EAS
LIECHTENSTEIN

Annual Report 2023

Credits

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1. Foreword

Dear Readers

Even though the reporting year was extremely turbulent in terms of geopolitics and financial policy, the Liechtenstein banking and financial services sector can look back on a successful 2023. Marked by persistently high inflation, rising interest rates and a slowdown in the global economy, both assets under management (+6.7%) and earnings (+4.2%) continued to rise in the banking sector, thanks to stable net new money inflows. The asset management sector also grew across the board, with a volume of CHF 100 billion (+45%) now being managed by Liechtenstein funds and CHF 57 billion (+4.6%) by asset management companies. As the FMA Liechtenstein states on page 15 of its annual report, the Liechtenstein financial sector is characterised overall by continued stability and solidity, and systemic risks continue to be assessed as limited.

As a further piece of the puzzle to ensure long-term financial stability, Liechtenstein is planning to join the International Monetary Fund (IMF). The formal application for IMF membership was submitted in June 2023. Following numerous meetings and on-site visits by the IMF delegation, the conditions for joining the IMF have been finalised. Together with the entire financial services sector, EAS supports Liechtenstein's accession to the IMF, which would not only mean an additional improvement in financial stability, but – thanks to access to the IMF's financial and human resources – would also strengthen the Liechtenstein business location and international perception and reputation.

Thanks to the positive business development, the volume of covered deposits at the banks affiliated with EAS increased by CHF 0.3 billion (+6%) to about CHF 5.6 billion. The development of the deposit guarantee fund continues as planned. Due to the increase in covered deposits, the target level of the deposit guarantee fund increased by CHF 2.0 million to currently CHF 28 million. At the end of the reporting year, about CHF 13.0 million was financed in advance for any payout events. Covered investor claims amounted to a total of CHF 1.5 billion at the end of 2023 and increased by CHF 0.1 billion.

The number of institutions participating in the EAS guarantee schemes is stable. Following the completion of the resolution of the banking business of Mason Privatbank Liechtenstein AG in liquidation, the bank exited the deposit guarantee fund in the reporting year. The net number of asset management companies continues to decline slightly. Further information can be found under Cells (Chapter 4) and Annual Financial Statement (Chapter 5).

Looking at the new fiscal year, bankruptcy proceedings were opened in March 2024 in respect of the assets of Sora Bank AG in Liquidation. This means that at the same time, the first payout and compensation event in the banking market has occurred. Bank clients are being compensated by EAS in accordance with the legal requirements in the amount of their covered deposits. The volume of affected client deposits can be covered with the resources of the deposit guarantee fund already financed in advance.

In conclusion, we would like to thank Roland Frick for his many years of work on the EAS Foundation Board. Through his active contribution to intensive and constructiv discussions, he has been instrumental in shaping the positive development of EAS. In Melanie Mündle, member of the Management Board (CFO) at Bank Frick & Co. AG, we have found a successor who is highly valued by EAS. We have also been able to further expand the staffing of the Secretariat. We would like to take this opportunity to express our gratitude to the employees of the Secretariat as well as to our cooperation and consultation partners for the excellent work together.

We hope that when reading this Annual Report 2023, you will find interesting insights into our protection scheme for banking and investment clients of Liechtenstein financial service providers.

Ivo Klein, President
Rafik Yezza, Managing Director

2. Facts & Figures 2023

111 participants
- 12 banks
- 1 investment firm
- 90 asset managers
- 8 management companies / AIFMs

Covered Deposits
- CHF 5.6 billion

Covered investor claims
- CHF 1.5 billion

No compensation cases

Maximum compensation
- Depositors CHF 100,000.00
- Investors CHF 30,000.00

3. Organisation

3.1 Legal form & purpose

The Deposit Guarantee and Investor Compensation Foundation PCC (EAS) is an autonomous foundation under Articles 552 et seq. of the Liechtenstein Persons and Companies Act (PGR), entered in the Commercial Register since 6 September 2001. It is set up in the form of a protected cell company (PCC) in accordance with Articles 243 et seq. PGR. The transformation into a protected cell company was completed on 1 April 2015. The founder is the Liechtenstein Bankers Association (LBA).

Together with the cell participants, the foundation constitutes a statutory protection organisation according to Article 4(1) of the Liechtenstein Deposit Guarantee and Investor Compensation Act (EAG) and in accordance with the statutory provisions and its articles of association, its purpose is to guarantee covered deposits and to compensate covered investor claims at the banks and other financial service providers participating in the protection scheme.

The foundation is established for an indefinite period of time and organised under private law. It does not operate a commercial business (Article 552(1) PGR) and is non-profit. The fees collected are used to cover operational and administrative costs. Because of its non-profit purpose, EAS is exempt from corporate income tax under Article 45(2) of the Tax Act.

The current legal framework such as EU directives, the Liechtenstein Act and Ordinance, and the EAS articles of association can be found on the EAS website at www.eas-liechtenstein.li/en.

3.2 Structure / set-up

The foundation is a protection institution for covered deposits and investor claims of clients against banks and other financial service providers domiciled in Liechtenstein. It has assumed the obligation to compensate the clients of a bank or other financial service provider up to a certain maximum amount (coverage amount) in the event of default or bankruptcy, if that bank or other financial service provider has a pre-existing contractual relationship with the foundation. With this purpose, EAS as the sole protection institution in Liechtenstein contributes substantially to the protection of creditors and makes a crucial contribution to the reputation and stability of the Liechtenstein financial centre. For this purpose, it operates a combined protection scheme for deposits and investor claims in accordance with the legal and European requirements.

The foundation is composed of a core and the following four cells:

1. Banks
2. Investment firms
3. Asset managers
4. UCITS management companies and AIFMs

The **core** of the foundation is responsible for ongoing operations, namely management of the foundation and administrative processing of compensation cases on behalf of the cells. The core of the foundation has the core assets at its disposal.

Within an individual, separated, and independent **cell**, assets are accumulated through the contributions of the participating financial service providers. These assets serve to finance compensation cases. They are explicitly and exclusively allocated to each cell. The individual cells do not have their own legal personality, but are managed and accounted separately.

Each cell are liable only for themselves, i.e., liability does not extend between cells. The core assets assume liability for the core. For an individual cell the specifically allocated cell assets are liable.

3.3 Bodies

3.3.1 Foundation Board

The Foundation Board is the governing body of the foundation, comprised of three to seven natural persons as members, who are appointed by the founder for an indefinite term and may be dismissed by the founder. It is the Foundation Board's responsibility to manage the foundation and to represent it externally.

At most two seats on the Foundation Board are allocated to the Association of Independent Asset Managers in Liechtenstein (VuVL) and the Liechtenstein Investment Fund Association (LAFV), which represent the participants in the pure investor compensation scheme of EAS in particular. The remaining members of the Foundation Board are representatives of the LBA member banks.

The Foundation Board holds four ordinary business meetings each year. Minutes are kept of its deliberations and decisions, along with a task list. No extraordinary meetings were held in the reporting year.

Ivo Klein
President, LGT Bank Ltd., member since March 2017

Fredy Wolfinger
Vice President, Association of Independent Asset Managers in Liechtenstein (VuVL), member since October 2015

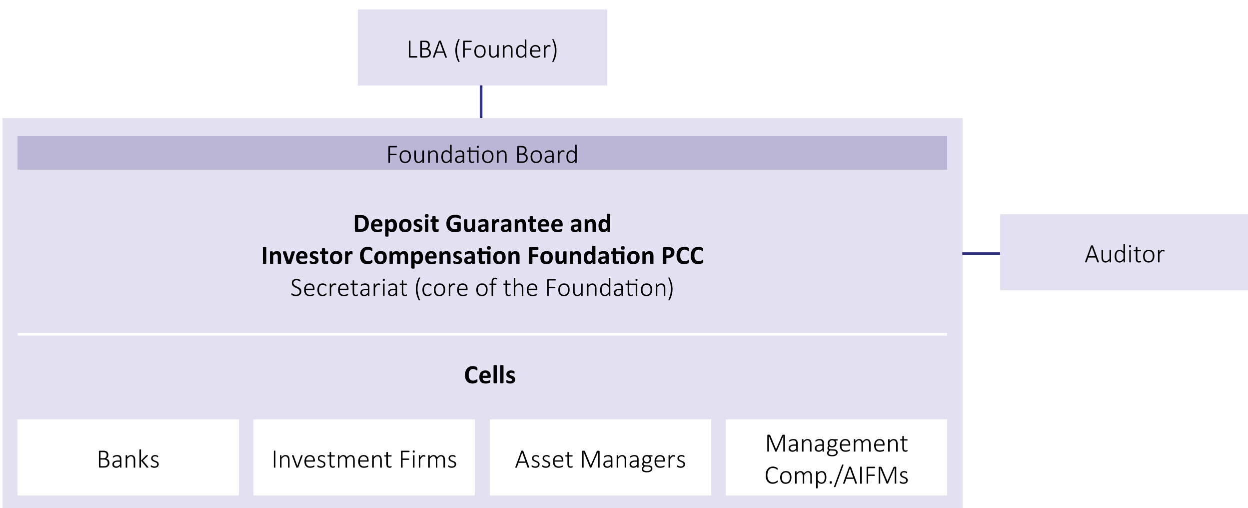
Christoph Reich
Liechtensteinische Landesbank AG (LLB), member since March 2012

Melanie Mündle
Bank Frick & Co. AG, member since November 2023

David Gamper
Liechtenstein Investment Fund Association (LAFV), member since June 2020

Claudia Jehle-Ospelt
NEUE BANK AG, member since October 2016

Roger Barmettler
VP Bank Ltd., member since March 2021



3.3.2 Auditor

Based on Article 25(7) EAG the foundation appoints an auditor licensed under Liechtenstein banking law (Article 37 Banking Act), which performs an annual legality and regularity audit of the protection scheme and prepares a detailed audit report.

PricewaterhouseCoopers AG
since 2001 fiscal year

3.3.3 Secretariat

To perform its responsibilities and pursuant to its powers under the articles of association, the Foundation Board established a dedicated Secretariat that reports to it. The Secretariat conducts all day-to-day business and is responsible for international cooperation and other administrative matters of EAS. As part of a shared office solution, EAS uses the office and business facilities of the Liechtenstein Bankers Associations Secretariat.

Taking into account the steady increase in regulatory requirements and the need to handle them, the increase in international integration, and the need to ensure deputisation of management the staffing of the Secretariat was further strengthened during the fiscal year.

Rafik Yezza
Director

Dr. Anneka Beccarelli
Depoty Director and Legal Officer

Marina Altenöder
Administration

Katharina Zogg
Accounting / Annual Financial Statement

3.4 Regulierung

In April 2023, the EU Commission proposed a reform of the regulatory framework for crisis management in the banking sector and deposit insurance (Crisis Management and the Deposit Insurance, CMDI). The reform is intended to improve the crisis instruments for managing the failures of medium-sized and smaller banks and provide resolution authorities with even more effective tools.

The proposal has the following main objectives:

- Preserving financial stability and protecting taxpayers' money
- Shielding the real economy from the impact of bank failure
- Better protection for depositors

As part of this reform, the existing EU Bank Recovery and Resolution Directive (BRRD) and Deposit Guarantee Schemes Directive (DGSD) are to be adapted or extended.

Contrary to the proposals of the EU Commission, EAS supports the retention of the super-preference of covered deposits in the bankruptcy ranking of banks and the retention of the existing limit of 50% of the target level for support financing of resolution measures in a major banking crisis. EAS supports the harmonisation (clarifications and simplifications) envisaged for the DGSD, with the exception of the planned extension of the coverage of deposit protection for client funds deposited with banks by supervised investment firms and payment and electronic money institutions.

The package is currently being considered by the European Parliament; it is difficult to predict when the amendments to the directives will be finalised. EAS will closely monitor the further developments together with its European partners.

It can be assumed that in Liechtenstein, these adjustments to EU regulation will be incorporated into the two existing laws on bank recovery and resolution (SAG) and deposit protection and investor compensation (EAG).

3.5 International integration

3.5.1 European Forum of Deposit Insurers (EFDI)

2010, EAS has been a member of the European Forum of Deposit Insurers (EFDI), headquartered in Brussels. The organisation contributes to the stability of financial systems by strengthening the role of deposit insurance and investor compensation schemes and promoting European cooperation in these areas.

As a full member, EAS actively participates in various committees and working groups that deal in particular with specific issues involving the implementation of European deposit insurance and investor compensation rules. Several non-binding research and position papers were developed during the reporting year. These papers are made available to the public on the EFDI website.

The Forum also serves as a platform for the exchange of experience in payout cases and for mutual support and cooperation on all practical issues.

As part of the mandate of the FinTech working group during the reporting year, EAS examined the extent to which and under what conditions clients who hold crypto-assets in various forms will – in future – benefit from coverage by deposit protection or investor compensation.

With the Token and TT Service Provider Act (TVTG) – or Blockchain Act – Liechtenstein has for quite some time established regulatory and civil law requirements for the token economy at the national level. In addition, the EU enacted a harmonised regulatory framework for crypto-assets (Markets in Crypto-Assets, MICA) in 2023 and – as part of a DLT Pilot Regime – amended Section C of Annex I of MiFID II to clarify that financial instruments issued by means of distributed ledger technology (security tokens) are also subject to the uniform regulatory framework for financial markets, but without explicitly determining the effects on investor compensation. The debate on forms of tokenised deposits and any need for legal adjustments to deposit protection is still in its initial stages at the European level.

Taking into account these regulatory developments in the Single Market and based on a member survey among the guarantee schemes (DGSs and ICSs), the current status of the national guarantee schemes with respect to the treatment of crypto-assets is to be illuminated and the awareness of members is to be raised in conjunction with recommendations for action. In the reporting year, EAS communicated to its scheme participants that tokenised financial instruments in the form of security tokens are also considered eligible investment instruments if they are held, held in custody or managed by affiliated institutions in connection with investment services and must accordingly be taken into account by the investor compensation scheme when determining covered investor claims.

3.5.2 European Banking Authority (EBA)

On behalf of the European Commission, the EBA set up a task force at the end of 2018 consisting of representatives of European supervisory authorities and deposit guarantee schemes. Its aim is to further develop and harmonise the regulation relevant for deposit guarantee schemes.

In the reporting year, the task force did not carry out any specific review mandates arising from the directive. Starting in mid-2024, the task force will be dealing with the analysis, evaluation and assessment of stress tests carried out on European deposit guarantee schemes and the resulting optimisation potential, based on the guidelines on stress tests (EBA/GL/2021/10). The report on the comparative analysis (peer review) is expected in calendar year 2025. The results of the EAS stress tests will also be included in this report.

In addition, the EBA and the task force were asked by the European Commission (Call for Advice) to analyse the extent to which an increase in coverage would have a positive impact on depositor protection and financial stability. The Call for Advice was motivated by the banking crises in the United States and Switzerland at the time.

EAS also participated in this analysis. A comparison with the other European deposit guarantee schemes shows the very high degree of concentration of the Liechtenstein banking centre in the business areas of international private banking and wealth management.

This analysis created a comprehensive data basis for the proposed reform of the regulatory framework for crisis management in the banking sector and deposit insurance (CMDI, see page 6). In the publicly available report, the EBA stated in December 2023 that an increase in the currently applicable coverage of EUR 100,000 per person would have only a limited impact on financial stability and depositor protection. The EBA also assessed the impact of a possible extension of coverage on the deposits of public sector entities and concluded that its previous recommendation from 2019 to extend this coverage still applies.

4. Cells
(Activity Report under Article 25(2) EAG)

4.1 Overview

Each cell constitutes its own protection scheme for covered deposits (only banks) and investor claims (all participants), with the purpose of financing and processing compensation cases. Operational activities are delegated to the core of the foundation. During the reporting year, EAS administered four cells for the following categories of financial service providers:

- Banks (authorised under the Banking Act)
- Investment firms (authorised under the Banking Act)
- Asset managers (authorised under the Asset Management Act)
- Management companies and AIFMs (authorised under the UCITS Act and the AIFM Act), with a supplementary licence for individual portfolio management

As in the previous years, no compensation cases arose during the reporting year.

The following overview presents the current endowment and funding as well as the financial situation of the cells, especially the amount and investment of available financial resources[1] as of 31 December 2023:

Cells	Banks	Investment firms	Asset managers	Management comp./AIMFs
Number of participants	12	1	90	8
Target level (in %)	0.5	0.3		
Basis of calculation	Total of covered deposits	Total of covered investor claims		
Target level (in CHF) at beginning of reporting year	26,000,000.00	0.00	660,000.00	20,000.00
Accumulation phase	Until 2028	Until 2024		
Financing through	Risk-based contributions	Contributions		
Use of funds	No funds under Article 24 EAG or Article 40 EAG were used during the reporting year.			
Available financial resources				
– at the beginning of the reporting year	10,280,248.11	1,036.58	514,913.49	16,799.73
– at the end of the reporting year	12,943,760.22	1,395.59	598,998.97	18,929.07
of which bank balances	*9,557,760.22*	*1,395.59*	*598,998.97*	*18,929.07*
of which low-risk assets[2]	*0.00*	*0.00*	*0.00*	*0.00*
of which payment commitments[3]	*3,386,000.00*	*0.00*	*0.00*	*0.00*
Return on investments	72,141.80	109.01	5,319.18	149.34

The costs of operating the protection scheme are borne by the participants through annual fees. Further detailed information on the financial situation of the protection scheme can be found in Chapter 5, 2023 Annual Financial Statement, starting on page 14.

[1] Under Article 2(1)(19) EAG
[2] Under Article 2(1)(18) EAG
[3] Under Article 2(1)(22) EAG

4.2 Cell Banks

During the entie reporting year, all banks authorised in Liechtenstein participated in the banking cell of the payouts on behalf of EAS. Mason Privatbank Liechtenstein in Liquidation completely wound up its banking operations as of June 2023. Since that date, the public limited company no longer holds any deposits or other repayable funds and has accordingly withdrawn from the EAS deposit guarantee scheme.

Maintaining the capacity to identify and pay out covered deposits is a core process of deposit insurance. To safeguard this capacity on a permanent basis, regular stress tests are carried out on existing processes and systems as well as on the preparation and quality of depositor data.

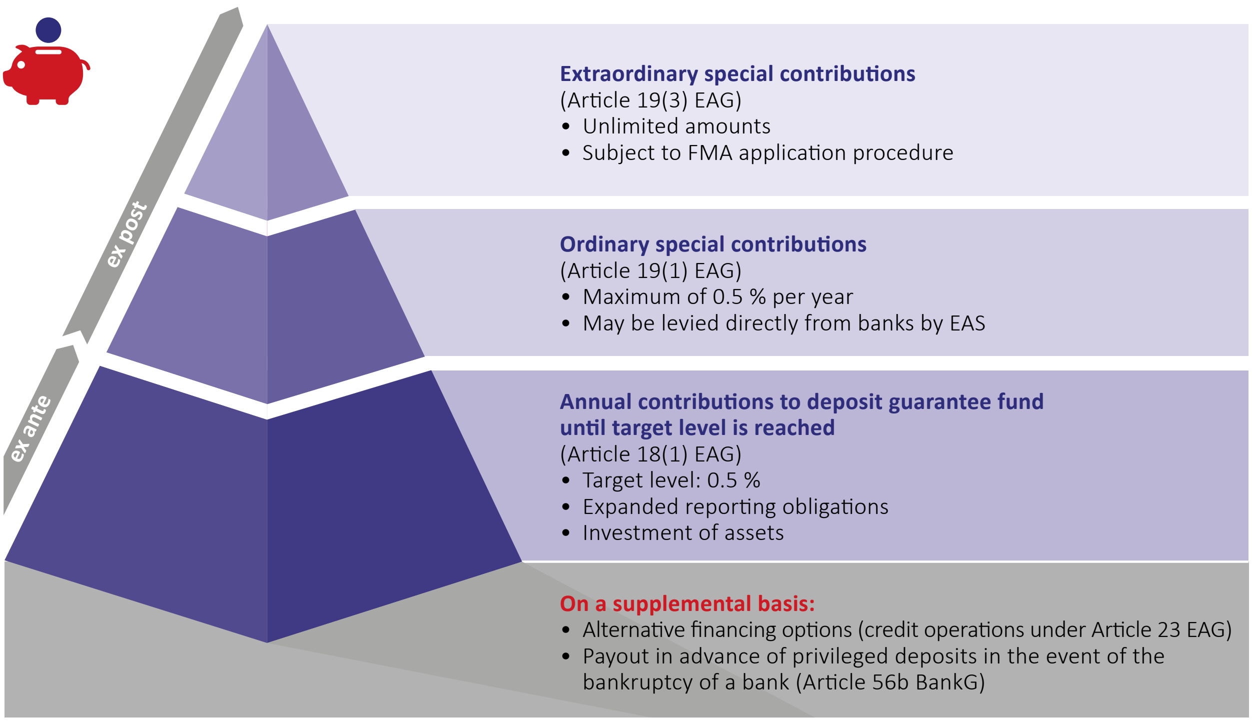
Each year, automated analyses of depositor data are carried out in the form of stress tests at all banks to assess data quality and the ability to make reimbursements on time. These stress tests are supplemented by risk-based on-site inspections at banks. The implementation of optimisation measures is regularly monitored by EAS, including through on-site follow-up inspections.

The routine review and analysis of depositor data, which must be prepared according to uniform specifications and made available to EAS on short notice, still revealed potential for optimisation at a few banks.

Supplementing this, EAS also carried out a financial stress test with a focus on the short-term liquidation of resources of the deposit guarantee fund and an operational stress test with a focus on depositor communication.

Payout events are funded through a combination of ex ante and ex post contributions. The figure on page 10

Funding instruments of the deposit guarantee scheme



illustrates the instruments at the disposal of EAS by law for funding of the deposit guarantee scheme.

The deposit guarantee fund is to reach the legally required target level of 0.5 % of the covered deposits of all participants by the end of 2028. This target level was set for the first time on the basis of the notifications of covered deposits submitted by the participants as of 31 December 2018. The adequacy of the initial determination of the target level is reviewed each year and adjusted if necessary. At the end of the reporting year, the target level of the deposit guarantee fund is new CHF 28 million.

The fund is augmented annually by all banks affiliated with the cell through risk-based contributions. Every cell participant must make a minimum contribution of CHF 5,000.00 each year, regardless of whether the participant has covered deposits or not.

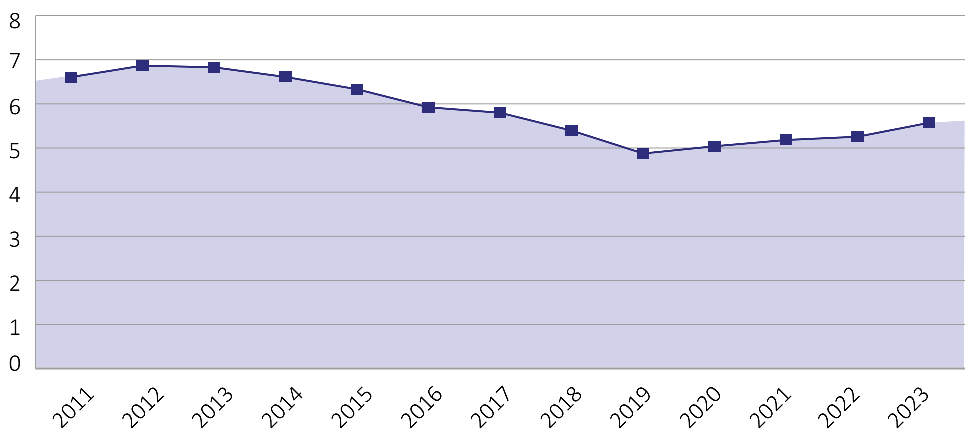
The contribution calculation method used follows the EBA Guidelines on methods for calculating contributions to deposit guarantee schemes[4] taking into account the individual risk positions of banks on the basis of eight risk indicators, which are assigned different weights and consolidated into an aggregate risk score. On the basis of the sum of covered deposits, the target amount to be collected each year is then divided among the banks, adjusted by the individual overall risk position using a method based on a linear sliding scale.

Supplementing this, the existing practice of ex post special contributions in the event of a guarantee case is being retained. The special contributions are also calculated using the risk-based procedure described above. The payment capacity of the banks is ensured by the obligation to maintain liquid assets on a permanent basis in the amount of the greatest possible guarantee case.

In the form of a funding alternative, banks can now meet their financial obligation in a payout event by means of credit financing instead of special contributions. This form of funding protects the banks' capital resources, promoting financial market stability.

Development of covered deposits

(in billion CHF)



[4] EBA/GL/2015/10

4.3 Cells for other service providers

All investment firms and asset management companies as well as UCITS management companies or AIFMs with a supplementary licence for individual portfolio management were active participants in the investor compensation system in their respective cells during the reporting year. Turnover occurred mainly among the more than 90 asset management companies, where many existing authorisations were returned and new companies entered the market. The individual additions to and exits from the cells can be found in the participant statistics in Chapter 4.4.

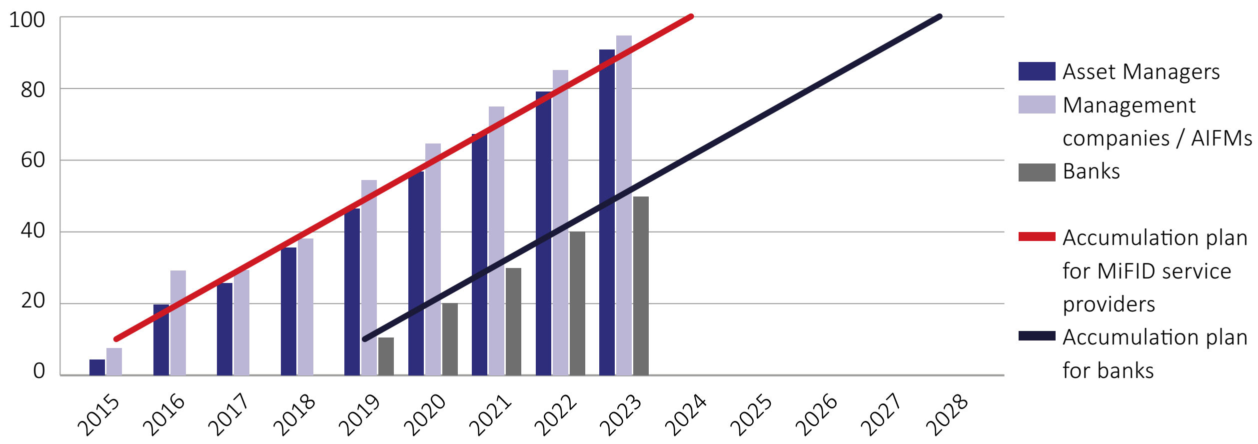
Based on the articles of association as well as the applicable cell regulations and participation contracts, the cell assets necessary for an average compensation case are financed in advance by collecting contributions (ex ante financing). The target level for each cell amounts to 0.3 % of the sum of the covered investor claims of all participants of a cell. That target level was determined for the first time on the basis of the audited sum of the covered investor claims of all cell participants as of the cut-off date of 30 June 2015.

The adequacy of the initial determination of the target level is reviewed each year on the basis of the reports. If the sum of the covered investor claims of all cell participants changes significantly (+20 % /-30 %), the adequacy of the target amount is re-evaluated and, where necessary, a new target level is defined. Contributions are levied until the cell assets reach or exceed the target level. No contributions are levied as long as the segment assets do not fall below 90% of the target level.

The target level for the cell assets is being built up over ten years by collecting annual contributions from all cell participants. Every cell participant must make a basic contribution of at least CHF 250.00 each year, regardless of whether the participant has covered investor claims or not. In the year of joining a cell scheme, new participants have to provide the basic contribution at least.

Accumulation of cell assets

(in percent of target level)



4.4 Participant statistics

The following table shows the development of cell participants in the reporting year:

2023 reporting year					
	Number of participants per cell				
	Banks	Investment firms	Asset managers	UCITS MCs / AIFMs	TOTAL
01.01.	13	0	94	8	115
New members	0	1	2	0	3
Returns of licences	0	0	6	0	6
Exits	1	0	0	0	1
Change of cell	0	0	0	0	0
31.12.	**12**	**1**	**90**	**8**	**111**
Increase / decrease	**-1**	**1**	**-4**	**0**	**-4**

The list of current cell participants is published on the EAS website at www.eas-liechtenstein.li/en.

5. 2023 Annual Financial Statement

According to the requirements of the Law on Persons and Companies Act, the annual financial statement of the foundation contains the financial information for both the core (operation of the scheme) and the cells, which serve solely to finance any compensation cases. Separate accounts are maintained for all units. This separation permits unique identification of the individual assets at any time in accordance with Article 243e(4) PGR.

5.1 Information on the annual financial statement

Accounting is carried out in accordance with the general provisions of the PGR. The annual accounts have been prepared in accordance with the legislative provisions and the principles of proper accounting. The valuation assumes the foundation's continued existence. The accounts are kept in Swiss francs. The rate for tax purposes is used to convert foreign currencies into Swiss francs as of the balance sheet date. There are no deviations from the general valuation principles, accounting methods, and accounting rules as set out in the PGR.

The 2023 fiscal year closed with a revenue surplus of CHF 78,239.58. The net profit, taking account of the profit brought forward of CHF 40,221.54 from the previous year, thus amounts to CHF 118,461.12. The balance sheet total for 31 December 2023 amounts to CHF 14,418,180.96. Of that amount, approximately 95 % or CHF 13,701,713.49 is attributable to the liability substrate in the four cells. The income from participation fees amounts to CHF 680,500.00, of which CHF 21,000.00 results from non-budgeted admission fees. One-off cost effects in connection with the introduction of the system-wide credit financing option and the expansion of the assessment methodology and reporting of the routine review and analysis of depositor data for all banks increased administration expenses in the fiscal year rose by about 30 % to CHF 299,227.25. Other provisions increased by CHF 40,000.00 to CHF 446,000.00 at the end of 2023; these provisions can be used by the Foundation Board for future project expenses and for relieving the financial burden on participants.

As there are no compensation cases, the cell report (Chapter 5.3) only includes items for ordinary ex ante financing in accordance with the plan for asset accumulation.

There were no significant events after the balance sheet date that would require additional disclosures or a correction to the 2023 annual financial statement.

5.2 Foundation: Balance sheet, income statement and notes

Balance sheet (in CHF)			
	Notes	**31.12.2023**	**31.12.2022**
Assets		**CHF**	**CHF**
Accounts receivable		3,404,629.64	2,692,537.23
of which secured payment commitments	*1, CR*	*3,386,000.00*	*2,692,000.00*
of which other receivables		*18,629.64*	*537.23*
Cash and cash equivalents	*2*	11,013,551.32	8,872,822.51
TOTAL ASSETS		**14,418,180.96**	**11,565,359.74**
Liabilities and equity			
Foundation capital		30,000.00	30,000.00
Reserves	*3*	190,000.00	190,000.00
Retained earnings		40,221.54	40,458.70
Annual profit		78,239.58	300.07
Total equity		**338,461.12**	**260,758.77**
Provisions	*4*	13,950,373.74	11,219,357.49
Accounts payable		31,628.85	38,492.28
Accrued expenses		97,717.25	46,751.20
Total liabilities		**14,079,719.84**	**11,304,600.97**
TOTAL OF LIABILITIES AND EQUITY		**14,418,180.96**	**11,565,359.74**

Income statement (in CHF)			
	Notes	**2023**	**2022**
Income from participation fees	*5*	680,500.00	629,000.00
Personnel expenses	*6*	-306,690.20	-311,212.75
Operating expenses	*7*	-339,670.19	-261,942.40
Allocation (-) / releases (+) of other provisions	*4*	-40,000.00	-55,000.00
Financial income from foundation operation		6,380.64	-557.38
Income of ordinary operation		**520.25**	**287.47**
Income from cell contributions	*CR*	2,691,016.25	2,688,344.84
Allocation (-) / release (+) of provisions pay out claims	*4, CR*	-2,691,016.25	-2,688,392.94
Financial income from cell assets	*CR*	77,719.33	60.70
Cell income	*CR*	**77,719.33**	**12.60**
Annual profit		**78,239.58**	**300.07**

CR = Cell Reporting

General remarks

The Deposit Guarantee and Investor Compensation Foundation PCC (EAS) is an autonomous foundation under Articles 552 et seq. of the Liechtenstein Persons and Companies Act (PGR), entered in the Commercial Register since 6 September 2001. It is set up in the form of a protected cell company (PCC) in accordance with Articles 243 et seq. PGR and it does not operate a commercial business (Article 107 PGR). Because of its non-profit purpose, the EAS is exempt from corporate income tax.

Accounting and valuation methods

Accounting is carried out in accordance with the general provisions of the PGR. The annual accounts have been prepared in accordance with statutory regulations and the principles of proper accounting. The valuation assumes the foundation's continued existence.

The accounts are kept in Swiss francs. The rate for tax purposes is used to convert foreign currencies into Swiss francs as of the balance sheet date. There are no deviations from the general valuation principles, accounting methods, and accounting rules as set out in the PGR.

Receivables and other assets are stated at their nominal value. All risky items are taken into account by carrying out appropriate value adjustments.

Provisions include **possible entitlements arising from potential payout claims** by depositors and investors and are established from the annual contributions collected for each cell until they reach the target level. Further information on the target level and funding can be found in Chapter 4 on Cells in the Annual Report (page 9).
The balance sheet item also includes **other provision**s which can be used by the Foundation Board for future project expenses and for the financial relief of participants. As a non-profit foundation, EAS aims to cover the regular annual budget with stable administrative fees. If additional income arises as a result of new admissions or lower expenses, reserves are accrued.
Detailed information on the development of provisions can be found below in the balance sheet notes.

Accounts payable are stated at the repayment amount.

Balance sheet notes

1. Receivables from payment commitments (CHF)

Receivables from payment commitments are based on the regulatory provision of Article 18 para. 3 of the Deposit Guarantee and Investor Compensation Act (EAG). Banks may optionally settle the annual contributions to a limited extent by establishing fully secured payment obligations. The collateral explicitly assigned to the EAS is held in separate custody by a third party.

	31.12.2023	31.12.2022
Gross market value of the deposited collateral	3,583,393.83	2,764,735.00

2. Cash and cash equivalents (CHF)

Cell amount	10,297,083.85	8,240,977.91
Core	716,467.47	631,844.60
TOTAL CASH AND CASH EQUIVALENTS	**11,013,551.32**	**8,872,822.51**

3. Reserves (CHF)

Cell reserves	120,000.00	120,000.00
Capital reserves	70,000.00	70,000.00
TOTAL RESERVES	**190,000.00**	**190,000.00**

4. Provisions (CHF)

Provisions for pay out claims	13,504,373.74	10,813,357.49
Other provisions	446,000.00	406,000.00
TOTAL PROVISIONS	**13,950,373.74**	**11,219,357.49**
Status as of January 1	11,219,357.49	8,475,964.55
Application	0.00	0.00
New allocation out of income statement	2,731,016.25	2,743,392.94
Releases to income statement	0.00	0.00
STATUS AS OF DECEMBER 31	**13,950,373.74**	**11,219,357.49**

Income statement notes		
	2023	**2022**
5. Income from participation fees (CHF)		
Income form entry fees	21,000.00	74,000.00
Income from administration fees	659,500.00	555,000.00
TOTAL PARTICIPANT FEES	**680,500.00**	**629,000.00**
6. Personnel expenses (CHF)		
Wages and salaries	251,189.90	251,955.00
Social security contributions, pensions and social assistance	53,298.45	52,520.80
of which for retirement provision	*28,588.25*	*27,753.80*
Other personnel expenses	2,201.85	6,736.95
TOTAL PERSONNEL EXPENSES	**306,690.20**	**311,212.75**
7. Operating expenses (CHF)		
Administration expenses	299,227.25	231,583.31
Public relation expenses	40,442.94	30,359.09
TOTAL OPERATING EXPENSES	**339,670.19**	**261,942.40**

Additional notes

Neither as at 31 December 2023 nor as at 31 December 2022 are there any sureties, guarantees, pledges, or other contingent liabilities.

Appropriation of profits

The annual result is carried forward to the new account.

5.3 Cell Reporting

Cell balance sheets as of 31 December 2023 (in CHF)					
Cells	**Banks**	**Investment firms**	**Asset Managers**	**MCs/AIFMs**	**TOTAL**
Assets					
Receivables from payment commitments	3,386,000.00	0.00	0.00	0.00	3,386,000.00
Other receivables	18,629.64	0.00	0.00	0.00	18,629.64
Cash and cash equivalents	9,587,760.22	31,395.59	628,998.97	48,929.07	10,297,083.85
TOTAL ASSETS	**12,992,389.86**	**31,395.59**	**628,998.97**	**48,929.07**	**13,701,713.49**
Liabilities and Equity					
Provisions for pay out claims	12,890,785.29	1,250.00	593,601.45	18,737.00	13,504,373.74
Cell reserves	30,000.00	30,000.00	30,000.00	30,000.00	120,000.00
Retained earnings	-537.23	36.58	78.34	42.73	-379.58
Cell income	72,141.80	109.01	5,319.18	149.34	77,719.33
TOTAL LIABILITIES AND EQUITY	**12,992,389.86**	**31,395.59**	**628,998.97**	**48,929.07**	**13,701,713.49**

Cell balance sheets as of 31 December 2022 (in CHF)					
Cells	**Banks**	**Investment firms**	**Asset Managers**	**MCs/AIFMs**	**TOTAL**
Assets					
Receivables from payment commitments	2,692,000.00	0.00	0.00	0.00	2,692,000.00
Other receivables	537.23	0.00	0.00	0.00	537.23
Cash and cash equivalents	7,618,248.11	31,036.58	544,913.49	46,779.73	8,240,977.91
TOTAL ASSETS	**10,310,785.34**	**31,036.58**	**544,913.49**	**46,779.73**	**10,933,515.14**
Liabilities and Equity					
Provisions for pay out claims	10,280,785.34	1,000.00	514,835.15	16,737.00	10,813,357.49
Cell reserves	30,000.00	30,000.00	30,000.00	30,000.00	120,000.00
Retained earnings	0.00	33.48	73.39	38.18	145.05
Cell income	0.00	3.10	4.95	4.55	12.60
TOTAL LIABILITIES AND EQUITY	**10,310,785.34**	**31,036.58**	**544,913.49**	**46,779.73**	**10,933,515.14**

Cell income statements 2023 (in CHF)					
Cells	**Banks**	**Investment firms**	**Asset Managers**	**MCs/AIFMs**	**TOTAL**
Income from contributions	2,609,999.95	250.00	78,766.30	2,000.00	2,691,016.25
Allocation (-) / releases (+) of provisions pay out claims	-2,609,999.95	-250.00	-78,766.30	-2,000.00	-2,691,016.25
Result before financial income	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Financial income	72,141.80	109.01	5,319.18	149.34	77,719.33
Cell income	**72,141.80**	**109.01**	**5,319.18**	**149.34**	**77,719.33**

Cell income statements 2022 (in CHF)					
Cells	**Banks**	**Investment firms**	**Asset Managers**	**MCs/AIFMs**	**TOTAL**
Income from contributions	2,609,951.84	0.00	76,393.00	2,000.00	2,688,344.84
Allocation (-) / releases (+) of provisions pay out claims	-2,609,999.94	0.00	-76,393.00	-2,000.00	-2,688,392.94
Result before financial income	**-48.10**	**0.00**	**0.00**	**0.00**	**-48.10**
Financial income	48.10	3.10	4.95	4.55	60.70
Cell income	**0.00**	**3.10**	**4.95**	**4.55**	**12.60**

Report of the statutory auditor

to the Foundation Board of the

Deposit Guarantee and Investor Compensation Foundation PCC

Vaduz

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Deposit Guarantee and Investor Compensation Foundation PCC (Company), which comprise the balance sheet as at 31 December 2023, the income statement for the year then ended, and the notes to the financial statements including the cell reporting.

In our opinion, the accompanying financial statements (pages 14 to 21) give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance for the year then ended in accordance with Liechtenstein law.

Basis for Opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). 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 Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) 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 Foundation Board is responsible for the other information in the annual report. The other information comprises that information included in the annual report, but does not include the financial statements, the activity report and our auditor report thereon.

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

In connection with our audit of the financial statements, we have the responsibility to read the other information and to 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, on the basis of our 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.

Responsibilities of the Foundation Board for the Financial Statements

The Foundation Board is responsible for the preparation of the financial statements in accordance with Liechtenstein law, and for such internal control as the Foundation Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Foundation Board 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 Foundation Board 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 Liechtenstein law and ISAs 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.

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements or, whether due to fraud 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Foundation Board 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Foundation Board 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.

Report on Other Legal and Regulatory Requirements

The accompanying activity report (pages 9 to 13) has been prepared in accordance with the applicable legal requirements, is consistent with the financial statements and, in our opinion, based on the knowledge obtained in the audit of the financial statements and our understanding of the Company and its environment does not contain any material misstatements.

We further confirm that the financial statements and the proposed appropriation of retained earnings comply with Liechtenstein law and the articles of incorporation. We recommend that the accompanying financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Beat Rütsche	Ilario Monti
Liechtenstein Certified Public Accountant Auditor in charge	Liechtenstein Certified Public Accountant

St. Gallen, 4 July 2024

Enclosure:

- Annual Report 2023