayments and accrued income

The following is a breakdown of prepayments and accrued income:

€ x 1,000	December 31, 2021	December 31, 2020
Accrued interest	361	435
Accrued prepaid expense	3,383	1,895
Accrued interest on own securities	137	238
Valuation of currency swap positions	1,212	0
Total	**5,093**	**2,568**

3.9. Amounts owed to credit institutions

There are no amounts owed to credit institutions (previous year: € 0) other than those repayable on demand which correspond to € 538k (previous year: € 1,132k).

3.10. Amounts owed to customers

The following is a breakdown of amounts owed to customers other than those repayable on demand:

Remaining maturity	Customers	
€ x 1,000	**December 31, 2021**	**December 31, 2020**
Up to 3 months	899	2,625
More than 3 months and up to 1 year	862	944
More than 1 year and up to 5 years	0	0
More than 5 years	0	0
Total	**1,761**	**3,569**

In addition, repayable on demand liabilities to customers amounted to € 1,467,737k (previous year: € 1,996,042k).

Liabilities to affiliated undertakings are included in the liabilities to customers and correspond to € 7,424k (previous year: € 4,645k).

3.11. Other liabilities

The following is a breakdown of other liabilities.

	Other liabilities	
€ x 1,000	**December 31, 2021**	**December 31, 2020**
Short term payables	16,555	44,692
Trade payables/Other liabilities	4,060	2,775
Tax payable	305	163
Total	**20,920**	**47,630**

The short term payables include margin accounts and collateral balances. Trade payables/Other liabilities includes mainly staff costs.

3.12. Accruals and deferred income

The following is a breakdown of accruals and deferred income:

€ x 1,000	**December 31, 2021**	**December 31, 2020**
Valuation of currency swap positions	0	4,699
Accrued interest income	296	541
Accrued other income	0	17
Accrual of premium on own securities	583	567
Total	**879**	**5,824**

3.13. Provisions

The following is a breakdown of provisions:

€ x 1,000	**December 31, 2021**	**December 31, 2020**
Provision for pensions and similar obligations	447	439
Provision for taxation	7,867	8,994
Lump-sum provision	279	175
Operational risks	444	729
Social security contributions	722	739
Vacation reserves	475	350
Other provisions	5,498	2,923
Total	**15,732**	**14,349**

Other provisions are mainly driven by running costs relating to audit fees, legal fees, temporary staff, consultancy fees, IT costs and employees related costs.

3.14. Subscribed capital and Share premium account

€ x 1,000	December 31, 2021	December 31, 2020
Subscribed capital	13,000	13,000
Total	**13,000**	**13,000**

quantity	December 31, 2021	December 31, 2020
Shares without nominal value	50,001	50,000
Total	**50,001**	**50,000**

€ x 1,000	December 31, 2021	December 31, 2020
Share premium account	8,000	0
Total	**8,000**	**0**

The Bank received Euro 8 million capital injection on June 30, 2021. The Extraordinary General meeting resolved on July 9, 2021 to increase the Bank's share capital by an amount of two hundred sixty euro (EUR 260) from its current amount of thirteen million euro (EUR 13,000,000) represented by fifty thousand (50,000) shares without nominal value up to thirteen million two hundred sixty euro (EUR 13,000,260) through the issue of one (1) new share without nominal value. The one (1) new share issued has been subscribed for the price of eight million euro (EUR 8,000,000).

3.15. Reserves

€ x 1,000	December 31, 2021	December 31, 2020
Statutory reserve	1,300	1,300
Other capital reserves	2,556	2,556
Free reserves	25,200	15,884
Total	**29,056**	**19,740**

The other capital reserves represent unrequited payments by the Bank's shareholders.

Under Luxembourg Law, the Bank must appropriate to a legal reserve an amount equivalent to at least 5% of the annual net profit until such reserve is equal to 10% of the share capital. This appropriation is made in the following year.

Distribution of the legal reserve is restricted. The legal reserve is equal to 10% of the share capital.

In order to take advantage of the provisions of paragraph 8a of the Net Wealth Tax Law, the Bank may elect to get a tax credit for all or part of the net wealth tax due for that year. This tax credit is, however, limited to the amount of the corporate income tax due for the previous year before any tax credit. In order to benefit from this provision, the Bank must commit itself to post to a special reserve before the end of the subsequent year an amount equal to five times the net wealth tax to be credited, which has to be maintained for a period of five years. The net wealth tax reduction is limited to the amount of the corporate income tax due (including the employment fund contributions and before any tax credits).

The free reserves contain a non-distributable amount of € 5,634k (previous year: € 5,194k) for special reserve formed according to paragraph 8a of the Wealth Tax Law.

3.16. Contingent liabilities

Contingent liabilities (€ 1,737k), are composed of collateral provided by the Bank on behalf of customers to third parties (€459k) and of guarantees and other direct credit substitutes (€ 1,278k).

Remaining maturity	**December 31, 2021**	**December 31, 2020**
€ x 1,000		
Up to 3 months	633	627
More than 3 months and up to 1 year	1,104	1,598
More than 1 year and up to 5 years	0	0
More than 5 years	0	0
Total	**1,737**	**2,225**

3.17. Commitments

The unutilised commitments concern irrevocable credit commitments to customers amounting to € 60k (previous year: 0k) with maturity more than 3 months and up to 1 year.

3.18. Fiduciary transactions

As at the balance sheet date, there were forty-seven fiduciary transactions with customers amounting to € 861,265k (previous year: € 420,894k).

NOTE 4 - NOTES TO THE PROFIT AND LOSS ACCOUNT

4.1. Breakdown of income

€ x 1,000	**2021**	**2020**
Interest receivable and similar income	17,199	19,600
Income from shares and other variable-yield securities, participating interests and shares in affiliated undertakings	336	254
Commissions receivable	44,413	39,127
Net profit on financial operations	313	0
Other operating income	4,410	1,976
Total income	**66,671**	**60,957**

4.2. Service business

In 2021, as in the last year, the Bank focused on depositary bank services for an internationally diversified range of assets, as well as handling the affairs of institutional clients and external asset managers. The Bank's most important area of business continues to be the service it offers as a depositary bank.

4.3. Other operating income

The following is a breakdown of other operating income:

€ x 1,000	December 31, 2021	December 31, 2020
Remuneration and reimbursements of expenses in respect of services rendered by the Bank to third parties	919	1,321
Release of other provisions	919	292
Asset disposal with book profit	0	2
Transfer Agent Business	1,730	0
Release of tax provisions	690	0
Other income	152	358
Total	**4,410**	**1,976**

In 2021, the transfer agency business from EDB has been partly transferred to APEX Fund Services S.A. In a first step, which has been finalised during Q1 of 2021, a part of the transfer agency business in relation to EDB's alternative investment fund clients has been transferred. The transfer agency business in relation to EDB's UCITS clients and the second part of the transfer agency business in relation to EDB's alternative investment fund clients is planned to be transferred in 2022. The TA project team are completing a detailed evaluation to ascertain if there are any short term opportunities to utilize existing approved infrastructure in Apex that can meet the Bank's/ client requirements.

4.4. Other administrative expenses

€ x 1,000	December 31, 2021	December 31, 2020
Maintenance costs in respect of computer hardware and software	4,660	3,003
Consultancy fees	3,655	4,833
Compulsory contributions costs	1,502	864
Buildings and occupancy costs	1,696	1,579
Insurance	582	426
Securities-related research and information services	559	849
Communication	427	451
Outsourcing	366	379
Recruitment and trainings	221	71
Other costs	259	250
Total	**13,927**	**12,705**

4.5. Fees for services rendered by the independent auditor

€ x 1,000	2021	2020
Audit of annual accounts	380	214
Other assurance services	43	61
Tax advice services	84	111

The figures stated do not include value added tax.

4.6. Other operating charges

The following is a breakdown of amounts to other operating charges:

€ x 1,000	December 31, 2021	December 31, 2020
Other Commissions	654	206
Other charges	568	220
Penalty Fee	240	0
Provision penalty fee	200	0
Operational loss	70	181
Asset disposal with book loss	0	7
Total	**1,732**	**614**

Other charges mainly driven by expenses related to the Ireland Branch.
Other Commissions is mainly driven by releases of estimated accrue income relating to the business services.

NOTE 5 - OTHER FINANCIAL COMMITMENTS

Commitments arise from rental contracts, amounting to € 5,105k (previous year: € 5,384k) and from a lease contract, amounting to € 175k (previous year: € 224k).

NOTE 6 - DERIVATIVES

At the balance sheet date:

- The nominal value of forward transactions in foreign currencies on behalf of customers correspond to € 1,438,802k.
- The nominal value of forward transactions in the form of foreign-currency swaps correspond to € 275,259k and are concluded by the Bank as a hedge against foreign currency risks.
- The nominal value of forward transactions in the form of interest outrights correspond to € 326k and are concluded by the Bank as a hedge against interest rate risks.
- There were no forward transactions in the form of interest-rate swaps.

None of the above items represents a trading position of the Bank.

The counterparty risk in respect of exchange rate-related transactions (OTC) is computed using the mark-to-market method. The derivative credit risk arising from these positions is as follows:

Counterparty	**Volume**	**Positive market values**	**Negative market values**	**Original credit risk**	**Eligible securities**	**Credit risk after CRM***
	€ x 1,000	**€ x 1,000**	**€ x 1,000**	**€ x 1,000**	**€ x 1,000**	**€ x 1,000**
Affiliated credit institutions	0	0	0	0	0	0
Unrelated credit institutions	1,022,397	4,221	(9,617)	63,689	(16,323)	47,366
Customers	723,370	9,294	(2,367)	53,614	(10,717)	42,897
	1,745,767	**13,515**	**(11,984)**	**117,303**	**(27,040)**	**90,263**

* Credit risk mitigation (CRM)

Since the Bank is a non-trading book institution, derivatives are traded solely for the account of customers, and are secured by corresponding counter-transactions.

NOTE 7 - RETURN ON ASSETS

The return on assets, calculated as the quotient of net profit and total assets, is 0.57%.

NOTE 8 - DISCLOSURE IN ACCORDANCE WITH PART 8 OF REGULATION EU N^{O} 575/2013 OF JUNE 26, 2013 ON PRUDENTIAL REQUIREMENTS FOR CREDIT INSTITUTIONS (CRR)

The information which has to be disclosed according to Article 431 (1) in connection with Article 433 CRR will be published on "www.europeandepositarybank.com".

The information which has to be disclosed according to the CRR is published in a separate disclosure report 2021 of the Bank. In such cases the disclosure report contains a remark according to Article 434 (1) sentence 3 of the CRR.

NOTE 9 - DEPOSIT GUARANTEE SCHEME

The Law on measures for the dissolution, recovery and resolution of credit institutions and investment firms and on deposit guarantee schemes and investor compensation schemes was adopted on December 18, 2015, transposing into Luxembourg law Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms and Directive 2014/49/EU on deposit guarantee schemes and investor compensation schemes. The system hitherto existing for the protection of deposits and investor compensation, which had been introduced by the AGDL, has been replaced by a new deposit guarantee and investor compensation scheme based on contribution payments.

The new system guarantees all reimbursable investments by the same investor up to an amount of € 100k ("Fonds de garantie des dépôts Luxembourg" (FGDL/Luxembourg Deposit Guarantee Fund)) and investment transactions up to an amount of € 20k per investor ("Système d'indemnisation des investisseurs Luxembourg" (SIIL/Luxembourg Investor Compensation Scheme)).

The provisions set up in the past for the purposes of the AGDL in the annual accounts of credit institutions will be gradually released in accordance with the contributions to be made by the credit institutions to the Luxembourg deposit guarantee fund ("Fonds de garantie des dépôts Luxembourg" (FGDL)) and/or to the Luxembourg single resolution fund ("Fonds de résolution"(SRF)).

NOTE 10 - STAFF

During the 2021 financial year, the Bank had an average workforce of 200 broken down into the following groups:

Management	2
Executives	18
Salaried employees	180

NOTE 11 - CORPORATE BODIES

As of September 10, 2021, the change from a two-tier to a one-tier corporate structure was carried-out. Until this date, the composition of the corporate bodies was as follows:

SUPERVISORY BOARD

Professor Joseph Bannister
– Chairman –

Peter Hughes
– Deputy Chairman –

David Carrick
Member
(until March 3, 2021)

Roland Steies

MANAGEMENT BOARD

Rüdiger Tepke, Luxembourg

Stefan Forse, Luxembourg
(until June 30, 2021)

With General Meeting of September 10, 2021, the change from the two-tier corporate structure to the one-tier corporate structure has taken place. Since that date, the composition of the Board of Directors and the Executive Management Board is as follows:

BOARD OF DIRECTORS

Professor Joseph Bannister
– Chairman –

Peter Hughes

Charles Muller

Roland Steies

Rüdiger Tepke

EXECUTIVE MANAGEMENT BOARD

Rüdiger Tepke
-Executive Managing Director -

Holger Barth

Eckhard Lang
(*since November 15, 2021 until January 31, 2022*)

David Rhydderch

The total remuneration of the members of the Management Board and the Supervisory Board in the financial year 2021 amounted to € 1,191k.

No Loans and guarantees were granted to the members of the Management Board.

NOTE 12 - GROUP AFFILIATION

The annual accounts of European Depositary Bank SA are included in the consolidated financial statements of Apex Group Limited, Bermuda.

As there are no material components for consolidation, the Bank does not prepare its own partial consolidated financial statements in accordance with Article 80 of the Law of June 17, 1992.

NOTE 13 - SUBSEQUENT EVENTS

The ongoing military operation in Ukraine and the related sanctions targeted against the Russian Federation may have impact on the European economies and globally. The Bank does not have any significant direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions of certain assumptions and estimates.

The longer-term impact may also affect cash flows and profitability. Nevertheless, at the date of these Annual Accounts the Bank continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of preparation.

On January 14, 2022, the Extraordinary General Meeting of the Shareholders decided to increase the share capital of the Bank by an amount of EUR 260 from its year end amount of EUR 13,000,260 represented by 50,001 shares without nominal value up to EUR 13,000,520 through the issue of one share without nominal value. The one new share issued has been entirely subscribed by Apex Holding HK Limited for the price of EUR 10,000,000.

Eckhard Lang has resigned from his function as Managing Director of European Depositary Bank S.A., Luxembourg with effect from January 31, 2022.

Luxembourg, April 26, 2022

European Depositary Bank SA

MANAGEMENT REPORT

Global economic review of 2021

A summary of the geopolitical events and economic trends that shaped investment performance and financial results across the world in 2021.

Last year was dominated by the unwinding of the global pandemic, with a late Omicron twist, indicating the pandemic is not over. Its consequences affected the global economy, and included global supply shortages and rising energy costs that contributed to rising inflation. Logistics and supply chain obstacles left goods sitting on shipping containers, causing product shortages. The pandemic also caused a re-evaluation by people about where to live, with strong demand for more space and a move away from cities, and how to work, with more flexibility and working from home options. This began in 2020 and led to increased demand for housing, which was not met by supply, raising property prices and meant some changes in working patterns, particularly working from home, will be a permanent Covid-19 legacy.

The main challenges and threats to global economic performance in 2021 came from new Covid-19 variants, political tension in Europe, the slowdown in China and rising global inflation. The impact of the pandemic was mitigated by the success of vaccine rollouts, allowing developed economies with high vaccination rates to recover quicker. In Europe, if Russia invades Ukraine, energy supplies could be affected, and energy prices could increase further. The conflict could draw in other countries, heightening the overall impact on the global economy. In 2021, the slowdown in China continued. Inflation increased in almost all countries and economists are concerned as to whether inflation is transitory or will become entrenched and have a longer impact on the cost of goods and services to consumers. These four issues are the most pressing for the global economy at the end of 2021. New Covid-19 variants could emerge in 2022 and the latest, Omicron, means the global economic outlook is weaker now than expected. Global growth is predicted to fall from 5.9% in 2021 to 4.4% in 2022[1], due to difficulties implementing the US fiscal stimulus "Build back better" package and slow growth in China.

The Eurozone ended 2021 with mixed results. Shares made gains in the final quarter on strong corporate results, offsetting Omicron concerns and equity markets were supported by data showing less risk of severe illness[2]. However, new restrictions in Eurozone countries dented consumer confidence. Eurozone inflation went from 0.9% to a record high of 5.0%[3], on rising oil and natural gas prices and supply chain disruptions. German GDP increased by 2.7% in 2021 but remains 2.0% below 2019's pre-pandemic total. Germany's coalition negotiations were concluded, with Olaf Scholz of the Social Democrats succeeding Angela Merkel as Chancellor, leading a coalition.

The United States remained the biggest global economy[4], predicted to grow by 5.6% in 2021, but growth slowed in Q3, due to lower consumer spending as more US businesses were shuttered after a resurgence in Covid-19 cases. US inflation reached 7.0% in December 2021[5], the highest level since 1982. Wages are increasing even faster, by 9.77% year-on-year in October 2021[6], but most economists think inflation will subside later this year but stay high enough to negate wage growth. The unemployment rate fell from 4.2% in November to 3.9% in December. Over 10 million US jobs remain unfulfilled, supporting "The Great Resignation", as workers remain convinced they will find work when they need to. The Federal Reserve is expected to gradually raise interest rates to 1% during 2022.

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1 World Economic Outlook Update, January 2022: Rising Caseloads, A Disrupted Recovery, and Higher Inflation (imf.org)

2 Quarterly markets review - Q4 2021 - Schroders global - Schroders

3 Euro Area Inflation Rate | 2022 Data | 2023 Forecast | 1991-2021 Historical | Calendar (tradingeconomics.com)

4 World Economic Outlook Update, January 2022: Rising Caseloads, A Disrupted Recovery, and Higher Inflation (imf.org)

5 United States Inflation Rate | 2022 Data | 2023 Forecast | 1914-2021 Historical (tradingeconomics.com)

6 United States Wages and Salaries Growth | 2022 Data | 2023 Forecast (tradingeconomics.com)

MANAGEMENT REPORT

The UK economy rebounded faster than any other advanced economy, with GDP growth of 6.9% predicted for 2021 by the Organisation for Economic Co-operation and Development (OEDC) in its updated December 2021 forecast. Like the US, inflation increased quickly, reaching a 30-year high in December 2021 of 5.4%[7], driven by rising housing costs and fuel and used car price rises. The labour market remained resilient, supported by the UK's furlough scheme. In December 2021, the UK had 29.5 million employees, up by 409,000 on the pre-Covid February 2020 figure. Job vacancies reached a new record of 1,247,000 and wages grew by 4.2%.

BRIC stock markets experienced mixed performance with MSCI BRICS Index down 11.07%[8]. The Russian RTS Index rose 14.01%[9], almost matched by the Shanghai Composite Index, up +12.9%[10]. The Indian S&P BSE Sensex Index grew most, +21.69%[11] and the Brazilian Bovespa Index fell by -11.81%. 2021 was a year to forget for most investors in emerging markets. The pandemic impact was greater due to less vaccinations. Many markets were caught between the slowdown in China and tighter US monetary policy, a trend expected to continue in 2022.

Commodity prices rose across the board in 2021, supported by tight supply conditions and ongoing fiscal stimulus. Alongside rising energy prices, food costs also increased. Nickel was up +22.8%[12] in 2021, aluminium rose +33.8%[13] and copper increased by +26.4%[14]. Silver fell -12.2%[15] and gold followed suit with a -3.7% drop, perhaps surprising as gold usually performs well when inflation is on the march. Brent crude oil posted its biggest gain in 12 years due to increased demand as lockdowns ended, rising by 57% from $50b to $78b. This trend could continue in 2022 if travel restrictions are eased.

Central banks continued to pump out money to protect individual economies. The US Federal Reserve increased the money supply by almost $1.5 trillion in 2021, to $8.76 trillion by year end. Interest rates in the US remain at 0% - 0.25%. They will probably rise gently in 2022 if inflation persists. In the Eurozone, the European Central Bank confirmed it will end its two-year €1.85 trillion pandemic emergency purchase programme (PEPP) in March 2022. The key interest rate remained at 0% throughout the year. In the UK, interest rates finally moved up after three years from 0.1% to 0.25% in December 2021. Most economists expect the rate to be 0.75% by the end of 2022.

The global inflation rate increased significantly in 2021, up from 3.18% to 4.35%[16]. Inflation is expected to rise further in the first half of 2022, before falling back as factors that caused the jump in 2021, drop out of the figures. China's annual inflation rate fell to 1.5%[17] in December from 2.3% in November 2021. India's inflation increased to 5.59% in December, a six-month high. Eurozone Inflation reached 5% in December, an all-time high for the trading block.

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7 Inflation and price indices - Office for National Statistics (ons.gov.uk)
8 MSCI BRIC Index
9 Moscow Exchange (moex.com)
10 SHCOMP | Shanghai Composite Index Overview | MarketWatch
11 S&P BSE SENSEX | S&P Dow Jones Indices (spglobal.com)
12 Nickel PRICE Today | Nickel Spot Price Chart | Live Price of Nickel per Ounce | Markets Insider (businessinsider.com)
13 Aluminum Price (ycharts.com)
14 Copper Price (ycharts.com)
15 Silver Price
16 Global inflation rate 2014-2024 | Statista
17 China Inflation Rate | 2022 Data | 2023 Forecast | 1986-2021 Historical | Calendar (tradingeconomics.com)

MANAGEMENT REPORT

Like 2020, 2021 was a good year for equity market investors globally. They went up by around 20%, influenced by a few US technology stocks, so actually many markets and companies' performance lagged. Eurozone equity markets performed well in 2021, DAX up +16.4%[18], CAC +28.8%[19], Euro Stoxx by +21%[20] and the FTSE 100 +14.3% [21]. The Dow Jones Industrial average returned +18.65% in 2021[22], the S&P outpaced that with +26.61%[23], whilst the Nasdaq index recorded a +20.73%[24] jump. If the growth outlook stays positive, equities should perform well in 2022, unless inflation hampers the economic outlook or monetary policy tightens too quickly and by too much.

Bond investors might have expected an increase in yields in 2021 as inflation went up, but that didn't happen. Bonds poor performance is unlikely to change soon. Some yield can be found in emerging markets. Bond markets were driven by central bank policies and inflation in 2021. This meant no real returns were available. In the US, rates on 10-year government bonds were 1.5% and in Germany, bonds had slightly negative rates.

Looking ahead to 2022, there are reasons to be cheerful, but also fearful. Inflation should fall in most economies towards the end of the year. If there are no more serious Covid setbacks, consumers may spend some extra money they have earned on goods and services they postponed in the last two pandemic-ravaged years. This should mean strong company performance and more dividends. Further increases in commodity prices can be expected in 2022, but at a lower rate. Geopolitical events could negatively affect the global economy and markets along with any further Covid-19 variants, the ongoing energy crisis and escalation in tensions in Europe if Russia invaded the Ukraine.

Business development of the Bank

In Luxembourg, EDB offers independent banking, depositary and custody services to institutional investors and asset managers for alternative investment structures, UCITS and securitization vehicles. The branches in Dublin, Malta and London offer depositary and custody solutions.

European Depositary Bank SA, Dublin Branch ("EDB Dublin Branch") has been established in 2019 and started its business as per June 2019. EDB Dublin Branch focuses solely on offering Depositary and Custody Services to a wide range of fund structures and SPVs. Depositary services offered include both full-depositary and depositary-lite services. As of December 31, 2021, our staff in EDB Dublin Branch comprised 34 employees.

European Depositary Bank SA, Malta Branch ("EDB Malta Branch") has also been established in 2019 and onboarding of clients has started in 2020. As of December 31, 2021, our staff in EDB Malta Branch comprised 5 employees.
European Depositary Bank SA, London Branch ("EDB London Branch") was established on January 24, 2020. EDB London Branch will commence operations in 2022. EDB London Branch comprises of 2 employees at the reporting date.

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[18] DAX - BBC News
[19] CAC 40 - BBC News
[20] EuroStoxx 50 - BBC News
[21] FTSE 100 Share Price | This is Money
[22] 2021 Dow Jones Industrial Average Return (dqydj.com)
[23] 2021 S&P 500 Return (dqydj.com)
[24] 2021 NASDAQ Return (dqydj.com)

MANAGEMENT REPORT

In 2021, the Bank continued focussing on depositary bank services for an internationally diversified range of assets, as well as handling the affairs of institutional clients and external asset managers. The Bank's most important area of business continues to be the service it offers as a depositary bank, which, in addition to the legally prescribed safekeeping of investment assets, Luxembourg funds and securitisation companies governed by Luxembourg law and the controlling activities related thereto, also includes the provision of ancillary services as a registration and transfer agent, calculation agent and paying agent, as well as brokerage and liquidity and currency management. In 2021, the transfer agency business from EDB has been partly transferred to APEX Fund Services S.A. In a first step, which has been finalised during Q1 of 2021, a part of the transfer agency business in relation to EDB's alternative investment fund clients has been transferred. The transfer agency business in relation to EDB's UCITS clients and the second part of the transfer agency business in relation to EDB's alternative investment fund clients is planned to be transferred in 2022. The TA project team are completing a detailed evaluation to ascertain if there are any short term opportunities to utilize existing approved infrastructure in Apex that can meet the Bank's/ client requirements. EDB is also scheduled to implement a new TA platform (Purefunds) early Q4 2022 which EDB is reviewing alongside existing solutions.

Clients availing themselves of our depositary bank services, such as capital management companies, portfolio managers, asset managers, insurance companies and pension funds, value the independence, flexibility and expertise of the Bank, together with the investments made during the year under review in our IT infrastructure. The Bank is one of the few depositary banks in Luxembourg that continue to be able, by means of system technology, to represent and offer depositary services for virtually all the usual asset classes in traditional securities and in the area of alternative investments in Luxembourg funds, and is the market-leading depositary of private equity funds. The opening of the branches and the services offered out of the Group has given the Bank access to new international clients. In 2021, we benefited again from our proven expertise in different asset classes of alternative investments, which enabled us to secure a share of the growing demand for AIFM and RAIF fund structures. Demand was particularly high for debt and real estate fund structures; we also recorded very satisfying growth in volume as far as securities funds were concerned. The market for securitisation structures has improved significantly.

Beside our new onboarding solution, which we have launched in 2020, in 2021 we added a new digital banking solution to our existing core areas of business, which are the provision of depositary and custody services, handling transactions for clients of external asset managers and meeting the needs of institutional clients through bank accounts services.

We will create a digital bank, offering our new corporate clients the ability to access their accounts securely via a portal and to instruct payments and undertake foreign exchange transactions. It will bring enhanced automation, will reduce the risk of manual error and will also further automate EDB's AML and CTF control processes. This solution will contribute to a fully digital core banking platform, with access to a full range of Apex financial solutions.

Being part of the growing international Apex Group, as well as investing in systems and employees and increasing the capital base of the Bank further strengthened the Bank's position as an interesting and important alternative to the major international banks for depositary and custodian banking in the Luxembourg financial centre. Within our branch network we are offering as well depositary and custody services.

The second core business field involves the handling of relations with external asset managers and institutional clients and bank accounts for SPVs. In general, our independence and the way in which we listen and respond to our clients' individual needs are highly appreciated by them. Our lending business, focusing on Lombard loans and the pre-financing of capital calls, is only offered as a complementary service.

As of December 31, 2021, the Bank's balance sheet total amounted to € 1,565.0 million. The balance sheet structure remained more or less unchanged from the previous year.

Customer deposits, 98.6% of which related to funds and Luxembourg funds held in safe custody, reduced by € 530.1 million to € 1,469.5 million. The loans to customers, including existing guarantees, reduced by € 2.3 million to € 27.0 million, with lending operations once again being conducted on a very risk-conscious basis. We continue to carry out almost exclusively Lombard financing and pre-financing of capital calls to the funds held in safe custody in compliance with strict collateral and/or lending criteria.

As at December 31, 2021, the Bank was acting as a depositary bank for Luxembourg funds and specialized investment funds having a total volume of € 104,530,244k (previous year: € 84,446,639k) and for securitisation vehicles having a volume of € 2,397,440k (previous year: € 2,181,480k). In addition, the Dublin branch is holding a volume of € 19,891,324k as of December 31, 2021 (previous year: € 14.6 billion) and the Malta Branch is holding a volume of €558,180k (previous year: €146,183k). In total we are holding a volume of € 127.4 billion (previous year: € 103.4 billion).

EARNINGS SITUATION

Given the general economic trend, the Bank achieved an altogether good result. Due to the stable situation in the fund business, providing external asset managers and institutional clients with banking services, the net commission income, amounting to € 40.0 million (previous year: € 35.0 million), once again contributed significantly to the overall result.

Although the yield curves in EURO and USD have been flattening and the continuation of the risk-averse investment policy, net interest income decreased by € 2.5 million, or 31.1%, to € 5.6 million due to an increase in customer deposits.

General administrative expenses rose by € 4.6 million, or 14.9%, to € 35.6 million, partly on account of additional regulatory requirements.

Pre-tax profit decreased by € 1.2 million, or 10.1%, to EUR 11.3 million. The net profit for the year amounted to € 8.9 million, i.e. € 0.4 million, or 4.0%, below the previous year's figure.

PERSONNEL

During the past year, our successfully journey within the Apex Group Ltd. develops. The establishment of the third international EDB branch in UK went successfully. The creation of synergies and the growth strategy remained the focus of our business activities in 2021. The several restructuring measures in 2020, such as the set-up of an Onboarding team for all Lux entities and the collaboration with Apex units in Bulgaria, has shown success in 2021.

MANAGEMENT REPORT

As of December 31, 2021, our staff in Luxembourg comprised 173 employees. These included 24 part-time employees and three employees on maternity leave or full-time parental leave. Additionally five employees are working in the Malta branch, 34 employees are working in the branch in Dublin and our London branch counts 2 employees.

Great importance is attached to the need to ensure that our staff members are highly qualified and committed, so that we can offer our clients and business partners a reliable service on a long-term basis. We support the maintenance of such standards by continuously developing and expanding the knowledge and abilities of our employees. Drawing on an extensive range of further training opportunities offered by the Group and by external contractors, we prepare an individual skills and competencies enhancement plan for each employee as part of our bi-annual performance review cycle, extending in part over a period of several years. In addition to specialist seminars, these plans focus on training in communication and leadership, as well as in project and change management. Our training programme also includes compliance, operational risk, ISO, cyber security and IT trainings as well as language courses, total immersion courses in the respective European countries and self-study programmes. Due to our integration into the Apex Group Ltd. our employees benefit from the global Knowledge Academy which also offers a wide range of self- trainings. Besides this in-house training, courses on fraud prevention, money laundering, tax and legal structures and health management are also potential learning and development measures. Due to the ongoing Covid-19 pandemic in 2021 external training measure were still reduced due to a limited number of courses and available training measures were held as virtual trainings instead of on-site or classroom trainings.

We would like to offer our heartfelt thanks to our employees for their tireless commitment and, once again, considerable dedication throughout this very challenging year, which enabled us to still achieve our business success, reach our common goals and successfully execute the various efficiency projects, as well as the tasks in relation to the further integration into the Apex Group Ltd. as well as the ongoing cooperation with our international branches, the collaboration with our Spartan offices and related restructuring measures.

Special thanks are also due to the members of the staff delegation for their loyal and constructive collaboration.

In 2021, nine employees marked five years and eleven employees ten years with the Bank. Additionally, one colleague celebrated their 20th anniversary and one employee her 30th anniversary within our Group. We extend our heartfelt congratulations to all those who celebrated these anniversaries, together with thanks for their faithful and successful collaboration.

DEVELOPMENTS OCCURRING AFTER THE YEAR-END

Since the balance sheet date, no other events of any particular significance have occurred. As at the accounting date, there were no risks discernible which might materially affect the future development of the Bank's business.

RISK MANAGEMENT REPORT

In its business activities, the European Depositary Bank SA, including its branches is exposed to operating and strategic risks. For the overall management of banking operations, it is essential that the Bank is able to effectively identify, analyse, manage and evaluate the relevant risks.

MANAGEMENT REPORT

In order to monitor the business effectively and strengthen risk management, the Bank follows the three lines of defence model. In this respect, our internal control functions – risk control, compliance and internal audit – form an integral part of the risk monitoring system. They check the Bank's business and operational processes in terms of scope and risk. This enables negative trends and weak points to be identified at an early stage.

The general monitoring of risks is the responsibility of our Risk Controlling department, which has been integrated in the risk management framework of the Apex Group Ltd.

The rules laid down by the Luxembourg banking supervisory authority, the CSSF, for the implementation of an ICAAP/ILAAP (Internal Capital and Liquidity Adequacy Assessment Process) are strictly complied with in this regard. In addition, the relevant requirements of the regulatory authorities of the branches are observed.

In order to ensure its capacity to bear risk at all times, the Bank has implemented various instruments and procedures. The perception and consideration of a change in the risk profile is generally ensured by means of the annual review of the materiality of all risks as part of the risk register assessment. The risk register was introduced in 2021 and replaced the formerly risk inventory to enhance the risk monitoring and management by providing a more detailed overview of the possible risks to which the Bank is exposed, especially with regard to the operational risks.

Because risks are constantly evolving, there is a high demand to develop metrics or indicators to help monitor potential future shifts in risk conditions or new emerging risks in order to better manage events that may arise in the future on a more timely and strategic basis. With this rationale the Bank has installed a set of Key Risk Indicators, which are critical predictors of significant events that can adversely impact EDB's risk situation. They monitor changes in the levels of risk exposure and contribute to the early warning signs that enable the Bank to report risks, prevent crises and mitigate them in time. In addition, processes have been put in place by the Bank in respect of operational loss events, customer complaints, new products, outsourcing, non-transparent transactions and changes to the business strategy and the risk profile, revealing any alteration to the Bank's risk profile during the course of the year.

In order to implement sound corporate governance and increase the effectiveness of the Board, EDB has introduced specialised committees of the Board of Directors in 2021, which comprise of the Risk Committee, the Audit and Governance Committee, the IT and Cybersecurity Committee and the Appointment and Remuneration Committee. The mission of the Specialised Committees will be to provide the Board of Directors with critical assessments in respect of the organisation and operation of the Bank in areas of audit, risk, appointments and remunerations and digital technology in order to enable the members of the Board of Directors to fulfil their supervisory mission and to take on their responsibility pursuant to applicable regulatory provisions. The purpose of the Risk Committee is to

have oversight of the EDB risk management framework, the EDB's capital, liquidity and funding planning and strategy, EDB's risk appetite statement, including risk tolerance levels and limits ("Risk Appetite Statement"), and the performance of the Chief Risk Officer. The Risk Committee's responsibility in this regard is one of oversight and review, while risk assessment and risk management are the responsibility of the EDB Executive Management Board.

On the level of the Executive Management Board, the Audit, Compliance and Risk Committee, which meets on a regular basis and is composed of permanent members of the Executive Management Board, the designated persons responsible for the control functions and the Head of Legal department, plays a primary role. The Audit, Compliance and Risk Committee monitors holistically the risk profile of EDB and its branches using a comprehensive risk register, deals with current risk-related developments, the monitoring and review of the implemented Key Risk Indicators as well as specific risk notifications submitted by staff members, and subsequently prepares measures and recommendations designed to improve the risk situation.

In addition to the possibility of risk notification, it is open to the Bank's employees to have recourse to whistle-blowing as a further means of early detection of risk; which could be used, overtly or anonymously, to communicate risks on an ad hoc basis.

The Audit, Compliance and Risk Committee is supplemented by further committees are installed at the Executive Management Board level: the Branch Committees (Internal Branch Committees and Joint Branch Committee) and the Outsourcing Committee. In addition, in order to comply with regulatory requirements of the Bank Recovery and Resolution Directive to maintain a recovery plan for the Bank and to coordinate information flows regarding legal provisions on resolution, the Recovery and Resolution Planning Committee was established. In 2021 two additional committees were introduced: the Finance and Administration Committee and the Business Approval Committee.

These established procedures and instruments for monitoring risks exert a decisive influence on the assessment of the Bank's risk-bearing capacity.

The risks taken by us are configured and limited, as part of an active risk management system, in such a way that the material risks confronting the Bank, comprising of credit risks, market price risks, liquidity risks and operational risks, and taking into account risk concentrations, are continuously covered by the Bank's risk coverage potential. Alarm thresholds are also implemented for these risks, serving as early warning indicators and thus contributing to adherence to the applicable limits. Our Risk Controlling department constantly monitors the risks taken and regularly reports to the Executive Management Board, the Board of Directors and the Supervisory Authority. In this context, the risk management information system presents the risks in terms of the utilisation of previously fixed limits.

The Bank is exposed to further risks in addition to those mentioned above. These include strategic risks, changed framework conditions (such as regulatory and demographic developments), client behaviour and reputational risks. Reputational risk as a result of public coverage of transactions, business partners or business practices in which a client is involved is defined as the risk that will adversely affect the trust in the Bank. When considering reputational risk, it is necessary to distinguish between two aspects: the long-term dimension within the context of the strategy and the short-term dimension within the context of the liquidity risk.

Manifestations of the general business risk cannot be adequately quantified and consequently also not limited. This gap is closed, among other things, by expert estimations within the annual risk register assessment, which subject these risks to an approximate evaluation.

The principles of risk management, the methods and procedures for risk assessment, and the risk values determined using these methods and procedures are regularly reviewed for appropriateness and plausibility and adjusted if necessary. In order to monitor and manage all risks faced by the Bank, the Bank has established qualitative monitoring measures and, where appropriate, corresponding limits for other risks and subclasses of risks in addition to the above-mentioned risk limits.
Credit risks are entered into in accordance with approved authorities, counterparty and issuer limits and credit lines approved in line with the Bank's strategic orientation and the Group's limit systems, and conditional upon compliance with the regulatory requirements. The limits are subject to annual approval and monitoring involving the Board of Directors. Within the framework of a credit value-at-risk model, unexpected losses, quantified in monetary terms, are calculated on the basis of the unsecured portions of the exposure, the likelihood of the counterparty defaulting and the relevant correlations. In respect of public-sector borrowers and banks, recovery factors are also taken into consideration.

In accordance with its lending strategy, the Bank's primary lending business represents a complementary business activity as part of the depositary or custody business. Loans will only be granted to fund clients, clients of external asset managers, professional private clients and companies in which the Bank holds the depositary or custody function. The lending business focuses on low-risk, well-secured and less processing intensive loans.

Market price risks arising from potential losses due to unfavourable fluctuations in interest rates, prices, currencies and volatility are assumed within a framework of fixed limits designed to exploitation of income opportunities s. For the daily evaluation of market price risks, the Bank employs a value-at-risk approach which compares and contrasts the results with the limits that have been fixed.

As a non-trading book institution, the Bank enters only to a limited extent into positions for the short-term realisation of profits. The Bank's forex business is primarily designed to offset client-related spot and forward transactions through countertrades and to manage technical foreign exchange positions. Secondary FX-swaps are used as alternative to money market time deposit, because for the FX-Swaps the default risk is lower due to the exchange of capital amounts.

In order to ensure the timely fulfilment of its payment obligations, the Bank counters the liquidity risk by means of ongoing disposition of all incoming and outgoing payments via its payment transaction accounts.

The risk control process uses liquidity maturity statements and is essentially based on monitoring all aggregated capital inflows and outflows, divided into maturity bands, taking into account deposit base assumptions specific to the Bank. The liquidity balances are computed taking into account liquidity reserves in the form of cash reserves, assets with central banks and unencumbered securities comprised in the Bank's own portfolio, which can be used in the context of open-market transactions with the European Central Bank or could be sold due to their high market liquidity. In order to limit liquidity risks, internal limits are fixed in respect of the minimum liquidity balances to be maintained and for significant foreign currencies. Liquidity maturity statements are prepared, both in the form of comprehensive statements and separate statements for the significant currencies. To support risk control, the deposit concentrations are shown in daily reports and indicators are integrated enabling the early identification of negative changes in the liquidity situation. In the unlikely event of a liquidity shortage, escalation procedures and measures have been set.

Operational risks are countered by the Bank by means of clearly defined competencies and responsibilities. Our regulations and detailed procedural documentation for all departments on all essential work processes, duties and responsibility are kept constantly up to date, helping us to identify, limit and avoid operational risks. Strict adherence to the principle of separation of duties at all levels of the Bank, as well as internal controls and approvals under the four-eyes principle integrated into operational procedures and technical systems, form additional core elements of risk control methods. In addition, the Bank has taken out insurances regarding transfers of possible operational risks with a high loss potential.

With the objectives of raising awareness and promoting a risk culture, an employee training course on "operational risks" is provided to all employees via the Apex Group online Learning Management System "Knowledge Academy".

Taking into account changing factors of influence, existing and latent operational risks are identified in the course of an annual consultation of experts and evaluated within the parameters of the likelihood of their occurring and their financial impact. A value-at-risk methodology is then used to calculate operational risks and allocate an appropriate risk capital. Important information with regard to risk management is provided by the risk register assessment and by the loss database, which contains details of all gains and losses arising from operational events.

Additional indications result from the risk notifications filed by the Bank's staff and the analysis and follow-up of all customer complaints.

By maintaining a Business Recovery Centre, and by setting up backup workplaces, including enabling the staff to work from home, the Bank has taken appropriate measures to counter the risks arising from IT malfunctions, breakdowns and pandemics. The Bank is continuously investing in its IT infrastructure in order to maintain a high level of availability and performance for its systems.

Legal risks are countered by the Bank through an extensive use of standard and standardised contracts, the review of individual contracts on a regular basis and the regular update of wording and various clauses of contracts, as applicable, according to the prevailing legislation and business practices, with recourse being had for this to the expertise of external legal advisers. With respect to the branches in foreign jurisdictions, risk mitigation shall be achieved by using our standardised contracts and documents as confirmed by external local lawyers under the relevant jurisdiction. The Bank continuously improves the range of instruments designed to combat money laundering, the financing of terrorism and white-collar crime. In 2021, all employees received training on the prevention of money laundering and the financing of terrorism. Training on general compliance topics is provided on a regular basis as well as training on fraud prevention via the Apex Group online Learning Management System "Knowledge Academy".

By implementing limit systems and analyses, the Bank has made suitable arrangements with a view to limiting risk concentrations. Unwanted risk concentrations are countered by measures to identify and reveal such concentrations.

In order to simulate risks in extreme market situations, stress tests are carried out, in addition to the normal risk measurement procedures, with regard to all risks which are defined as material, as well as a stress test encompassing different types of risk. These stress tests provide information concerning the possible impact on the economic situation of the Bank in the event of a serious change in the market environment from the status quo. The analyses are in principle carried out every quarter and are based on hypothetical, historical and invers scenarios. The stress tests are designed to gauge the effects on the economic capital and risk coverage potential and to initiate in good time any control measures deemed necessary.

MANAGEMENT REPORT

The risk management procedures of European Depositary Bank SA correspond to the usual market standards and are geared, within the framework of proportionality, to the risks inherent in the positions concerned. With the procedures applied, the risks outlined are measurable and transparent and those procedures additionally enable the risks to be controlled and managed. They are considered appropriate to ensure the Bank's risk-bearing capacity on a sustainable basis.

PROSPECTS

The year 2021 was dominated by the Covid-19 pandemic. It has transformed the world we live in and will therefore also have a significant impact on 2022, as vaccines have been developed, but broad protection through vaccination may still take time.

The EDB and the Apex Group Ltd. have managed the imponderables very well and we are very confident that we will do the same in this year.
In 2022 we will again add additional mandates to our business and will strengthen our good position in the depositary and custody market in Luxembourg, Ireland, Malta and our new created branch in UK.

Beside our new onboarding solution we have launched in 2021, in 2022 we will add a new digital banking solution to our existing core areas of business, which are the provision of depositary and custody services, handling transactions for clients of external asset managers and meeting the increasing needs of institutional clients in the field of enhanced cash-products through bank accounts services.

We will create a digital banking solution for a cash-product, offering our new corporate clients the ability to access their accounts securely via a portal and to instruct payments and undertake foreign exchange transactions in order to manage their liquidity. It will bring enhanced automation, will reduce the risk of manual error and will also further automate EDB's AML and CTF control processes. This solution will be an important element of contribution to a future fully digital core banking platform, with access to a full range of Apex financial solutions.

For this year we expect volatile stock markets with some upside potential, low interest rates and some upward movement in the inflation ratio.
In the field of proprietary investments, we will continue to pursue our established investment policy, against a background of what is expected to be an unattractive interest rate environment.

Beside the implementation cost for regulations, the implementation of new services, further investments into our digital infrastructure and cloud based solutions as well as into human capital will lead to an increase in administrative expenses.
Based on our assumptions and planning, we are very convinced to achieve a result that is very appropriate and a good return on equity.

Luxembourg, April 26, 2022

The Board of Directors