



Tradition meets Innovation



**Annual Report
2023**

kaiser.partner
PRIVATE BANK

Revenues

35.9

Million CHF
+9.1%

Profit

5.6

Million CHF
+11.5%

Balance Sheet

753

Million CHF
+5.4%

Tier-1 Ratio

21.6

+8.9%

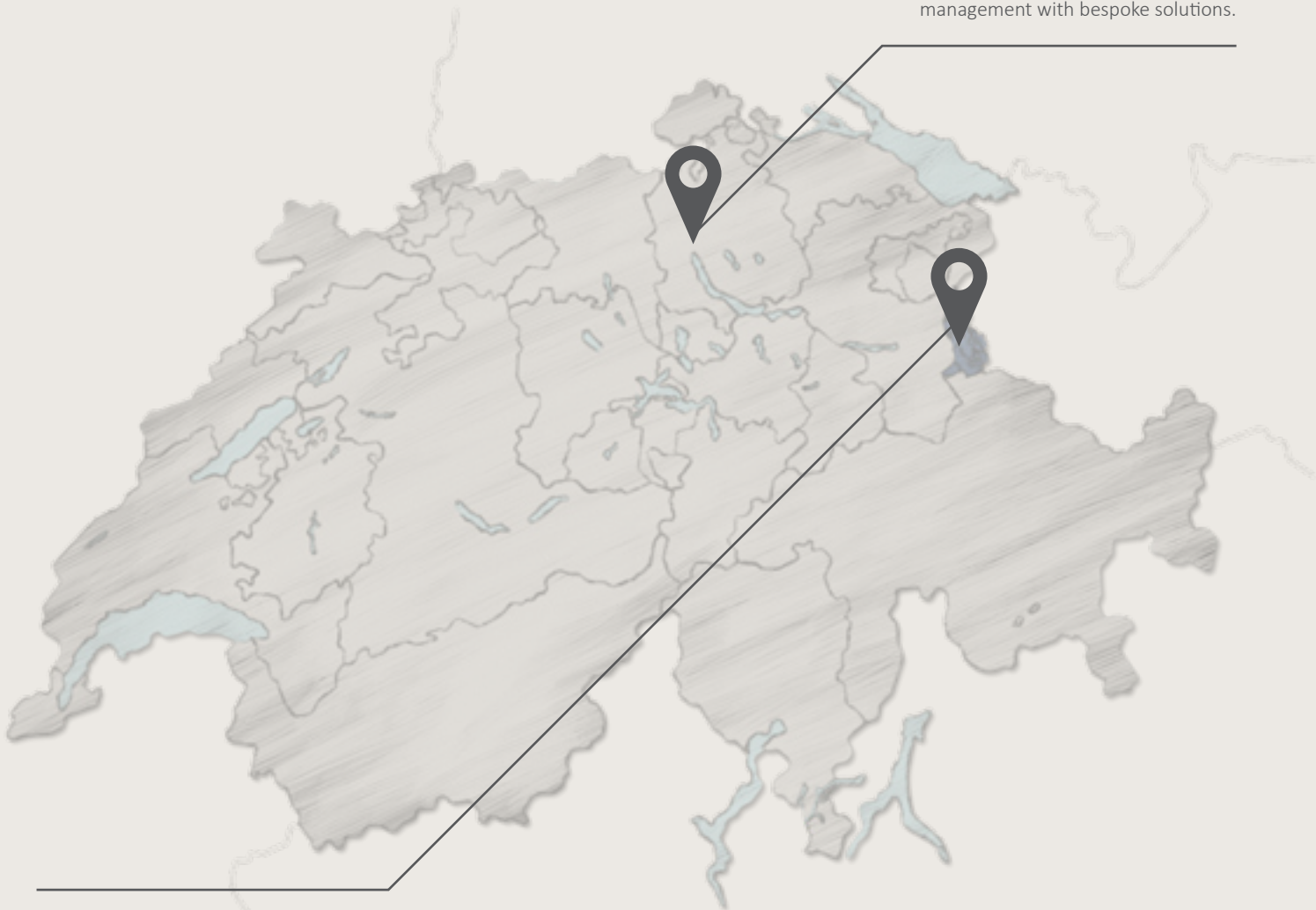
Assets under Management

5708

Million CHF
+6.4%

Kaiser Partner Financial Advisors

Dedicated to assisting U.S.-connected clients, blending Swiss asset management with bespoke solutions.



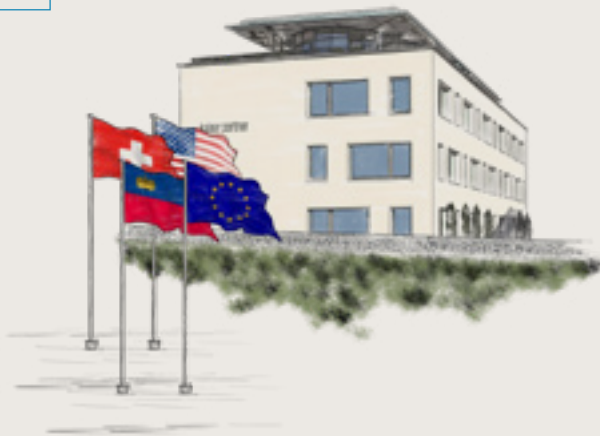
Kaiser Partner Privatbank

Hub of banking expertise, combining tradition and innovation with a focus on personalized client service.

Kaiser Partner Wealth Advisory

Combines tradition and expertise to offer fiduciary, advisory, and reporting services, navigating complex wealth in a world of change.

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BALANCE SHEET

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**70 BOARD OF DIRECTORS, BOARD OF MANAGEMENT,
MANAGEMENT EMPLOYEES, AND AUDITORS**





**Dear Clients,
Valued Partners and Friends,**

The year 2023 has been filled with economic and geopolitical challenges, including wars and humanitarian crises unprecedented in my lifetime. Artificial intelligence, the metaverse and biotechnology are also increasingly playing leading roles on the global economic stage.

Our bank has mastered the challenges of the past year with flying colors. The independent German bank rating agency “Fuchsbriefer” named us the best bank in Liechtenstein and ranked us sixth in the German-speaking region. We are very pleased with this award and will continue to place the interests of our clients at the center of all our activities.

The key figures for our bank are all very encouraging. We have grown in terms of assets under management, revenues and profits. And with a Tier 1 ratio of 21.6%, the Bank has a very solid core capital ratio.

We are well positioned to successfully continue our growth trajectory in the coming year. The integration of the traditional wealth advisory and trust business of the Fritz Kaiser Group into the Private Banking Group will further strengthen our position as a modern “private trust bank” with an international network of wealthy families and entrepreneurs.

I look forward to the new year with confidence, and on behalf of the Board of Directors and our management, I would like to thank our clients and partners for the trust they have placed in us. Our employees are the foundation of our success. We would like to express our special thanks to them for their daily dedication with integrity and expertise in the best interests of our clients and our company.

With best regards

A handwritten signature in black ink, appearing to read 'F. Kaiser'.

Fritz Kaiser
Chairman of the Board of Directors
Kaiser Partner Privatbank



KAISER PARTNER PRIVATBANK REPORTS ANOTHER RECORD RESULT

Kaiser Partner Privatbank continued on its growth path despite high geopolitical uncertainty. With a net profit of CHF 5.6 million, the private bank once again surpassed its best result of the previous year by 11.5 %. This new record result is the result of organic revenue growth of 9.1% to CHF 35.9 million, despite a higher cost base due to investments in technology and services. Thanks to the trust of existing and new clients, the bank recorded an encouraging net new money inflow of CHF 302 million.

PUTTING CLIENTS FIRST

Understanding our clients' needs is our top priority and we consciously invest a lot of time in gaining a comprehensive overview of our clients and their individual circumstances in order to develop customized solutions for them. We also constantly monitor the quality of our service and the satisfaction of our clients. In last year's quality test conducted by the renowned independent testing institute Fuchs Richter, our private bank once again scored highly across the board. With an overall rating of "very good", our bank is one of only nine institutions in the German-speaking region to receive this top rating. With this excellent result, we ranked first among all tested institutions in Liechtenstein for the second time in a row.

Client focus also means constantly reviewing and expanding our range of services. Last year, we introduced a comprehensive, semi-liquid investment solution that provides access to the world of private markets. In the summer, we were also able to expand our services in the area of digital assets.

Demand for customized services in the intermediary business remains strong. We are valued as a safe haven for US clients' assets. We offer custody services for Liechtenstein funds and support the introduction of suitable fixed income securities as a paying agent. We also provide access to AMCs (Actively Managed Certificates) for the securitization of bankable and non-bankable assets.

Our latest initiatives have already generated additional revenues and attracted new money from both existing and new clients in the second half of the year. We are grateful for the trust placed in us, and we will continue on our successful path for the benefit of all our stakeholders.



Christian Reich
Chief Executive Officer (CEO)



Hermann Neusüss
Member of the Board



Roman Pfranger
Member of the Board



Franz Schädler
Member of the Board



Reto Geiser
Member of the Board

KAISER PARTNER WEALTH TABLE

The collaboration with the Wealth Advisory division of the Fritz Kaiser Group in 2023 was a defining moment for Kaiser Partner Privatbank. In 2024, the bank will take over the Wealth Advisory and Fiduciary business, which was previously managed independently. With an additional competence center and an expanded international network of specialists, it will be able to offer its clients comprehensive advice from a single source and under a single regulatory umbrella.



LOOKING BACK IN 2023: UNDER THE SIGN OF NORMALIZATION

RECESSION ON HOLD

A broad economic downturn seemed a foregone conclusion at the beginning of last year. In the end, the (US) recession feared by the majority of economists not only failed to materialize. Rather, 2023 came as a clearly positive surprise in terms of growth. The global economy grew 1% faster than consensus expectations, while the United States even exceeded growth forecasts by around 2%. The warnings of various recession indicators that were reliable in the past, such as the much-cited US yield curve or the Conference Board Leading Indicator, remained without economic consequences. And the overly pessimistic analyst community had to acknowledge that there is a literal exception to every rule. The strongest global cycle of interest rate hikes for more than 40 years, which catapulted key interest rates to their highest level since 2001 at 5.5% in the USA and 4.5% in the eurozone, was not without collateral damage. Among other things, it led to three major bankruptcies in the US banking industry (First Republic, Silicon Valley and Signature Bank) and wrote the last capital in the eventful history of the Swiss Credit Suisse.

However, the global banking and financial system was spared negative vibrations thanks to the courageous intervention of the US Federal Reserve and the forced intervention of UBS. During this phase, the Liechtenstein financial center once again confirmed its reputation as a haven of security and stability thanks to its focus on wealth management and its renunciation of international corporate client business and investment banking. By the fall at the latest, the three-month crisis phase was literally history. The resilience of the US economy was based, among other things, on consumers continuing to spend, fiscal tailwinds from investment programs such as the Inflation Reduction Act and other measures to support the economy but increase deficits. The time factor also played a role for the economy. Companies still had access to cheap capital from the pandemic and consumers benefited from typically long fixed interest rates on real estate mortgages. Whether the US recession has been postponed or lifted will probably only become clear over the course of this year.

INFLATION PENDULUM SWINGS BACK

However, the economic sunshine was not equally distributed everywhere in 2023. The eurozone was confronted with negative growth rates - at least on a quarterly basis. The cauldron of the former European growth engine was boiling at an alarmingly low level. After two years of stagnation, Germany is once again seen as the "sick man of Europe" - an image that was fed rather than refuted by the erratic actions of the traffic light coalition last year. The Chinese growth engine also never really got going in 2023. The "reopening" after the end of the coronavirus lockdown turned out to be a flash in the pan. Although the export economy was able to build on its previous successes, consumer spending and corporate investment fell short of expectations. At times, even the government's growth target, which had already been significantly reduced to 5%, appeared to be out of reach. However, since the Politburo meeting in the middle of the year at the latest, stabilizing growth has become a priority for the political leadership.

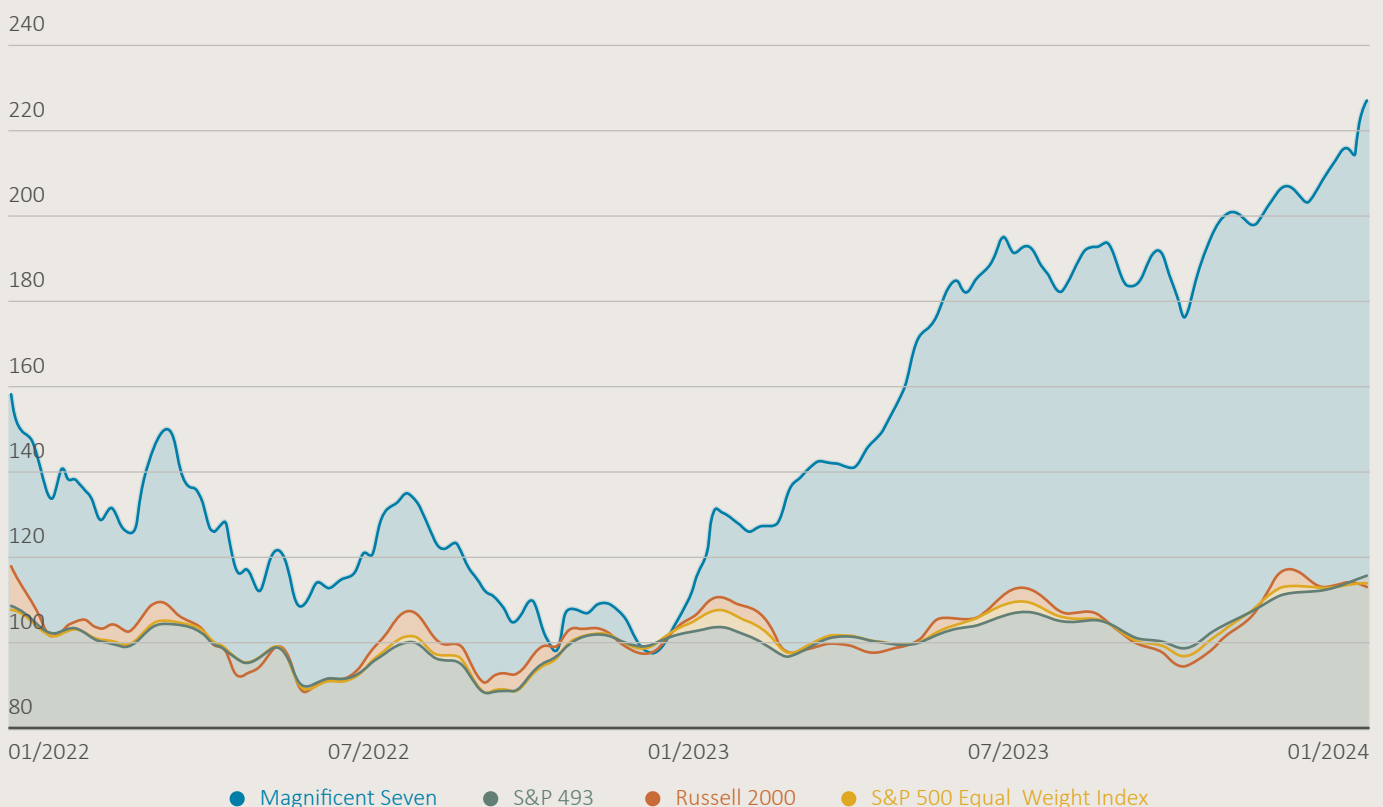
Thanks to fiscal support measures and central bank tightening, it was possible to put a floor under growth. However, no amount of actionism was able to remedy either the considerable loss of confidence in the still bottomless real estate market or that of international investors. The latter left the sinking stock market ship almost in panic in the final quarter, marking the short-term peak of China pessimism. This was fueled not least by a deflationary trend that began in the fourth quarter. There was therefore only just over a year between the inflation peak in Europe in fall 2022 and Chinese deflation. The faster than perhaps hoped-for disinflation and the realization that the high inflation rates ultimately turned out to be only temporary ("transitory"), as initially assumed by the central banks, was one of the positive developments of the past year, and not just for those particularly sensitive to inflation.

BIG IS BEAUTIFUL

The pendulum also swung back in the opposite direction on the financial markets in 2023. After price losses were observed across the board in the previous year, all asset classes were in the black at the end of the year. Commodities were the only exception to this rule. Despite the positive final result, staying power was required for bonds over the course of the year. The starting signal for a conciliatory year-end rally was only given in October when the central banks pivoted and communicated the end of interest rate hikes with rare clarity. The stock markets, on the other hand, were on the up right from the start. With an increase of more than 20% in the MSCI World Index, the year 2023 undoubtedly belonged in the “value-enhancing” category. However, new all-time highs in the US S&P 500 Index, the Euro Stoxx 50 Index and the German DAX Index concealed the fact that the rally was driven by relatively few stocks on both sides of the Atlantic. To describe this phenomenon, the ingenuity of the financial industry and media led to the “Magnificent Seven” with regard to the market-dominating US technology stocks and the acronym GRANOLAS with regard to their counterparts in Europe. The underlying narrative in each case is: Big is beautiful.

The large companies are growing at above-average rates and with high margins and seem to combine the best of both worlds - a Teflon layer in the event of an economic downturn thanks to defensive business models and, at the same time, almost unlimited participation in the potential of artificial intelligence. Against this backdrop, the question of the stability of the foundations of the equity bull market that has been underway since fall 2022 seems almost compelling for a prudent asset manager. However, in view of the strong fundamental data congruent with the positive share price performance, the dominance of the few index heavyweights seems less unrealistic than perhaps feared. In any case, this is nothing new in historical terms. However, a certain lack of healthy risk aversion has recently been observed, despite the justified optimism about technology. Hardly any investment instrument reflects the self-reinforcing momentum better than Bitcoin, whose price rose by a good 150% last year.

COMPARISON OF PERFORMANCE OF “MAG 7 VS. THE REST”, INDEXED AS OF JANUARY 1, 2023



OUTLOOK 2024: TECHNOLOGY OPTIMISM

HIGHER FOR LONGER

Even if the “normalization” from the turmoil of the pandemic will finally come to an end this year and the swings induced by it should grow out of the macroeconomic time series, there will be no simple return to normal in many respects. There will be no return to zero and negative interest rates in terms of monetary policy, for example. Initially, it could be “higher for longer” because inflation is proving more stubborn than desired in the final meters before the 2% target is reached. Even if the central banks show the necessary proactivity, loosen the interest rate screw soon and thus turn onto the narrow path of a soft landing in time, key interest rates are likely to remain in a range of 2-4% in the coming years. Meanwhile, the 2% mark for inflation could represent the new floor rather than the maximum tolerated upper limit. Covid, the war in Ukraine and most recently the crisis in the Middle East have intensified structural geopolitical frictions that have been dormant for a long time. De-globalization is a fact and is likely to gain even more traction in the future. The preference for expansionary fiscal policy will remain, as will state interventionism and strategic industrial policy. The fact that government debt is rising to the next atmospheric layer in many places in view of this seems to be a generally accepted consequence.

The United States’ AAA rating is increasingly shaky in the face of huge budget deficits and even in Europe there is no return to austerity in sight. Finally, the permanent labour shortage, the consequences of climate change and the costs of decarbonization are also likely to leave their footprint in the form of generally more volatile inflation statistics in the future. However, a structurally higher interest rate level and greater macro volatility are not necessarily synonymous with instability in the new regime. In contrast to the era of moderation behind us (“Great Moderation”), in which many underlying problems remained hidden, both factors can lead to improved financial stability in the long term from an optimistic perspective.

BATTLE FOR THE WHITE HOUSE (AND MORE)

After the volatility barometers on the stock markets have been trending at the lower end of the historical range in recent months, a news-driven rebound in the further course of the year seems only a matter of time. In a year in which around two billion people in over 70 countries around the world go to the polls, the stock market adage “political stock markets have short legs” is being put to the test. In fact, any political arena is likely to shine only briefly- from the long shadow cast by the contest for the US presidential seat well in advance of the November elections. The high level of media attention is no coincidence, as on closer inspection at the latest it is less about a duel between two old men and more about a decision that will point the way for the next four years, including on a global level, with disruptive potential for which Europe, not least, appears to be inadequately prepared. However, despite the expected loud media noise, a healthy dose of sobriety is imperative, especially for those entrusted with the management of client assets. After all, regardless of whether the White House is painted red again in January 2025 or not, many trends are likely to continue.

In addition to the continued reindustrialization of America, these include the accelerated global expansion of renewable energies and the increasing coordination of the economic defence strategies of Western industrialized countries against China. The sustainability megatrend, which is undoubtedly one of the biggest victims of political polarization in the USA, is also likely to continue. Even if the three letters E, S and G are only mentioned behind closed doors on the other side of the Atlantic and Blackrock and JPMorgan, other well-known representatives of the financial industry, withdrew from the Climate Action 100+ investor alliance at the beginning of the year, the basic idea of sustainable investment is more alive than ever. The regulators’ appetite for more comprehensive reporting also remains unbridled. With the aim of achieving better risk-adjusted returns, integrated sustainability analysis remains an important cornerstone of asset management at Kaiser Partner Privatbank.

STEEP LEARNING CURVES

Decarbonization remains a huge global challenge, which for this reason alone cannot remain without political background noise. However, these should not drown out the successes in the expansion of alternative energy sources and technological progress that can also be observed. For example, 2023 not only saw a new heat record on the global climate thermometer, but also a tripling in the global installation of new energy storage batteries. While their capacity has increased fivefold in the last 30 years, their price has fallen by 99%. The volume and efficiency curves for wind and solar power and the amount of energy generated are also pointing upwards. Even if the 1.5-degree global warming target is almost impossible to meet, it may still be possible to stop the rise in the global temperature curve before the next ambitious 2-degree threshold. More than optimism is also warranted with regard to some of the other developments that the 2020s have produced so far. Artificial intelligence, robotics, biotechnology, space travel- the learning curves are extremely steep everywhere. While Whatsapp took 3.5 years and Tiktok 9 months to reach 100 million users worldwide, ChatGPT managed this sprint in just 9 weeks. In Hollywood, there are already fears of AI films with Oscar qualities. However, fear is not a good guide given the high pace of innovation. Just like past industrial revolutions, the coming upheaval is likely to create new jobs and the associated boost in productivity will create a better quality of life. The personal household robot may soon also contribute to this. Meanwhile, the revolutionary GLP-1 drugs are already more than just a lifestyle item.

The financial sector is also undergoing accelerated change- those who do not stretch themselves will fall by the wayside. True to this motto, Kaiser Partner Privatbank will continue on its course of growth and innovation this year. You- dear clients- are the focus of our attention. After celebrating the best business result in the bank's history last year, we would now like to strive for even higher goals together with you. We look forward to our journey together and thank you for your trust.

EVENTS AFTER THE BALANCE SHEET DATE

Kaiser Partner Privatbank will take over the fiduciary business of the Fritz Kaiser Group in 2024. The impact of the transaction on the net assets, financial position and results of operations of the private bank will be shown for the first time in the 2024 Annual Report.



KAISER PARTNER PRIVATBANK'S PRINCIPLES OF ACTION

- Focusing on services and markets in which we reach a critical size guarantees the necessary expertise.
- The close cooperation within the teams and the seamless integration of external experts create added value for our customers.
- Investments in people, knowledge and systems guarantee increased quality, safety and efficiency.
- We act with all our stakeholders on the basis of a responsible value system, that is geared towards long-term cooperation.

Our Expertise on the US Market

Asset managers who are registered with the US Securities and Exchange Commission (SEC) have special requirements and needs. Kaiser Partner Privatbank AG offers them attractive solutions to invest their US clients' money responsibly. We benefit from our long-standing collaboration with Kaiser Partner Financial Advisors AG in Zurich, which manages the taxed assets of US citizens and has been successfully active in this field since 2009.

Partner for External Asset Managers and Funds

Kaiser Partner Privatbank AG manages the portfolios of its business clients, such as external asset managers and administrators of international investment funds, as a custodian bank. Our experts concentrate on best-in-class products. They do not offer their own products- also to ensure the independence of their advisory services. The partnership-based collaboration is increasingly taking place via digital channels and is being further developed jointly.



Profit for the year**5.6**

Million CHF

Increase in annual result**+11.5%**

compared to previous year

Net new money inflow**+302**

Million CHF

Assets under management**+6.4%**

compared to previous year

Gross income**+9.1%**

increased

Interest income**+19%**

increased

Commission business**+2.9%**

increased

Balance sheet total increase**+5%**

compared to previous year

Total assets of Kaiser Partner Privatbank**753**

Million CHF

FINANCIAL RESULT 2023

POSITIVE DEVELOPMENT IN PROFIT AND NEW CUSTOMER MONEY

In 2023, Privatbank generated a pleasing annual profit of CHF 5.6 million in a persistently challenging market environment characterized by geopolitical uncertainties, fluctuations in inflation, higher key interest rates and increasing regulatory and margin pressure. This is the best annual result in the bank's history and represents an increase of 11.5% compared to the previous year.

Client assets under management increased to CHF 5,708 million in the reporting year, up 6.4%, thanks to a pleasing net new money inflow of CHF 302 million and a positive market trend of CHF 42 million. The values conveyed and the holistic wealth management model have a healthy appeal even in an environment characterized by uncertainty. The high wealth management ratio of 29% underlines the acceptance of the wealth management expertise, which is based on a sustainable approach.

Gross income for the reporting period increased by 9.1% to CHF 35.9 million. This was largely due to income from the interest business, which increased by CHF 1.0 million to CHF 6.5 million (+19%) as a result of global developments in the interest rate environment. Income from the commission and services business increased by 2.9% to CHF 19.2 million due to the positive trend in new customer money. The result from financial transactions remained at the previous year's level of CHF 8.6 million thanks to good income from foreign exchange transactions.

Due to the integration of the IT department and investments in IT and personnel development, operating expenses rose by 12.8% to CHF 25.4 million. Operating expenses remained the same, while personnel costs rose by CHF 2.9 million. At the end of 2023, Kaiser Partner Privatbank employed 101 people (90.0 FTE).

Kaiser Partner Privatbank's total assets amounted to CHF 753 million as at 31.12.2023 and increased by CHF 39 million (+5%) in the reporting year. On the assets side, receivables from clients in particular increased by CHF 14 million (+15%) and receivables from banks by CHF 94 million (+50%). Liabilities to customers remained constant at CHF 644 million.

SOLID EQUITY BASE

Mainly due to retained earnings, the equity base increased by 4% to CHF 62.1 million as at December 31, 2023. With a tier 1 ratio of 21.6% after dividend distribution, Kaiser Partner Privatbank remains very solidly capitalized.

CONSOLIDATED BALANCE SHEET



CONSOLIDATED BALANCE SHEET

As of December 31, 2023 (in CHF 1,000)

Assets	12/31/2023	12/31/2022
Cash and cash equivalents	50'313	112'331
Amounts due from banks	280'777	186'920
<i>On demand</i>	74'267	27'745
<i>Other receivables</i>	206'510	159'174
Amounts due from clients	102'346	88'827
<i>Mortgage receivables</i>	3'800	3'800
Bonds and other fixed-interest securities	275'939	280'152
<i>Bonds</i>	275'939	280'152
<i>from public-sector issuers</i>	66'258	68'722
<i>from other issuers</i>	209'681	211'430
Equities and other non-fixed-interest securities	0	0
Shares in affiliated companies	0	0
Intangible assets	7'577	8'334
Property' plant' and equipment	25'333	25'933
Other assets	3'403	2'405
Accrued income and prepaid expenses	7'600	9'747
Total assets	753'289	714'651

Liabilities

	12/31/2023	12/31/2022
Amounts owed to banks	33'068	4'559
<i>On demand</i>	33'068	4'520
<i>With an agreed term or period of notice</i>	0	40
Amounts owed to clients	644'387	644'379
<i>Other amounts owed</i>	644'387	644'379
<i>On demand</i>	253'525	504'289
<i>With an agreed term or period of notice</i>	390'862	140'090
Other amounts owed	6'297	2'084
Accrued expenses and deferred income	5'053	2'862
Provisions	779	698
<i>Tax provisions</i>	711	640
<i>Other provisions</i>	68	58
Provisions for general banking risks	500	500
Subscribed capital	10'000	10'000
Retained earnings	47'568	44'514
<i>Legal reserves</i>	2'000	2'000
<i>Other reserves</i>	45'568	42'514
Annual profit	5'636	5'054
Total liabilities	753'289	714'651

CONSOLIDATED OFF-BALANCE-SHEET TRANSACTIONS

As of December 31, 2023 (in CHF 1,000)

Off-Balance-Sheet Transactions

	12/31/2023	12/31/2022
Contingent liabilities	7'324	6'608
Derivative financial instruments		
<i>Contract volumes</i>	215'614	258'663
<i>Positive replacement values</i>	2'701	2'153
<i>Negative replacement values</i>	2'014	1'364
Fiduciary transactions	152'065	114'274
<i>Fiduciary investments at third-party banks</i>	152'065	114'274

CONSOLIDATED INCOME STATEMENT

From January 1 to December 31, 2023 (in CHF 1,000)

Income Statement

	2023	2022
Net interest income		
Interest income	17'217	9'324
<i>of which from fixed-interest securities</i>	6'342	4'742
Interest expenses	-10'752	-3'895
Subtotal of net interest income	6'465	5'429
Current income from securities		
Equities and other non-fixed-interest securities	0	0
Shares in affiliated companies	0	0
Subtotal of income from securities	0	0
Profit from commission and service transactions		
Profit from commission and service transactions	20'969	20'186
<i>Commission income from credit transactions</i>	25	37
<i>Commission income from securities and investment transactions</i>	18'098	17'847
<i>Commission income from other service transactions</i>	2'846	2'302
Commission expenses	-1'806	-1'564
Subtotal of profit from commission and service transactions	19'162	18'622
Profit from financial transactions	8'630	8'586
<i>of which from trading</i>	8'616	8'584
Subtotal of profit from financial transactions	8'630	8'586
Other ordinary income		
Other ordinary income	1'672	294
Subtotal of other ordinary income	1'672	294
Gross income	35'930	32'931
Operating expenses		
Personnel expenses	-15'134	-12'227
<i>Wages and salaries</i>	-12'121	-9'738
<i>Social security contributions and expenses for pensions and support</i>	-2'644	-2'217
<i>of which for pensions</i>	-2'030	-1'710
<i>Other personnel expenses</i>	-369	-272
General and administrative expenses	-10'243	-10'261
Subtotal of operating expenses	-25'377	-22'488
Depreciation of property' plant' and equipment/amortization of intangible assets	-4'069	-4'364
Other ordinary expenses	-146	-332
Valuation allowances on receivables and allocations to provisions for contingent liabilities and credit risks	0	-42
Earnings from normal business activity	6'338	5'705
Income tax	-702	-652
Annual profit	5'636	5'054

CONSOLIDATED CASH FLOW STATEMENT

From January 1 to December 31, 2023 (in CHF 1,000)

Cash Flow Statement

	2023		2022	
	Origin of funds	Use of funds	Origin of funds	Use of funds
Cash flow from operating earnings (internal financing)				
Annual result	5'636		5'054	
Depreciation and amortization of assets	4'069		4'364	
Valuation allowances and provisions	81		218	
Accrued income and prepaid expenses	2'147			286
Accrued expenses and deferred income	2'191		1'403	
Previous year dividend		2'000		1'250
Balance of cash flow from operating earnings (internal financing)	12'125		9'504	
Cash flow from equity transactions				
Accounted for through reserves				
Balance of cash flow from equity transactions		0		0
Cash flow from transactions in assets				
Investment securities	4'213			359
Property' plant' and equipment		120		242
Intangible assets		2'592		2'048
Participating interests				
Balance of cash flow from transactions in assets		-1'502		2'649
Cash flow from banking business				
Short-term banking business (≤1 year)				
Amounts owed to banks	28'509		2'681	
Amounts owed to clients	8			14'926
Other amounts owed	4'213			721
Amounts due from banks		93'858	22'270	
Amounts due from clients		13'519		12'374
Other assets		998	268	
Liquidity				
Cash and cash equivalents	62'019			4'053
Balance of cash flow from banking business	-13'626		-6'854	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

NOTES ON BUSINESS ACTIVITIES

Kaiser Partner Privatbank AG focuses on asset management for a sophisticated, international clientele that is primarily from the United States of America, the United Kingdom, Russia, and the DACH region (Germany, Switzerland, Austria).

PERSONNEL

As of December 31, 2023, Kaiser Partner Privatbank had 101 employees (90.0 FTEs) (previous year: 88 employees, 79.55 FTEs).

COMMISSION AND SERVICE TRANSACTIONS

The primary activities of the Bank are asset management and investment advisory services. As a result, the majority of income from commission and service transactions can be attributed to commissions received in connection with securities trading on behalf of clients. Other important income components are securities management (including the investment fund business) and the brokerage of fiduciary investments.

CREDIT TRANSACTIONS

As a matter of principle, the lending business is offered in conjunction with the asset management and investment business in return for Lombard collateral with application of margin requirements that are customary in banking. Only in exceptional cases does the Bank get involved in other ways.

OUTSOURCING

Kaiser Partner Privatbank procures comprehensive services from Avaloq Sourcing (Switzerland & Liechtenstein) Ltd as part of a business process outsourcing (BPO) arrangement. Avaloq Sourcing (Switzerland & Liechtenstein) Ltd processes all payment transactions and takes care of securities management. These activities are monitored at Kaiser Partner Privatbank AG.

ACCOUNTING AND VALUATION PRINCIPLES

PRINCIPLES

Bookkeeping, valuation, and accounting are in accordance with the provisions of the Liechtenstein Persons and Companies Act (*Personen- und Gesellschaftsrecht*; PGR), the Liechtenstein Banking Act (*Bankengesetz*, BankG) and the associated Liechtenstein Banking Ordinance (*Bankenverordnung*, BankV). The annual financial statements provide a true and fair representation of the financial position, income, and cash flows of Kaiser Partner Privatbank AG.

CONSOLIDATION PRINCIPLES

The consolidated financial statement includes Kaiser Partner Privatbank AG in Vaduz and Kaiser Partner Financial Advisors Ltd. in Zurich. Kaiser Partner Financial Advisors Ltd. is fully consolidated. Assets and liabilities, as well as expenses and income, are recorded at 100%. Intercompany receivables and payables as well as expenses and income are offset against each other. For consolidation purposes, the accounting and valuation principles of Kaiser Partner Privatbank AG are also applied to the financial statement of Kaiser Partner Financial Advisors Ltd.

RECORDING OF BUSINESS TRANSACTIONS

All concluded business transactions are recorded on the balance sheet and income statement in accordance with established valuation principles. Each transaction is recorded and booked on the date of conclusion of the respective transaction.

FOREIGN CURRENCIES

Amounts owed and due in foreign currencies are valued at the mean rate of exchange on the balance sheet date. The exchange rates prevailing on the transaction date are used for income and expenses. The exchange gains and losses resulting from the valuation were entered into the books, recognized in the income statement.

The following exchange rates were used for foreign currency conversion:

	12/31/2023	12/31/2022
USD	0.839250	0.922100
EUR	0.928630	0.987385
GBP	1.071135	1.115142

CASH AND CASH EQUIVALENTS, AMOUNTS OWED TO AND DUE FROM BANKS AND CLIENTS, AND SECURITIZED LIABILITIES

These are accounted for at nominal value. Valuation allowances are made for identifiable risks in accordance with the principle of prudence.

Impaired receivables, that is, receivables for which it is unlikely that the debtors will be able to meet their future obligations, are valued on an individual basis, and the impairment is covered by individual valuation allowances. Off-balance-sheet transactions such as firm commitments, guarantees, or derivative financial instruments are included in this valuation. Loans are classified as impaired at the latest when the contractually agreed payments of principal and/or interest are overdue by more than 90 days. Interest that is outstanding for more than 90 days is considered overdue. Loans are changed to interest-free if the possibility that the interest will be collected is so doubtful that accrual of this interest no longer makes sense.

Impairment is measured as the difference between the book value of the receivable and the expected recoverable amount, taking into account the counterparty risk and the net proceeds from valorization of any collateral. Individual valuation allowances are deducted directly from the corresponding asset items.

BONDS AND OTHER FIXED-INTEREST SECURITIES, SHARES, AND OTHER NON-FIXED-INTEREST SECURITIES

Fixed-interest securities that are to be held until final maturity are valued according to the accrual method. Any premium or discount is accrued or deferred over the term until final maturity. Interest-related realized gains or losses from premature sale or repayment are accrued over the remaining term, that is, until the original final maturity. Interest income is included in the "Interest income" item. Equities and fixed-interest securities that are not held to final maturity are valued at the lower of cost or market. Interest income is included in the "Interest income" item, dividend income in the "Current income from securities" item. Value adjustments are booked under the items "Depreciation of (or income from appreciation of) participating interests," "Shares in affiliated companies," and "Securities treated as assets."

PROPERTY, PLANT, AND EQUIPMENT, TANGIBLE AND INTANGIBLE ASSETS

Property, plant, and equipment are generally capitalized at cost less scheduled accumulated depreciation over their estimated useful lives based on economic criteria. Property, plant, and equipment are depreciated on a straight-line basis over a carefully estimated useful life of the assets (3 to 13 years). Real estate is depreciated over 50 years.

Objects used by the Bank as lessee within the scope of a finance lease are accounted for at their cash purchase value and depreciated over the respective term of the corresponding contract.

Acquired and internally generated intangible assets are accounted for if they will generate a measurable benefit for the company over several years. Expenses for establishment and expansion of business operations can be reported under intangible assets. Intangible assets are accounted for and valued according to the historical cost convention. The core banking system is amortized over 10 years. Other intangible assets are amortized on a straight-line basis over a carefully estimated useful life of four to five years.

The recoverability of tangible and intangible assets is assessed on each balance sheet date. If there are indications of impairment, the recoverable amount is calculated (impairment testing). If the book value exceeds the realizable value, an adjustment is made through unscheduled depreciations, recognized in the income statement.

VALUATION ALLOWANCES AND PROVISIONS

Individual valuation allowances and provisions are made for all risks that can be identified on the balance sheet date in accordance with the principle of prudence. The valuation allowances are offset directly against the corresponding asset items. The provisions for taxes include accruals for taxes based on the results of the reporting year.

PROVISIONS FOR GENERAL BANKING RISKS

Provisions for general banking risks are reserves formed as a precautionary measure to hedge against latent risks in the course of the Bank's business. Creation and release of provisions for general banking risks are reported separately on the income statement.

OFF-BALANCE-SHEET TRANSACTIONS

Off-balance-sheet transactions are reported at nominal value. Identifiable risks arising from contingent liabilities and other off-balance-sheet transactions are taken into account through the creation of provisions.

DERIVATIVE FINANCIAL INSTRUMENTS

The replacement values of the individual contracts in derivative financial instruments are reported on a gross basis on the balance sheet and in the notes—positive and negative replacement values are not offset. The compensation account is reported on the balance sheet. Adjustments affecting income are shown on the income statement. All replacement values of contracts concluded for own account are reported. For client transactions, however, replacement values are only reported for over-the-counter (OTC) contracts and exchange-traded products if margin requirements are insufficient. Contract volumes and replacement values are shown under off-balance-sheet transactions and in the notes.

CHANGES IN ACCOUNTING AND VALUATION PRINCIPLES

The accounting and valuation principles have not changed since the previous year.

RISK MANAGEMENT

The fundamental aspects of risk management at Kaiser Partner Privatbank AG are an integral component of our general business policy within the framework of risk policy.

We thereby pursue the following objectives:

- Balanced, qualitative, and quantitative definition of risk-bearing capacity and risk appetite
- Creation of a risk culture that promotes risk-related controls and effective and efficient reporting
- Ensuring that Kaiser Partner Privatbank AG has a risk management organization with clear roles, responsibilities, rights, and duties
- Definition of a consistent risk management process, particularly the identification, measurement/assessment, control/limitation, and monitoring of all risks, and mitigation through appropriate measures
- Regulation of the reporting system, which allows the governing bodies of the Bank to obtain a comprehensive picture of the overall risk situation and fulfill their supervisory duties

Risk Management is based legally and operationally on the Liechtenstein Banking Act, the Liechtenstein Banking Ordinance, and the guidelines for risk management in accordance with the Annex to the Liechtenstein Banking Ordinance as well as on the Bank's own Articles of Association, Rules of Procedure, and internal guidelines and directives.

COUNTERPARTY RISKS

As a matter of principle, the Bank only makes investments with counterparties with investment-grade ratings, which are restricted by limits and monitored daily. The creditworthiness of counterparties is continuously monitored by Risk Management.

COUNTRY RISKS

Since Kaiser Partner Privatbank AG generally only grants secured loans to borrowers domiciled in countries of the Organization for Economic Cooperation and Development (OECD) and in Liechtenstein, the potential risk can be classified as low. Collateral is provided on the basis of prudently defined Lombard rates. With regard to country risks in the context of interbank transactions, the same criteria apply for selection of potential counterparties as set out under the "Counterparty Risks" section.

TRADING AND USE OF DERIVATIVE FINANCIAL INSTRUMENTS

Since Kaiser Partner Privatbank AG does not maintain a trading book, proprietary trading is only carried out on a small scale for the foreign exchange business. Derivative financial instruments are used exclusively within the scope of the client business or for hedging purposes, with both standardized and OTC derivatives being traded. Top-level Swiss and Liechtenstein banks serve as counterparties.

MARKET RISKS

The risks in the banking book are primarily interest rate, currency, and exchange rate risks. Interest rate risks are controlled using strict rules regarding permitted maturity gaps. Interest rate swaps are concluded for larger maturity gaps. The risks are monitored using sensitivity limits. Interest rate sensitivity is a measure of the present value and income effect for the Bank resulting from a change in interest rates of 100 basis points. In addition, interest rate risks are monitored using active management of the balance sheet structure. In order to avoid incurring currency risks, investments are always made with matching currencies. Price risks are of subordinate importance due to the held-to-maturity approach.

LIQUIDITY RISKS

The Bank pursues a moderate investment strategy with a focus on constant availability of the necessary liquidity. Liquidity risks are monitored and controlled on an ongoing basis in accordance with the stipulations of banking law.

PERSONNEL RISKS/REMUNERATION POLICY

Kaiser Partner Privatbank AG avoids taking disproportionately high risks by taking great care when hiring new employees. Great importance is attached to professional competence, moral integrity, and a consistent set of values. Remuneration takes the form of fixed nonperformance-based remuneration without variable components. However, depending on the net income of Kaiser Partner Privatbank AG, an employee dividend may be paid by a related company.

INFORMATION ON THE CONSOLIDATED BALANCE SHEET

(in CHF 1,000)

Overview of Collateral for Loans and Off-Balance-Sheet Transactions

		Collateral type			Total
		Mortgage collateral	Other collateral	No collateral	
Loans					
Amounts due from clients		3'800	98'507	39	102'346
Total loans	12/31/2023	3'800	98'507	39	102'346
	12/31/2022	3'800	84'999	29	88'827
Off-balance-sheet					
Contingent liabilities		0	7'204	120	7'324
Total off-balance-sheet	12/31/2023	0	7'204	120	7'324
	12/31/2022	0	6'456	152	6'608
Impaired receivables		Gross amount owed	Estimated proceeds from liquidation of collateral	Net amount owed	Individual valuation allowances
	12/31/2023	55	0	55	55
	12/31/2022	57	0	57	57

Securities and Precious Metals Held as Assets

	Book value		Acquisition value		Market value	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Debt instruments						
of which valued using the accrual method	275'939	280'152	305'679	298'226	272'450	272'206
of which valued at the lower of cost or market	0	0	0	0	0	0
Total	275'939	280'152	305'679	298'226	272'450	272'206
of which securities eligible as collateral at central banks	98'625	101'697	107'886	107'479	97'741	98'897

Statement of Changes in Fixed Assets

	Reporting year								Book value 12/31/2023
	Acquisition value	Accumulated depreciation	Book value 12/31/2022	Investments	Disinvestments	Changes in bookings	Appreciation	Depreciation	
Total securities and precious metals held as assets			280'152	56'532	-60'746	0	0	0	275'939
Total intangible assets	24'358	-16'023	8'334	2'592	0	0	0	-3'350	7'577
Tangible assets	3'228	-35	3'194	0	0	0	0	-132	3'062
Real estate (bank building)	24'700	-2'470	22'230	0	0	0	0	-494	21'736
Renovations to third-party real estate	242	-7	235	79	0	0	0	-59	255
Property' plant' and equipment	6'494	-6'258	236	61	0	0	0	-15	282
Objects in finance leasing	150	-110	40	0	-21	0	0	-19	-0
Total property' plant' and equipment	34'815	-8'881	25'934	140	-21	0	0	-719	25'334

	12/31/2023	12/31/2022
Fire insurance value of property' plant' and equipment (including IT equipment)	24'600	24'600
Fire insurance value of real estate	40'834	40'834

Pledged or Assigned Assets, Assets Subject to Retention of Title, and Lending Transactions and Repurchase Transactions with Securities

	12/31/2023	12/31/2022
Book value of the pledged or assigned assets (transferred by way of security)*	19'365	29'759
Actual liabilities	0	0
Lending and repurchase transactions with securities	0	0

* Financial assets that are primarily pledged for stock exchange deposits.

Amounts Owed to Own Pension Funds

Kaiser Partner Privatbank does not have its own pension fund.

Valuation Allowances and Provisions/Provisions for General Banking Risks

	As of 12/31/2022	Uses in conformity with the pur- pose	Recoveries' overdue interest' currency differences	New provi- sions charged to the income statement	Provisions released in favor of the income statement	As of 12/31/2023
Valuation allowances for default risks						
<i>Individual valuation allowances</i>	57	0	-3	0	0	55
Other provisions	58	-22	0	32	0	68
Provisions for taxes and deferred taxes	640	-630	0	702	0	711
Total valuation allowances and provisions	756	-652	-3	734	0	834
<i>less valuation allowances</i>	-57	0	3	0	0	-55
Total provisions as per balance sheet	698	-652	0	734	0	779
Provisions for general banking risks	500	0	0	0	0	500

Share Capital

Please refer to the “Share capital” table in the notes to the individual financial statement.

Significant Shareholders

Please refer to the “Significant shareholders” table in the notes to the individual financial statement.

Statement of Equity

Equity at the beginning of the financial year

Paid-up subscribed capital	10'000
Legal reserves	2'000
Other reserves	42'514
Provisions for general banking risks	500
Balance sheet profit	5'054
Total equity at the beginning of the financial year (before appropriation of profit)	60'068
– Dividend from the annual profit of the previous year	2'000
+ Profit of the financial year	5'636
Total equity at the end of the financial year (before appropriation of profit)	63'704
<i>of which paid-up subscribed capital</i>	<i>10'000</i>
<i>legal reserves</i>	<i>2'000</i>
<i>other reserves</i>	<i>45'568</i>
<i>provisions for general banking risks</i>	<i>500</i>
<i>balance sheet profit</i>	<i>5'636</i>

Maturity Structure of Assets' Amounts Owed' and Provisions

			Due					Total
			On sight	Callable	Within 3 months	After 3 up to 12 months	After 12 months up to 5 years	
Assets								
Cash and cash equivalents	50'313							50'313
Amounts due from banks	74'267	15'522	160'730	30'259	0			280'778
Amounts due from clients	1'962	18'119	30'516	26'672	20'898	4'179		102'346
Mortgage receiv-ables				3'800				3'800
Participating interests								0
Other assets	1'728	4	33'902	44'152	202'179	4'979	32'910	319'852
Total assets 12/31/2023	128'270	33'645	225'148	101'083	223'076	9'158	32'910	753'289
12/31/2022	145'839	14'769	177'904	88'452	248'921	4'499	34'268	714'652

Amounts owed and provisions

Amounts owed to banks	33'069							33'069
Amounts owed to clients	253'525	255'716	97'077	38'069				644'386
<i>Other amounts owed</i>	253'525	255'716	97'077	38'069				644'386
Provisions (excluding provisions for general banking risks)				779				779
Other amounts owed	6'173	46	1'858	701	2'563	9		11'350
Total amounts owed 12/31/2023	292'766	255'762	98'935	39'549	2'563	9	0	689'584
12/31/2022	510'936	66'300	71'723	4'090	1'533	0	0	654'583

Amounts Due from or Owed to Affiliated Companies and Qualified Participants as well as Loans to Members of Governing Bodies and Significant Transactions with Related Persons

	12/31/2023	12/31/2022
Amounts due from affiliated companies (included in amounts due from clients)	0	0
Amounts due from qualified participants (included in amounts due from clients)	0	0
Amounts owed to affiliated companies (included in amounts owed to clients)	1'080	599
Amounts owed to qualified participants (included in amounts owed to clients)	1'407	1'647
Loans to members of governing bodies	10	0

Transactions with related persons (such as securities transactions' payment transactions' granting of loans' and compensation on deposits) are carried out on the same terms as those applied to third parties.

Breakdown of Assets and Liabilities by Domestic and Foreign

	12/31/2023		12/31/2022	
	Domestic	Foreign	Domestic	Foreign
Assets				
Cash and cash equivalents	50'313		112'331	
Amounts due from banks	168'801	111'977	114'718	72'202
Amounts due from clients	57'823	44'523	35'782	53'046
<i>Mortgage receivables</i>	3'800		3'800	
Equities and other non-interest-bearing securities				
Bonds and other fixed-interest securities	14'800	261'139		280'152
Shares in affiliated companies				
Intangible assets	7'577		8'334	
Property' plant' and equipment	25'333		25'933	
Other assets	2'973	430	2'153	251
Accrued expenses and deferred income	1'704	5'896	3'548	6'200
Total assets	329'323	423'966	302'800	411'851
Liabilities				
Amounts owed to banks	32'515	554	3'907	653
Amounts owed to clients	293'539	350'847	280'810	363'569
Other amounts owed	6'184	113	1'851	234
Accrued expenses and deferred income	1'942	3'111	1'152	1'710
Provisions	711		640	
Other provisions	68		58	
Provisions for general banking risks	500		500	
Subscribed capital	10'000		10'000	
Retained earnings	47'568		44'514	
Annual profit	5'636		5'054	
Total liabilities	398'662	354'626	348'485	366'166

Breakdown of Assets by Country or Group of Countries

	12/31/2023		12/31/2022	
	Nominal	Share in %	Nominal	Share in %
Assets				
Liechtenstein	70'298	9.3	68'672	9.6
Switzerland	259'026	34.4	243'127	34.0
Europe	262'682	34.9	246'710	34.5
North and South America	102'728	13.6	99'700	14.0
Other	58'555	7.8	56'441	7.9
Total assets	753'289	100	714'651	100

Balance Sheet by Currencies

	Currencies				Total
	CHF	USD	EUR	Other	
Assets					
Cash and cash equivalents	49'670	67	525	51	50'313
Amounts due from banks	11'940	139'237	43'878	85'722	280'778
Amounts due from clients	23'717	21'724	56'646	260	102'346
<i>Mortgage receivables</i>	3'800				3'800
Equities and other non-interest-bearing securities	0				0
Bonds and other fixed-interest securities	47'915	140'504	61'192	26'328	275'939
Shares in affiliated companies					0
Intangible assets	7'577				7'577
Property' plant' and equipment	25'333				25'333
Other assets	3'354			49	3'403
Accrued income and prepaid expenses	1'771	2'904	2'168	758	7'600
Total balance sheet assets	171'277	304'436	164'408	113'168	753'289
Delivery claims from spot foreign exchange' forward exchange' and foreign exchange option transactions	61'760	83'380	48'260	22'214	215'614
Total assets	233'037	387'816	212'668	135'382	968'902
Liabilities					
Amounts owed to banks	2'306	30'009	698	55	33'069
Amounts owed to clients	107'670	273'926	148'548	114'243	644'386
Other amounts owed	2'671	6	3'600	20	6'297
Accrued expenses and deferred income	1'828	2'302	465	457	5'053
Provisions	711				711
Other provisions	68				68
Provisions for general banking risks	500				500
Subscribed capital	10'000				10'000
Retained earnings	47'568				47'568
Annual profit	5'636				5'636
Total balance sheet liabilities	178'959	306'243	153'312	114'775	753'289
Delivery liabilities from spot foreign exchange' forward exchange' and foreign exchange option transactions	50'455	83'083	60'276	20'872	214'687
Total liabilities	229'413	389'326	213'588	135'647	967'976
Net position per currency	3'624	-1'511	-920	-266	

Other Assets and Other Amounts Owed

	12/31/2023	12/31/2022
Balance sheet items		
Positive replacement values	2'701	2'153
Compensation account	0	0
Input taxes	28	9
Accounts receivable	674	244
Settlement accounts	0	0
Total other assets	3'403	2'405
Negative replacement values	2'014	1'364
Compensation account	0	0
Accounts payable	465	366
Settlement accounts	3'819	354
Total other amounts owed	6'298	2'085

INFORMATION ON CONSOLIDATED OFF-BALANCE-SHEET TRANSACTIONS

(in CHF 1'000)

Breakdown of Contingent Liabilities

	12/31/2023	12/31/2022
Credit guarantees and the like	6'962	5'513
Guarantees for warranty obligations and the like	242	943
Other contingent liabilities	120	152
Total	7'324	6'608

Other contingent liabilities include possible costs incurred in connection with representation in a legal case.

Outstanding Derivative Financial Instruments

		Trading instruments			Hedging instruments			
		Positive replace- ment values	Negative replace- ment values	Contract volumes	Positive replace- ment values	Negative replace- ment values	Contract volumes	
Foreign exchange								
Futures contracts		2'701	2'014	215'614				
Foreign exchange swaps								
Interest rate instruments								
Interest rate swaps								
Total before consideration of netting agreements		12/31/2023	2'701	2'014	215'614	0	0	0
		12/31/2022	2'153	1'364	258'663	0	0	0
			Positive replacement values (cumulative)			Negative replacement values (cumulative)		
Total after consideration of netting agreements		12/31/2023			2'701			2'014
		12/31/2022			2'153			1'364

Fiduciary Transactions

		Currencies' converted into CHF					Total in CHF 1'000
		CHF	USD	GBP	EUR	Other	
Fiduciary investments at third-party banks		2'614	110'794	16'313	21'993	350	152'065
Total	12/31/2023	2'614	110'794	16'313	21'993	350	152'065
	12/31/2022	500	107'102	747	5'924	0	114'274

Client Assets

	12/31/2023 in CHF million	12/31/2022 in CHF million
Type of client assets		
Assets with management mandate	1'668	1'624
Other client assets	4'040	3'739
Total client assets (including double counts)	5'708	5'364
Of which double counts	446	382
Net new money inflow/outflow	302	187

INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

(in CHF 1'000)

Net Income from the Trading Business

	2023	2022
Net trading income		
Precious metal business	0	0
Foreign exchange and foreign note and coin business	8'630	8'586
Total net trading income	8'630	8'586

Breakdown of Personnel Expenses

	2023	2022
Personnel expenses		
Wages and salaries ¹⁾	12'121	9'738
Social security contributions and expenses for pensions and support	2'644	2'217
<i>of which for pensions</i>	2'030	1'710
Other personnel expenses	369	272
Total personnel expenses	15'134	12'227

For information on the remuneration of the members of the Board of Directors and the Board of Management, please refer to the notes to the individual financial statement under "Breakdown of personnel expenses."

¹⁾ Includes accrued vacation entitlements.

In 2023, an additional employee dividend in the amount of TCHF 570 (previous year: TCHF 561) was paid by a related party to the employees of Kaiser Partner Privatbank.

Breakdown of General and Administrative Expenses

	2023	2022
General and administrative expenses		
Expenditure on premises	564	421
Expenditure on IT' machinery' furniture' vehicles' and other equipment	5'772	5'973
Other operating expenses	3'907	3'867
Total general and administrative expenses	10'243	10'261

The return on capital as per Article 24e(1)(6) of the Liechtenstein Banking Ordinance (*Bankenverordnung*, BankV), calculated as the ratio of annual profit to total assets, amounts to 0.75% (previous year: 0.71%).

DISCLOSURE IN ACCORDANCE WITH DIRECTIVE 2013/36/EU (CRD IV) AND REGULATION (EU) NO. 575/2013 (CRR)

(in CHF 1'000)

Presentation of Eligible Own Funds

	12/31/2023	12/31/2022
Core capital (before adjustment)	62'124	59'636
<i>of which minority interests</i>		
<i>of which "innovative" instruments</i>		
– <i>Surplus of expected losses according to the IRB approach less the valuation allowances made (Article 21(1)(d))</i>		
– <i>Net long position in own equities</i>		
– <i>Other elements to be deducted from core capital</i>	-7'577	-8'334
= <i>Eligible core capital (adjusted core capital)</i>	54'548	51'302
+ <i>Upper supplementary capital</i>		
+ <i>Lower supplementary capital</i>		
+ <i>Additional capital</i>		
– <i>Other deductions from supplementary capital' additional capital' and total capital</i>		
= Eligible own funds	54'548	51'302

Presentation of Required Own Funds

	Method employed	12/31/2023 Own funds requirement
Credit risk	Standardized approach	14'336
<i>of which price risk in regard to equities in the banking book</i>		
Non-counterparty-related risks		333
Market risk	Standardized approach	626
<i>of which on interest rate instruments (general and specific market risk)</i>		
<i>of which on equities</i>		
<i>of which on foreign exchange and precious metals</i>		626
<i>of which on commodities</i>		
<i>of which for settlement and delivery risks</i>		
Operational risk	Basic indicator approach	4'941
Additional own funds		
Total minimum own funds		20'236
Capital conservation buffer		6'324
Total regulatory own funds required		26'560
Ratio of eligible/required own funds		2.05
Own fund ratios		
CET1 capital ratio		21.6%
Tier 1 capital ratio		21.6%

In accordance with the CRR regulation, disclosure is made at the level of the regulatory scope of consolidation. Further details can be found on our website www.kaiserparkerbank.com.

To the General Meeting of
Kaiser Partner Privatbank Ltd, Vaduz

Zurich, 5 April 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements



Opinion

We have audited the consolidated financial statements of Kaiser Partner Privatbank Ltd and its subsidiaries (the "KPPB Group"), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated changes in equity and consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 18 to 37) give a true and fair view of the financial position of KPPB Group 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 consolidated financial statements section of our report.

We are independent of KPPB Group 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.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibility* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of

the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the consolidated financial statements.

Impairment of receivables from customers

Audit matter KPPB Group discloses receivables from customers at nominal value less any necessary value adjustments for potential risks.

The determination of value adjustments on impaired receivables is performed on a case-by-case basis and based on the difference between the carrying amount of a receivable or any higher limit and the estimated recoverable amount, taking into account the net income from the sale of securities.

Determining value adjustments for default risks from impaired receivables requires making estimates which involve significant judgments and may vary depending on the valuation.

As at 31 December 2023, loans to customers amount to CHF 102.3 million and represent about 13.6% of KPPB Group's assets, making impairment of receivables from customers a key audit matter.

KPPB Group describes the accounting and valuation principles applied to receivables from customers in the notes to the consolidated financial statements (page 24 of the annual report).

In addition, in its annual report KPPB Group states that in lending business loans are generally granted in connection with asset and investment management against collateral (lombard) and at margins that are customary in banking. Other lending commitments are offered only in exceptional cases by KPPB Group (page 24 of the annual report).

In the Risk Management chapter it is stated that, in principle, the Bank only grants secured loans to borrowers domiciled in OECD countries and Liechtenstein, so that, according to the Bank's assessment, potential risks can be considered as low (page 27 of the annual report). Furthermore, within the scope of monitoring loans to customers, the Bank regularly verifies the existence of overdrafts or shortfalls and thus whether value adjustments are necessary. This allows to make an assessment on whether customers can meet the contractually required repayments in full.

Our audit response Our audit included evaluating the process and related controls in connection with granting and monitoring loans as well as assessing the identification and determination of value adjustments for default risks from impaired receivables.

Our audit also included the inspection of the process regarding the determination and acceptance of securities customary in banking as well as the monitoring of loan margins on existing securities as cover for loans to customers.

Furthermore, on a sample basis we assessed the impairment of loans taking into account the corresponding securities and evaluated the procedures and assumptions used for the determination of value adjustments for default risks from impaired receivables. Our random sample from the population of all existing loans as at 31 December 2023 included a random selection as well as a risk-based selection of loans.

Our audit procedures did not lead to any reservations regarding the impairment of receivables from customers.



Other information in the annual report

The Board of Directors 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 consolidated financial statements, the stand-alone financial statements, the consolidated management report and our auditor's reports thereon.

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

In connection with our audit, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the consolidated 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 Board of Directors for the consolidated financial statements

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the KPPB Group'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 KPPB Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, 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 KPPB Group'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 Board of Directors' 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 KPPB Group'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 consolidated 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 KPPB Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 the Board of Directors we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements



Further information pursuant to article 10 of regulation (EU) No 537/2014

We were elected as statutory auditor by the General Meeting on 17 June 2005. We have been the statutory auditor of KPPB Group without interruption since the financial year ending 31 December 2005.



We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Board of Directors pursuant to article 11 of Regulation (EU) No 537/2014.

We have provided the following services, which were not disclosed in the consolidated financial statements or in the consolidated management report, in addition to the statutory audit for KPPB Group or for the company controlled by it:

- Regulatory audit according to the applicable legal regulations

Further, we declare that no prohibited non-audit services pursuant to article 5 para. 1 Regulation (EU) No. 537/2014 in accordance with article 10 para. 2 lit. f Regulation (EU) No. 537/2014.

Further confirmations pursuant to article 196 PGR

The consolidated management report (pages 5 to 15) has been prepared in accordance with the applicable legal requirements, is consistent with the consolidated financial statements and, in our opinion, based on the knowledge obtained in the audit of the consolidated financial statements and our understanding of KPPB Group and its environment does not contain any material misstatements.

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

Ernst & Young Ltd



Patrik-Arthur
Schwaller
(Qualified Signature)

Liechtenstein Certified Accountant
(Auditor in charge)



Sarah Göktepe
(Qualified Signature)

Swiss Certified Accountant

BALANCE SHEET



BALANCE SHEET

As of December 31, 2023 (in CHF 1'000)

Assets

	12/31/2023	12/31/2022
Cash and cash equivalents	50'311	112'329
Amounts due from banks	280'777	186'920
<i>On demand</i>	74'267	27'745
<i>Other receivables</i>	206'510	159'174
Amounts due from clients	102'346	88'827
<i>Mortgage receivables</i>	3'800	3'800
Bonds and other fixed-interest securities	275'939	280'152
<i>Bonds</i>	275'939	280'152
<i>from public-sector issuers</i>	66'258	68'722
<i>from other issuers</i>	209'681	211'430
Equities and other non-fixed-interest securities	0	0
Shares in affiliated companies	500	500
Intangible assets	7'577	8'334
Property' plant' and equipment	25'078	25'698
Other assets	3'237	2'257
Accrued income and prepaid expenses	7'589	9'720
Total assets	753'354	714'738

Liabilities

	12/31/2023	12/31/2022
Amounts owed to banks	33'068	4'559
<i>On demand</i>	33'068	4'520
<i>With an agreed term or period of notice</i>	0	40
Amounts owed to clients	645'467	644'978
<i>Other amounts owed</i>	645'467	644'978
<i>On demand</i>	254'605	504'889
<i>With an agreed term or period of notice</i>	390'862	140'090
Other amounts owed	6'281	2'061
Accrued expenses and deferred income	4'881	2'780
Provisions	736	698
<i>Tax provisions</i>	668	640
<i>Other provisions</i>	68	58
Provisions for general banking risks	500	500
Subscribed capital	10'000	10'000
Retained earnings	33'843	33'843
<i>Legal reserves</i>	2'000	2'000
<i>Other reserves</i>	31'843	31'843
Profit carried forward	13'317	10'472
Annual profit	5'260	4'845
Total liabilities	753'354	714'738

OFF-BALANCE-SHEET TRANSACTIONS

As of December 31, 2023 (in CHF 1'000)

Off-Balance-Sheet Transactions

	12/31/2023	12/31/2022
Contingent liabilities	7'324	6'608
Derivative financial instruments		
<i>Contract volumes</i>	215'614	258'663
<i>Positive replacement values</i>	2'701	2'153
<i>Negative replacement values</i>	2'014	1'364
Fiduciary transactions	152'065	114'274
<i>Fiduciary investments at third-party banks</i>	152'065	114'274

APPROPRIATION OF PROFIT

(in CHF 1'000)

The Board of Directors proposes to the General Meeting of Shareholders that the balance sheet profit as of December 31, 2023, be appropriated as follows:

Appropriation of Profit

	12/31/2023	12/31/2022
Annual profit	5'260	4'845
Profit carried forward	13'317	10'472
Balance sheet profit	18'578	15'317
Appropriation of profit		
<i>Allocation to legal reserves</i>	0	0
<i>Allocation to other reserves</i>	0	0
<i>Payout of dividend *</i>	2'500	2'000
Profit carried forward	16'078	13'317

* The appropriation of profit for 2022 was adjusted compared to the original proposal for the appropriation of profit. The distribution of the previous year's dividend was increased accordingly by CHF 0.5 million to CHF 2.0 million.

INCOME STATEMENT

From January 1 to December 31, 2023 (in CHF 1'000)

Income Statement

	2023	2022
Net interest income		
Interest income	17'217	9'324
<i>of which from fixed-interest securities</i>	6'342	4'742
Interest expenses	-10'752	-3'895
Subtotal of net interest income	6'465	5'429
Current income from securities		
Equities and other non-fixed-interest securities	0	0
Shares in affiliated companies	0	0
Subtotal of income from securities	0	0
Profit from commission and service transactions		
Profit from commission and service transactions	18'387	17'550
<i>Commission income from credit transactions</i>	25	37
<i>Commission income from securities and investment transactions</i>	15'531	15'224
<i>Commission income from other service transactions</i>	2'831	2'289
Commission expenses	-1'806	-1'564
Subtotal of profit from commission and service transactions	16'580	15'986
Profit from financial transactions	8'630	8'586
<i>of which from trading</i>	8'616	8'584
Subtotal of profit from financial transactions	8'630	8'586
Other ordinary income		
Other ordinary income	2'036	591
Subtotal of other ordinary income	2'036	591
Gross income	33'712	30'592
Operating expenses		
Personnel expenses	-14'017	-11'042
<i>Wages and salaries</i>	-11'177	-8'747
<i>Social security contributions and expenses for pensions and support</i>	-2'473	-2'024
<i>of which for pensions</i>	-1'889	-1'552
<i>Other personnel expenses</i>	-368	-271
General and administrative expenses	-9'696	-9'574
Subtotal of operating expenses	-23'713	-20'616
Depreciation of property' plant' and equipment/amortization of intangible assets	-4'010	-4'356
Other ordinary expenses	-70	-82
Valuation allowances on receivables and allocations to provisions for contingent liabilities and credit risks	0	-42
Earnings from normal business activity	5'918	5'496
Income tax	-658	-651
Annual profit	5'260	4'845

NOTES TO THE FINANCIAL STATEMENT

EXPLANATIONS IN REGARD TO THE FINANCIAL STATEMENT

The explanations in regard to the consolidated financial statement (including disclosures about the company and risk management) also apply to the individual financial statement. For this reason, we do not repeat these explanations in the individual financial statement.

ACCOUNTING AND VALUATION PRINCIPLES

With the following exception, the same principles and procedures apply as set out in the Notes to the Consolidated Financial Statement under the “Accounting and Valuation Principles” section.

In derogation from the accounting and valuation principles applied to the consolidated financial statement, shares in affiliated companies are carried at cost less any operationally necessary valuation allowances. The recoverability is assessed at least once a year.

INFORMATION ON THE BALANCE SHEET

(in CHF 1'000)

Overview of Collateral for Loans and Off-Balance-Sheet Transactions

		Collateral type			Total
		Mortgage collateral	Other collateral	No collateral	
Loans					
Amounts due from clients		3'800	98'507	39	102'346
Total loans	12/31/2023	3'800	98'507	39	102'346
	12/31/2022	3'800	84'999	29	88'827
Off-balance-sheet					
Contingent liabilities		0	7'204	120	7'324
Total off-balance-sheet	12/31/2023	0	7'204	120	7'324
	12/31/2022	0	6'456	152	6'608
Impaired receivables		Gross amount owed	Estimated proceeds from liquidation of collateral	Net amount owed	Individual valuation allowances
	12/31/2023	55	0	55	55
	12/31/2022	57	0	57	57

Securities and Precious Metals Held as Assets

We refer to the “Securities and Precious Metals Held as Assets” table of the Notes to the Consolidated Financial Statement (no deviation from the individual financial statement).

Shares in Affiliated Companies

	12/31/2023	12/31/2022
Without market value	500	500
Total shares in affiliated companies	500	500

Company name, registered office, business activity	Share capital	Share of voting rights in %	Share of capital in %
Kaiser Partner Financial Advisors Ltd., Zurich Asset management	500	100	100
Total loans	500	100	100
	12/31/2023	12/31/2022	12/31/2022
	500	100	100

Statement of Changes in Fixed Assets

	Reporting year								
	Acquisition value	Accumulated depreciation	Book value 12/31/2022	Investments	Disinvestments	Changes in bookings	Appreciation	Depreciation	Book value 12/31/2023
Total securities and precious metals held as assets			280'152	56'532	-60'746	0	0	0	275'939
Total shares in affiliated companies	0	0	500	0	0	0	0	0	500
Total intangible assets	24'358	-16'023	8'334	2'592	0	0	0	-3'350	7'577
Tangible assets	3'228	-35	3'194	0	0	0	0	-132	3'062
Real estate (bank building)	24'700	-2'470	22'230	0	0	0	0	-494	21'736
Property' plant' and equipment	6'494	-6'258	236	61	0	0	0	-15	282
Objects in finance leasing	150	-111	40	0	-21	0	0	-19	-0
Total property' plant' and equipment	34'572	-8'873	25'699	61	-21	0	0	-661	25'079

	12/31/2023	12/31/2022
Fire insurance value of property' plant' and equipment (including IT equipment)	24'600	24'600
Fire insurance value of real estate	40'834	40'834

Pledged or Assigned Assets, Assets Subject to Retention of Title, and Lending Transactions and Repurchase Transactions with Securities

We refer to the “Pledged or Assigned Assets, Assets Subject to Retention of Title, and Lending Transactions and Repurchase Transactions with Securities” table of the Notes to the Consolidated Financial Statement (no deviation from the individual financial statement).

Amounts Owed to Own Pension Funds

Kaiser Partner Privatbank AG does not have its own pension fund.

Valuation Allowances and Provisions/Provisions for General Banking Risks

	As of 12/31/2022	Uses in conformity with the pur- pose	Recoveries, overdue interest, currency differences	New provi- sions charged to the income statement	Provisions released in favor of the income statement	As of 12/31/2023
Valuation allowances for default risks						
<i>Individual valuation allowances</i>	57	0	-3	0	0	55
Other provisions	58	-22	0	32	0	68
Provisions for taxes and deferred taxes	640	-630	0	658	0	668
Total valuation allowances and provisions	756	-652	-3	690	0	791
<i>less valuation allowances</i>	-57	0	3	0	0	-55
Total provisions as per balance sheet	698	-652	0	690	0	736
Provisions for general banking risks	500	0	0	0	0	500

Share Capital

	12/31/2023			12/31/2022		
	Total nominal value	Quantity	Capital entitled to dividend	Total nominal value	Quantity	Capital entitled to dividend
Share capital						
Capital stock	10'000	10'000	10'000	10'000	10'000	10'000
Total share capital	10'000	10'000	10'000	10'000	10'000	10'000

Significant Shareholders

	12/31/2023		12/31/2022	
	Nominal	Share in %	Nominal	Share in %
With voting rights				
KBB Holding AG, Vaduz	10'000	100	10'000	100

KBB Holding AG is a wholly owned subsidiary of the KBB Foundation.

Statement of Equity

Equity at the beginning of the financial year

Paid-up subscribed capital	10'000
Legal reserves	2'000
Other reserves	31'843
Provisions for general banking risks	500
Balance sheet profit	15'317
Total equity at the beginning of the financial year (before appropriation of profit)	59'660
– Dividend from the annual profit of the previous year	2'000
+ Profit of the financial year	5'260
Total equity at the end of the financial year (before appropriation of profit)	62'920
<i>of which paid-up subscribed capital</i>	<i>10'000</i>
<i>legal reserves</i>	<i>2'000</i>
<i>other reserves</i>	<i>31'843</i>
<i>provisions for general banking risks</i>	<i>500</i>
<i>balance sheet profit</i>	<i>18'578</i>

Maturity Structure of Assets' Amounts Owed' and Provisions

		Due						Total
		On sight	Callable	Within 3 months	After 3 up to 12 months	After 12 months up to 5 years	After 5 years	
Assets								
Cash and cash equivalents	50'311							50'311
Amounts due from banks	74'267	15'522	160'730	30'259				280'778
Amounts due from clients	1'962	18'119	30'516	26'672	20'898	4'179		102'346
Mortgage receiv-ables				3'800				3'800
Participating interests							500	500
Other assets	1'553		33'902	44'152	202'179	4'979	32'655	319'419
Total assets	12/31/2023	128'094	33'641	225'148	101'083	223'076	9'158	753'354
12/31/2022	145'662	14'768	177'904	88'452	248'921	4'499	34'533	714'738
Amounts owed and provisions								
Amounts owed to banks	33'068							33'068
Amounts owed to clients	254'605	255'716	97'077	38'069				645'466
Other amounts owed	254'605	255'716	97'077	38'069				645'466
Provisions (excluding provisions for general banking risks)				736				736
Other amounts owed	5'985	46	1'858	701	2'563	9		11'162
Total amounts owed	12/31/2023	549'420	0	98'935	39'506	2'563	0	690'433
12/31/2022	577'731		71'723	4'090	1'533	0	0	655'078

Amounts Due from or Owed to Affiliated Companies and Qualified Participants as well as Loans to Members of Governing Bodies and Significant Transactions with Related Persons

	12/31/2023	12/31/2022
Amounts due from affiliated companies (included in amounts due from clients)	0	0
Amounts due from qualified participants (included in amounts due from clients)	0	0
Amounts owed to affiliated companies (included in amounts owed to clients)	1'080	599
Amounts owed to qualified participants (included in amounts owed to clients)	1'407	1'647
Loans to members of governing bodies	10	0

Transactions with related persons (such as securities transactions, payment transactions, granting of loans, and compensation on deposits) are carried out on the same terms as those applied to third parties.

Breakdown of Assets and Liabilities by Domestic and Foreign

	12/31/2023		12/31/2022	
	Domestic	Foreign	Domestic	Foreign
Assets				
Cash and cash equivalents	50'311		112'329	
Amounts due from banks	168'801	111'977	114'718	72'202
Amounts due from clients	57'823	44'523	35'782	53'046
<i>Mortgage receivables</i>	3'800		3'800	
Equities and other non-interest-bearing securities				
Bonds and other fixed-interest securities	14'800	261'139		280'152
Shares in affiliated companies	500		500	
Intangible assets	7'577		8'334	
Property' plant' and equipment	25'078		25'698	
Other assets	2'807	430	2'005	251
Accrued expenses and deferred income	1'692	5'896	3'520	6'200
Total assets	329'388	423'966	302'887	411'851
Liabilities				
Amounts owed to banks	32'515	554	3'907	653
Amounts owed to clients	294'619	350'847	281'409	363'569
Other amounts owed	6'168	113	1'828	234
Accrued expenses and deferred income	1'770	3'111	1'070	1'710
Provisions	668		640	
Other provisions	68		58	
Provisions for general banking risks	500		500	
Subscribed capital	10'000		10'000	
Retained earnings	33'843		33'843	
Profit carried forward	13'317		10'472	
Annual profit	5'260		4'845	
Total liabilities	398'728	354'626	348'572	366'166

Breakdown of Assets by Country or Group of Countries

	12/31/2023		12/31/2022	
	Nominal	Share in %	Nominal	Share in %
Assets				
Liechtenstein	70'298	9.3	68'672	9.6
Switzerland	259'091	34.4	243'215	34.0
Europe	262'682	34.9	246'710	34.5
North and South America	102'728	13.6	99'700	13.9
Other	58'555	7.8	56'441	7.9
Total assets	753'354	100	714'738	100

Balance Sheet by Currencies

	Currencies				Total
	CHF	USD	EUR	Other	
Assets					
Cash and cash equivalents	49'668	67	525	51	50'311
Amounts due from banks	11'940	139'237	43'878	85'722	280'778
Amounts due from clients	23'717	21'724	56'646	260	102'346
<i>Mortgage receivables</i>	3'800				3'800
Equities and other non-interest-bearing securities					0
Bonds and other fixed-interest securities	47'915	140'504	61'192	26'328	275'939
Shares in affiliated companies	500				500
Intangible assets	7'577				7'577
Property, plant, and equipment	25'078				25'078
Other assets	3'188			49	3'237
Accrued income and prepaid expenses	1'759	2'904	2'168	758	7'589
Total balance sheet assets	171'391	304'436	164'408	113'119	753'354
Delivery claims from spot foreign exchange, forward exchange, and foreign exchange option transactions	61'760	83'380	48'260	22'214	215'614
Total assets	233'151	387'816	212'668	135'333	968'968
Liabilities					
Amounts owed to banks	2'306	30'009	698	55	33'069
Amounts owed to clients	108'733	273'943	148'548	114'243	645'466
Other amounts owed	2'655	6	3'600	20	6'281
Accrued expenses and deferred income	1'656	2'302	465	457	4'881
Provisions	668				668
Other provisions	68				68
Provisions for general banking risks	500				500
Subscribed capital	10'000				10'000
Retained earnings	33'843				33'843
Profit carried forward	13'317				13'317
Annual profit	5'260				5'260
Total balance sheet liabilities	179'007	306'260	153'312	114'775	753'354
Delivery liabilities from spot foreign exchange, forward exchange, and foreign exchange option transactions	50'455	83'083	60'276	20'872	214'687
Total liabilities	229'462	389'343	213'588	135'647	968'042
Net position per currency	3'689	-1'527	-920	-314	

Other Assets and Other Amounts Owed

	12/31/2023	12/31/2022
Balance sheet items		
Positive replacement values	2'701	2'153
Compensation account	0	0
Input taxes	28	9
Accounts receivable	508	95
Settlement accounts	0	0
Total other assets	3'237	2'257
Negative replacement values	2'014	1'364
Compensation account	0	0
Accounts payable	449	343
Settlement accounts	3'819	354
Total other amounts owed	6'281	2'061

INFORMATION ON OFF-BALANCE-SHEET TRANSACTIONS

(in CHF 1'000)

Breakdown of Contingent Liabilities

We refer to the "Breakdown of Contingent Liabilities" table of the Notes to the Consolidated Financial Statement (no deviation from the individual financial statement).

Outstanding Derivative Financial Instruments

We refer to the "Outstanding Derivative Financial Instruments" table of the Notes to the Consolidated Financial Statement (no deviation from the individual financial statement).

Fiduciary Transactions

We refer to the "Fiduciary Transactions" table of the Notes to the Consolidated Financial Statement (no deviation from the individual financial statement).

Client Assets

	12/31/2023 in CHF million	12/31/2022 in CHF million
Type of client assets		
Assets with management mandate	1'660	1'608
Other client assets	4'024	3'730
Total client assets (including double counts)	5'684	5'338
Of which double counts	446	382
Net new money inflow/outflow	302	187

INFORMATION ON THE INCOME STATEMENT

(in CHF 1'000)

Net Income from the Trading Business

Please refer to the "Income from the Trading Business" table in the Notes to the Consolidated Financial Statement (no deviation from the individual financial statement).

Breakdown of Personnel Expenses

	2023	2022
Personnel expenses		
Wages and salaries ¹⁾	11'177	8'747
Social security contributions and expenses for pensions and support	2'473	2'024
<i>of which for pensions</i>	1'889	1'552
Other personnel expenses	368	271
Total personnel expenses	14'017	11'042
Remuneration of the members of the Board of Directors	84	77
Remuneration of the members of the Board of Management	1'897	1'685

¹⁾ Includes accrued vacation entitlements.

In 2023, an additional employee dividend in the amount of TCHF 570 (previous year: TCHF 561) was paid by a related party to the employees of Kaiser Partner Privatbank.

Breakdown of General and Administrative Expenses

	2023	2022
General and administrative expenses		
Expenditure on premises	500	329
Expenditure on IT' machinery' furniture' vehicles' and other equipment	5'741	5'805
Other operating expenses	3'455	3'440
Total general and administrative expenses	9'696	9'574

The return on capital as per Article 24e(1)(6) of the Liechtenstein Banking Ordinance (*Bankenverordnung*, BankV), calculated as the ratio of annual profit to total assets, amounts to 0.70% (previous year: 0.68%).



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To the General Meeting of
Kaiser Partner Privatbank Ltd, Vaduz

Zurich, 5 April 2024

Report of the statutory auditor

Report of the statutory auditor on the financial statements



Opinion

We have audited the financial statements of Kaiser Partner Privatbank Ltd (the “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 a summary of significant accounting policies.

In our opinion, the financial statements (pages 46 to 47 and 49 to 61) 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.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibility* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the financial statements.



Impairment of receivables from customers

Audit matter	Kaiser Partner Privatbank Ltd discloses receivables from customers at nominal value less any necessary value adjustments for potential risks. The determination of value adjustments on impaired receivables is performed on a case-by-case basis and based on the difference between the carrying amount of a receivable or any higher limit and the estimated recoverable amount, taking into account the net income from the sale of securities. Determining value adjustments for default risks from impaired receivables requires making estimates which involve significant judgments and may vary depending on the valuation. As at 31 December 2023, loans to customers amount to CHF 102.3 million and represent about 13.6% of Kaiser Partner Privatbank Ltd assets, making impairment of receivables from customers a key audit matter. Kaiser Partner Privatbank Ltd describes the accounting and valuation principles applied to receivables from customers in the notes to the consolidated financial statements (page 24 of the annual report). In addition, in its annual report Kaiser Partner Privatbank Ltd states that in lending business loans are generally granted in connection with asset and investment management against collateral (lombard) and at margins that are customary in banking. Other lending commitments are offered only in exceptional cases by Kaiser Partner Privatbank Ltd (page 24 of the annual report). In the Risk Management chapter it is stated that, in principle, Kaiser Partner Privatbank Ltd only grants secured loans to borrowers domiciled in OECD countries and Liechtenstein, so that, according to the assessment of Kaiser Partner Privatbank Ltd, potential risks can be considered as low (page 27 of the annual report). Furthermore, within the scope of monitoring loans to customers, Kaiser Partner Privatbank Ltd regularly verifies the existence of overdrafts or shortfalls and thus whether value adjustments are necessary. This allows to make an assessment on whether customers can meet the contractually required repayments in full.
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Our audit response	Our audit included evaluating the process and related controls in connection with granting and monitoring loans as well as assessing the identification and determination of value adjustments for default risks from impaired receivables. Our audit also included the inspection of the process regarding the determination and acceptance of securities customary in banking as well as the monitoring of loan margins on existing securities as cover for loans to customers. Furthermore, on a sample basis we assessed the impairment of loans taking into account the corresponding securities and evaluated the
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procedures and assumptions used for the determination of value adjustments for default risks from impaired receivables. Our random sample from the population of all existing loans as at 31 December 2023 included a random selection as well as a risk-based selection of loans.

Our audit procedures did not lead to any reservations regarding the impairment of receivables from customers.



Other information in the annual report

The Board of Directors 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 management report and our auditor's reports thereon.

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

In connection with our audit, 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 Board of Directors for the financial statements

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

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



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, 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 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 Board of Directors' 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 Board of Directors 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 the Board of Directors we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements



Further information pursuant to article 10 of Regulation (EU) No 537/2014

We were elected as statutory auditor by the General Meeting on 17 June 2005. We have been the statutory auditor of the Company without interruption since the financial year ending 31 December 2005.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Board of Directors pursuant to article 11 of Regulation (EU) No 537/2014.

We have provided the following services, which were not disclosed in the financial statements or in the management report, in addition to the statutory audit for the audited company or for the companies controlled by it:



- ▶ Regulatory audit according to the applicable legal regulations

Further, we declare that no prohibited non-audit services pursuant to article 5 para. 1 Regulation (EU) No. 537/2014 in accordance with article 10 para. 2 lit. f Regulation (EU) No. 537/2014.

Further confirmations pursuant to article 196 PGR

The management report 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 financial statements submitted to you be approved.

Ernst & Young Ltd



Patrik-Arthur
Schwaller
(Qualified Signature)

Liechtenstein Certified Accountant
(Auditor in charge)



Sarah Göktepe
(Qualified Signature)

Swiss Certified Accountant



kaiser.partner



BOARD OF DIRECTORS, BOARD OF MANAGEMENT, MANAGEMENT EMPLOYEES, AND AUDITORS

As of February 1, 2024

Board of Directors	Fritz Kaiser, FL Vaduz (Chairman) Otmar Hasler, FL Gamprin-Bendern (Member) Philip Marcovici, Hong Kong (Member)
Board of Management	Christian Reich, CH Speicher / AR (Chief Executive Officer) Hermann Neusüss, FL Triesenberg (Member, Vice Chairman of the Executive Board) Franz Schädler, FL Schaan (Member) Roman Pfranger, CH Lachen / SZ (Member) Reto Geiser, CH Niederteufen / AR (Member)
Vice-Directors	Daniela Tschirky, CH Flums Hochwiese / SG Damien Wyss, CH Sax / SG Rainer Nachbauer, AT Hohenems Stefan Lampert, AT Alttach Michael Frei, CH Au / SG Daniel Peherstorfer, AT Rankweil Mario Bernardini, CH Fläsch / GR Claudio Fuchs, CH Rorschacherberg / SG Patrick Heiniger, CH Abtwil / SG
Authorized representatives	Reinhard Matt, FL Schaan Thomas Knöpfel, FL Triesen Urs Bochsler, CH Sevelen / SG Loredana Ospelt-Buonanno, FL Vaduz Irfan Ebibi, CH Romanshorn / TG Sascha Fuchs, FL Vaduz Marco Inderwildi, CH Chur / GR Daniel Kieber, FL Schellenberg Sandro Bischof, CH Au / SG Roger Bär, CH Roggwil / TG Dominik Mathis, CH Wangs / SG Ivan Obradovic, CH Rorschacherberg / SG Michel Peter, CH Herisau / AR Elodie Hasler, FL Triesen Andreas Mündle, FL Schaan Marco Wachter, FL Schaan Simon Weder, CH Mörschwil / SG
Internal audit	Grant Thornton Bankrevision AG, CH Zürich / ZH
Auditors	Ernst & Young AG, CH Zürich / ZH
Memberships	Liechtenstein Bankers Association Swiss Bankers Association

Precautionary note regarding statements on future developments:
This annual report contains statements about future developments.
These statements are subject to general and specific risks and uncertainties.

It is possible that presented and implied forecasts and results will not occur or
may deviate significantly from the expectations and intentions mentioned.
Please take these uncertainties into account when assessing statements about
future developments.

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