

Annual report 2024
SIGMA Group // SIGMA Bank AG



SIGMA BANK

IMPRINT

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NOTES/DISCLAIMER

This Annual Report is published for the Annual General Meeting of SIGMA Bank AG to be held on April 17, 2025.

The English version of the SIGMA Bank AG annual report was translated from the original German version which shall be binding in case of disparities.

Figures in tables and graphs may differ slightly due to rounding differences.

In this annual report, statements are made regarding the future business performance of SIGMA Bank AG and the SIGMA Group. These forecasts are based on the current state of our knowledge. If the actual development deviates from our assumptions, for example as a result of external influences or risks occurring to an extent that was not anticipated, this may also affect our business development accordingly.

This Annual Report is available online on the SIGMA Bank AG website at: www.sigmabank.com.

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FOREWORD BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Ladies and gentlemen, valued customers and partners,

Looking back on the 2024 financial year, we can see a global environment that has maintained stability but has been characterised by restraint. Given the challenges of recent years – from the coronavirus pandemic to political tensions and extreme weather events – the resilience of the global economy is remarkable.

2024 was also a successful year for our bank, in which we consistently pursued our strategic goals. Following the successful integration of SIGMA Kreditbank AG, we strengthened our position and continued our growth. With optimised structures and efficient processes, we are maintaining our clear focus on the needs of our customers. Our aim is to create sustainable value with customised service, a high level of expertise and tailor-made solutions.

Shift in the consumption behaviour

A look at the economic outlook shows that, according to the IMF, global growth will remain moderate in the medium term. Structural challenges such as demographic change, low investment and weak productivity growth are dampening momentum. The IMF's five-year forecast puts global growth at just 3.1 percent. The ongoing shift in consumption is striking: while demand for goods is stagnating, the service sector is growing globally. This is strengthening economic development in many countries, while the manufacturing industry, particularly in the established industrialised nations, is increasingly losing competitiveness. China and India continue to gain in importance as production centres.

Inflation trend as a ray of hope

The progress made in the fight against inflation is positive. The IMF has forecast a decline in global inflation to 4.3 percent by 2025. An even faster normalisation is expected in the developed economies, with inflation stabilising at around 2% by 2025. This is in line with the ECB's forecasts for the eurozone. Nevertheless, economic development remains subject to considerable political uncertainty, particularly due to new tariffs and the resulting distortions.

Expertise, stability and future orientation

We are aware of the economic and geopolitical uncertainties and manage our company with foresight and determination. Our team of highly qualified employees ensures that our customers can rely on expert advice and customised solutions, even in challenging times. Close, collaborative partnerships with our customers and business partners form the basis of our long-term success.

My heartfelt thanks go to our dedicated employees and management, whose personal commitment makes a significant contribution to the success of our bank. I would also like to thank you, our valued customers and partners, for your trust and many years of cooperation. Last but not least, I would like to thank my colleagues on the Board of Directors for their excellent cooperation and great commitment.

I wish you all a successful year, good health and well-being.

William Benjamin Schlaff
Chairman of the Board of Directors

FOREWORD BY THE MANAGEMENT

Ladies and gentlemen, valued customers and business partners!

For SIGMA Bank AG, the past year was characterised by stability, growth and strategic development. The acquisition of SIGMA KREDITBANK AG enabled us to position ourselves even more strongly on the market as the SIGMA Group and set the course for the future with a positive result. We have exploited synergies, optimised processes and driven forward the digital transformation. But above all, we have remained true to our philosophy: People as individuals are at the centre of everything we do. With passion and conviction, we are committed to offering our customers excellent financial services and, at the same time, partnership-based solutions that are characterised by trust, empathy and expertise. We are proud that our customers value this approach and place their trust in us.

Our sustainable business policy also proved its worth financially in the past year: The SIGMA Group generated a net profit of CHF 2.6 million in 2024, to which Private Banking made the largest contribution. The Group also faced challenges in 2024: The persistently weak economic situation in Germany, and thus the negative development of customers' creditworthiness, prompted the subsidiary to make valuation allowances. A proactive precautionary measure that had a weakening effect on the Group result.

Shaping the standards of tomorrow

Healthy growth is based on continuous innovation at the core of our organisation. This is why we make targeted investments in our infrastructure, digital technologies and – most importantly – in talented and committed employees. After all, long-term success begins with a strong team that lives our values of trust and transparency and supports our customers with expertise and empathy. At the same time, we rely on a corporate governance structure that not only fulfils current regulatory requirements, but also anticipates future developments with foresight.

A strong argument: The Liechtenstein financial centre

Our location in Liechtenstein gives our clients a strategic competitive advantage. The Principality of Liechtenstein is a unique country with a very high quality of life and economic performance, international networking and a sound financial policy. The Liechtenstein financial centre offers a stable and secure environment with the highest regulatory standards as well as attractive connections to the Swiss and European economic areas. Legal certainty, the reliability of the strong Swiss franc and Liechtenstein's successful industry create optimal conditions for sustainable solutions, growth and international business models. Our clients benefit from this strong foundation – be it through long-term planning security, favourable tax conditions or access to one of the most solid financial systems in the world.



Stéphanie Ichter, Aris Prepoudis, Günter Völker

Our thanks: Together into a successful future

What sets us apart in the world of finance is our expertise combined with our personal commitment to people. Our employees are the heart of our bank – they have the expertise and the willingness to always go the extra mile. As management, we are committed to creating an inspiring working environment in which talent is nurtured and innovation can flourish. Because only if our employees have the best possible conditions can they offer our clients advice that is characterised by true excellence.

Our special thanks go to our customers for their trust, our employees for their outstanding commitment and our partners for their valuable collaboration. Together, we look to the future with optimism and look forward to continuing to support you as your reliable and competent partner.

Best regards
Aris Prepoudis, Stéphanie Ichter, Günter Völker

Annual report 2024
SIGMA Group

BANKING BODIES OF SIGMA BANK AG

AS OF 31.12.2024

Board of Directors

William Benjamin Schlaff, Chairman
 Michael Hason, Vice Chairman
 Dr Michael Grahammer
 Dr Eva Marchart
 Dr Roland Müller
 Jam Schlaff
 Hans Stamm

Management

Aris Prepoudis, CEO
 Stéphanie Ichter, CFO; CRO (from 01.10.2024)
 Günter Völker, COO
 Martin Arnold, CRO (until 30.09.2024)

Auditors

KPMG (Liechtenstein) AG, Vaduz

CONSOLIDATED ANNUAL REPORT

In 2024, the global economy was characterised by a mixture of uncertainty and progress. Economic challenges such as the interest rate turnaround, inflation and fears of recession influenced the international business climate. At the same time, technological innovations, particularly in the field of artificial intelligence and advancing digitalisation, ensured that we can look ahead to 2025 with cautious optimism.

Digitalisation was also one of the strategic focal points at the SIGMA Group in 2024: This enabled both banks to migrate to several shared IT applications. Synergy effects and the productive transfer of knowledge between the individual Group institutions enabled the SIGMA Group to achieve a solid result and secure its profitability despite the global uncertainties and economic challenges in 2024. By consistently focussing on its core competencies, implementing efficient cost management measures and adapting to changing market conditions, the Group was able to maintain its earning power even in a challenging environment. With a clear focus on sustainable growth and operational efficiency, the SIGMA Group is looking to the future with confidence. Digitalisation and customer satisfaction will continue to be the central anchors of the Group's strategy and will guide its development in 2025.

In the 2024 financial year, the SIGMA Group recorded a consolidated net profit of CHF 2.6 million.

Income statement

The SIGMA Group is achieving a profitable and sound result for the 2024 financial year, which is largely characterised by increases in earnings in all business areas.

The general increase in interest rates on the global markets and the expansion of the lending business meant that the bank was able to realise significantly higher interest income. Interest income increased to CHF 72.8 million (previous year: CHF 60.5 million), while interest expenses rose to CHF 23.0 million (previous year: CHF 17.2 million). This resulted in net interest income of CHF 49.8 million (+15%). As a result of risk-conscious and vigilant credit risk management, value adjustments of CHF 27.0 million were recognised, while at the same time those from previous years were reversed by CHF 8.3 million. The persistently weak economic situation in Germany led to a tendency towards a more negative creditworthiness situation in the business segment of SIGMA KREDITBANK AG. The SIGMA Group addressed this proactively and cautiously with value adjustments.

Commission income totalled CHF 35.3 million, which represents an increase of +15% compared to the previous year. As in the previous period, commission expenses increased roughly in line with commission income (+17%).

Our customers' spot transactions and customer-initiated foreign exchange transactions make up the bulk of the trading profit of CHF 2.7 million, which is only slightly lower than in the previous year (-5%).

The Group's operating expenses represent the Group's high-quality investments for the purpose of sustainable and efficient growth. Personnel expenses totalled CHF 21.9 million (+6%), while material expenses rose by 11% to CHF 23.7 million.

Balance sheet

The consolidated balance sheet total for 2024 is CHF 1,100.0 million. Cash and cash equivalents, consisting of cash on hand and the deposit at the Swiss National Bank, amount to CHF 50.9 million. Operational liquidity management is carried out via the interbank business and via high-quality and liquid investments in debt securities, which totalled CHF 166.2 million and CHF 99.5 million respectively at the end of 2024. Receivables from customers totalled CHF 707.8 million as at the balance sheet date. This item includes receivables from the consumer credit business of SIGMA KREDITBANK AG amounting to CHF 455.7 million and receivables from the mortgage lending business of SIGMA Bank AG amounting to CHF 181.4 million.

Liabilities to customers amount to CHF 655.7 million and consist mainly of current and savings deposits as well as call and fixed-term deposits. The Group's balance sheet equity is made up of subscribed capital (CHF 129.0 million), capital reserves (CHF 8.4 million), retained earnings (CHF -1.0 million), profit brought forward (CHF 12.7 million) and consolidated profit (CHF 2.6 million).

The negative retained earnings are due to the fact that SIGMA Bank AG keeps its books in Swiss francs and SIGMA KREDITBANK AG recognises in euros and its equity is paid up in euros. Since the takeover of SIGMA KREDITBANK AG by SIGMA Bank AG, the CHF/EUR exchange rate has changed so much that the value of the subsidiary's equity (or surplus assets) in euros has fallen massively. In accounting terms, this change is recognised directly in equity under foreign currency differences (part of retained earnings). Due to the very strong Swiss franc, retained earnings have become negative overall.

Outlook for 2025

With a clear focus on sustainable growth, the SIGMA Group will further consolidate its market position and continue to offer its customers customised solutions. Both SIGMA Bank AG and SIGMA KREDITBANK AG plan to further expand their digital offerings in order to fulfil the needs of their customers in an efficient and timely manner. Regardless of this, customer trust and a strong focus on customer satisfaction are the cornerstones for the further development of the banking group. We expect another solid Group result for 2025.

CONSOLIDATED BALANCE SHEET

as at 31 December 2024

Assets (in CHF thousand)	31/12/2024	31/12/2023
Liquid assets	50'869	29'645
Amounts due from banks	166'184	94'834
Repayable upon demand	43'530	74'769
Other receivables	122'654	20'064
Amounts due from customers	707'798	693'850
- of which mortgage loans	181'423	220'711
Debt securities and other fixed-interest securities	99'544	89'249
Bonds	99'544	89'249
- from public issuers	37'606	22'003
- from other issuers	61'938	67'246
Equities and other non-fixed-interest securities	53'043	46'527
Intangible assets	209	408
Tangible assets	7'880	8'453
Other assets	10'525	21'838
Accrued income and prepaid expenses	3'892	2'166
Total assets	1'099'942	986'971

CONSOLIDATED BALANCE SHEET

as at 31 December 2024

Liabilities (in CHF thousand)	31/12/2024	31/12/2023
Amounts due to banks	3'542	185
Payable upon demand	3'542	185
Amounts due to customers	655'676	605'005
Savings deposits	4'828	5'897
Other liabilities	650'849	599'108
- payable upon demand	307'944	335'536
- with an agreed maturity or period of notice	342'905	263'572
Other liabilities	198'566	133'065
Accrued expenses and deferred income	6'356	7'698
Provisions	4'071	4'038
Tax provisions	4'071	4'038
Subordinated liabilities	79'108	88'302
Reserves for general banking risks	870	870
Share capital	129'000	129'000
Capital reserves	8'404	-
Retained earnings	-999	-2'855
Legal reserves	8'343	7'825
Other reserves	7'456	7'456
Foreign currency differences	-16'798	-18'136
Profit carried forward	12'741	10'633
Profit for the year	2'607	11'030
Total liabilities	1'099'942	986'971

CONSOLIDATED BALANCE SHEET

as at 31 December 2024

Off-balance sheet items (in CHF thousand)	31/12/2024	31/12/2023
Contingent liabilities		
Liabilities arising out of guarantees and warranty agreements and liability arising out of the provision of collaterals	12'790	14'740
Total contingent liabilities	12'790	14'740
Credit risks		
Irrevocable commitments	749	4'730
Total credit risks	749	4'730
Derivative financial instruments		
Contract volume	198'314	347'241
Positive replacement values	5'129	1'869
Negative replacement values	1'106	5'960
Fiduciary transactions		
Fiduciary investments with third-party banks	-	13'422
Total fiduciary transactions	-	13'422

CONSOLIDATED INCOME STATEMENT

from 1st January to 31st December 2024

Income statement (in CHF thousand)	2024	2023
Result from interest operations		
Interest income	72'815	60'536
- of which from fixed-interest securities	3'140	3'152
Interest expense	-22'986	-17'240
Subtotal net result from interest operations	49'829	43'296
Result from commission business and services		
Commission income	35'323	30'669
- Commission income from lending activities	22'720	18'516
- Commission income from securities trading and investment activities	9'934	9'168
- Commission income from other services	2'670	2'986
Commission expense	-21'557	-18'419
Subtotal result from commission business and services	13'767	12'251
Result from trading activities and the fair value option		
Trading income	2'747	2'886
Subtotal result from trading activities and the fair value option	2'747	2'886
Other ordinary income		
Other ordinary income	3'376	676
Subtotal of other ordinary income	3'376	676
Operating expenses		
Personnel expenses	-21'932	-20'658
- Wages and salaries	-17'854	-17'060
- Social security contributions and expenses for pensions and other benefits	-3'319	-2'742
- of which for pensions	-2'418	-1'993
- Other personnel expenses	-759	-856
General and administrative expenses	-23'724	-21'406
Subtotal of operating expenses	-45'657	-42'064
Gross profit	24'062	17'045
Depreciation on intangible assets and tangible assets	-944	-1'443
Other ordinary expenses	-507	-1'764
Value adjustment on receivables and allocation to reserves for contingent liabilities and credit risks	-26'925	-15'794
Income from the reversal of value adjustments on receivables and allocation to reserves for contingent liabilities and credit risks	8'340	13'272
Depreciation on investments, shares in affiliated companies and securities treated as fixed assets	-	-
Income from write-ups on investments, shares in affiliated companies and securities treated as fixed assets	-	1'813
Income from ordinary business	4'026	13'128
Extraordinary income	-	-
Extraordinary expenses	-	-
Extraordinary income	-	-
Income taxes	-1'271	-2'062
Other taxes	-148	-37
Profit/loss for the period	2'607	11'030

CONSOLIDATED CASH FLOW STATEMENT

from 1st January to 31st December 2024

(in CHF thousand)	2024		2023	
	Source of funds	Use of funds	Source of funds	Use of funds
Cash flow from operating result (internal financing)				
Annual result	2'607	-	11'030	-
Depreciation on fixed assets	942	-	1'443	-
Value adjustments and provisions	-	22'758	-	6'857
Accrued income and prepaid expenses	-	1'725	820	-
Accrued expenses and deferred income	-	1'342	1'919	-
Dividend of the previous year	-	-	-	8'100
Balance	-	22'275	255	-
Cash flow from equity transactions				
Capital reserves	8'404	-	-	-
Foreign currency differences	1'338	-	-	9'795
Other appropriation of profits	-	8'404	-	-
Balance	1'338	-	-	9'795
Cash flow from transactions in fixed assets				
Other tangible assets	-	114	-	847
Intangible assets	-	56	-	23
Securities and precious metals held as fixed assets	-	16'810	34'028	-
Balance	-	16'980	33'158	-

(in CHF thousand)	2024		2023	
	Source of funds	Use of funds	Source of funds	Use of funds
Cash flow from banking business				
Medium and long-term business (>1 year)				
Amounts due to customers	-	802	3'467	-
Savings deposits	-	1'069	-	545
Other liabilities	-	9'194	-	5'934
Amounts due from customers	-	62'411	-	49'879
Mortgage loans	39'287	-	-	27'820
Balance	-	34'188	-	80'711
Short-term business				
Amounts due to banks	3'356	-	-	96
Amounts due to customers	52'542	-	-	109'748
Other liabilities	65'501	-	12'104	-
Amounts due from banks	-	71'350	94'432	-
Amounts due from customers	31'966	-	62'657	-
Other assets	11'314	-	-	8'947
Balance	93'330	-	50'402	-
Liquidity:				
Liquid assets	-	21'224	6'691	-
Balance	-	21'224	6'691	-
Total	94'668	94'668	90'506	90'506

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENT 2024

Notes on business activities

General information

The SIGMA Group consists of two legally independent banks based in Liechtenstein. SIGMA Bank AG operates as a universal bank. The business purpose of SIGMA KREDITBANK AG is to grant consumer loans to private customers residing in Germany.

Personnel

At the end of 2024, the SIGMA Group employed 134.0 people (previous year: 109.3) on a full-time equivalent basis. As a universal bank, SIGMA Bank AG is active in the commission and services business, the lending business, the money market and interbank business as well as the trading business. The majority of customers are from Liechtenstein, Switzerland, Germany and Austria.

Earnings structure

For analysing the income structure, gross income is taken into account without deducting expenses. Only net trading income is included in the analysis.

In the 2024 financial year, the majority of income was attributable to income from lending operations at 64% (previous year: 64%). Commission business and services contributed 31% to operating income (previous year: 32%). Trading activities make up 2% of operating income (previous year: 3%). At 3%, other ordinary income plays a subordinate role, such as last year, in which it accounted for 1%.

Lending business

The lending business of SIGMA Bank AG mainly consists of mortgages, Lombard loans and fixed advances. The majority of mortgages are granted to finance properties in Liechtenstein and Switzerland. The lending business of SIGMA KREDITBANK AG is limited exclusively to granting consumer loans to private customers residing in Germany.

Commission and service business

The majority of income from the commission and services business comes from commissions in connection with the lending business. Commission income from the securities business (securities custody and trading) is another important income component.

Custodian bank for investment funds

SIGMA Bank AG acts as a custodian bank for investments funds and provides additional comprehensive services for investment funds.

Trading activities

Trading activities are conducted with first-class counterparties. Income from trading business largely comes from foreign exchange gains.

Derivative financial instruments

These are transactions carried out by customers which traded in transit to first-class counterparties. The positive and negative replacement values of derivative financial instruments are recognised in the balance sheet and in the notes. The contract volume is indicated in the notes.

Outsourcing business divisions

The internal audit of the SIGMA Group is outsourced to PricewaterhouseCoopers GmbH, 9491 Ruggell. The Group's IT operation is outsourced to CCL AG, 9494 Schaan.

Organisation

Remuneration policy

The SIGMA Group places strong emphasis on appropriate remuneration for employees that is in line with the market. As part of the consistent implementation of the business strategies defined by the Board of Directors, it is ensured that neither employees nor management are entitled to variable salary components and no special bonuses are promised. This also rules out the possibility of risk takers in the Group being influenced by a monetary conflict of interest in their function. The executive management of both banks are responsible for appropriately remunerating employees in line with the market, while the Boards of Directors are responsible for the remuneration of the executive management.

Legal basis

Bookkeeping, valuation and accounting are carried out in accordance with the provisions of the Liechtenstein Persons and Companies Act (PGR), the Liechtenstein Banking Act and the related ordinance, and the accounting guidelines of the Liechtenstein Financial Market Authority (FMA).

General remarks

SIGMA Bank AG prepares consolidated financial statements in accordance with the Liechtenstein Banking Act. The group of consolidated companies includes the wholly owned subsidiary SIGMA KREDITBANK AG. The company is therefore fully consolidated. This is subject to the Group accounting guidelines according to the Group accounting regulations.

Responsibilities for financial reporting

Overall responsibility for the consolidation of the SIGMA Group lies with financial reporting division. This mainly includes responsibility for the following tasks:

- Preparing the consolidated financial statements of the SIGMA Group
- Reporting to management and the authorities
- Preparing the Group's annual report

Responsibilities of the subsidiary

The accountants of the Group companies submit their balance sheets and earnings statements to the financial reporting department on a monthly basis. The data must be shared by the fourth working day of the new month. The subsidiary must submit a balance sheet and an income statement in accordance with the consolidation principles of the parent company.

Recognition and accounting

All transactions are recognised in the books on the balance sheet date and assessed from this date in accordance with the principles below.

Liquid assets, Amounts due from banks

These are recognised at nominal value or at cost minus individual value adjustments for receivables at risk.

Amounts due from customers

At SIGMA Bank AG, claims at risk from customers are recognised at amortised cost minus any value adjustments. Claims for which it is unlikely that the debtor will be able to meet its future obligations are valued on an individual basis and individual value adjustments are recognised for impairment. Off-balance sheet transactions are included in this valuation.

Accounting and valuation principles

Loans are deemed to be at risk if the contractually agreed payments for capital and/or interest are outstanding for more than 90 days or the redemption of the claim appears unlikely for other reasons. Interest that is outstanding for more than 90 days is impaired and only recognised in the income statement upon payment. Loans are recognised without interest if recovering the interest is so doubtful that the accrual is no longer considered appropriate.

The value adjustment is based on the difference between the book value of the receivable and the expected recoverable amount, considering the counterparty risk and the net proceeds from the realisation of any collateral. If the realisation process is expected to take more than one year, the estimated realisation proceeds are discounted to the balance sheet date. The individual value adjustments are deducted directly from the corresponding asset items.

If a claim is classified as fully or partially irrecoverable or a debt waiver is granted, the receivable is derecognised from the corresponding value adjustment. Recoveries of amounts previously derecognised are recorded in the income statement.

At SIGMA KREDITBANK AG, claims at risk from customers are also recognised at amortised acquisition cost minus any value adjustments.

In addition to the principal debt, amounts due from customers also include capitalised, unpaid, contractually agreed interest, brokerage commissions and other fees. These capitalised claims form the basis for calculating the value adjustments.

An individual assessment of loan exposures is generally only carried out for loans with a higher volume or for loans in the corporate customer business and for project financing, as estimating the amount and probability of future repayments is complex and time-consuming. In the retail lending business with private customers, the market standard is to calculate estimated individual value adjustments on the basis of homogeneous groups within the overall portfolio. As SIGMA KREDITBANK AG is exclusively active in the retail lending business, a model of flat-rate value adjustment is used in addition to the estimated individual value adjustment.

Estimated individual value adjustments are recognised for identifiable risks in the portfolio with payment defaults, whereas flat-rate value adjustments are recognised for an active normal portfolio without payment defaults. The amount of these flat-rate value adjustments is dependent on the time since disbursement (issuance).

Estimated individual value adjustments are therefore recognised for defaulted claims, which represent the non-performing portfolio. The non-performing portfolio includes (i) loans that have been called in and have been handed over to a debt collection agency or to a lawyer (inter alia, > 90 days overdue in accordance with Art. 178 para. 1 b) of the CRR) or (ii) loans where the debtor is unlikely to settle the liability in full (unlikely to pay in accordance with Art. 178 para. 1a of the CRR).

Estimated individual value adjustments are recognised based on the procedural status as well as the time elapsed since calling and maturity (handover to debt collections agency), with each individual contract being assigned a specific procedural status. For each procedural status and depending on the time elapsed since calling and maturity, a fixed impairment rate, determined based on historical experience, is applied. The impairment rates are validated at least annually.

If a payment is made by the borrower on an impaired loan, the cash inflow is applied against the capitalised gross receivable. This results in a reduction of the capitalised gross receivable and, consequently, the basis for the value adjustment calculation, leading to a reduction in the value adjustment recognized in the income statement, provided that the contractual or procedural status remains unchanged.

Flat-rate value adjustments are recognised for latent default risks. The cause of the latent risk lies primarily in the uncertainty about the (future) financial circumstances of the borrower and the uncertainty about the (long-term) recoverability of the collateral provided. However, an actual credit risk may become identifiable only with a significant time delay. Since the individual risk situation of SIGMA KREDITBANK AG should only be taken into account once, only those receivables are included in the flat-rate value adjustment that have not already been taken into account in the context of the estimated individual value adjustment. The flat-rate value adjustments are recognised in a single-digit percentage range, while the estimated individual value adjustments are recognised at rates between 20% and 100%.

Debt securities and other fixed-interest securities

Fixed-interest securities that are to be held until maturity are valued using the accrual method. The premium or discount is deferred over the term until maturity. Interest-related realised gains or losses from premature sale or repayment are deferred over the remaining term, i.e. until the initial final maturity. Interest income is included in the interest income item.

Equities and other non-fixed-interest securities

The balance sheet item 'Equities and other non-fixed-interest securities' includes the securitisation positions (Class B notes) held by SIGMA KREDITBANK AG. The purchase of the Class B notes is capitalised at acquisition cost.

Tangible assets, intangible assets

The company's own bank building and other tangible assets are recognised at cost. Depreciation is recognised to the extent necessary for business purposes.

Other assets and liabilities

Transactions done by customers with derivative financial instruments are only entered in the balance sheet if they are OTC contracts. The replacement values of customer transactions with exchange-traded contracts are only reported if the accumulated daily loss is not fully covered by the margin effectively required.

Hedging transactions are also carried out to minimise interest rate risks. Income from hedging transactions is generally recognised in interest expense. Income from the derivatives used for balance sheet structure management to manage interest rate risks is calculated with the accrual method. The interest component is deferred over the term to maturity using the compound interest method. The accrued interest on the hedged item is recognised in the adjustment account under other assets or other liabilities.

The item 'Other liabilities' also includes the liability to the special purpose entity in connection with the securitisation transaction in the amount of EUR 176'551'718. In financial terms, this liability represents the bank's obligation to surrender the receivables sold to the special purpose entity. Other liabilities are recognised at their nominal or repayment amount.

Amounts due to customers

Amounts due to customers are recognised at nominal value. At SIGMA Kreditbank AG, the item shows overpayments for loan agreements at nominal value, which are made by customers to the bank's business account. Overpayments happen when customers transfer amounts that exceed the residual debt. Overpayments shall be promptly refunded to the customer.

Value adjustments and provisions

Individual or flat-rate value adjustments are recognised for all loss risks identifiable on the balance sheet date in accordance with the prudence concept. In addition, provisions are recognised for identifiable or foreseeable risks.

A provision is recognised for capital and income taxes. Taxes are calculated and recognised on the basis of the result for the reporting year. The tax effects between the values reported in the balance sheet and their tax values are posted as deferred taxes. The calculation is based on the tax rates estimated for the actual taxation. If this is not known, the calculation is done at the tax rates applicable on the balance sheet date. The provision for deferred taxes is recognised in the income statement.

Subordinated debt

Subordinated uncertificated debt, which consists of a subordinated loan for refinancing, are recognised at nominal value.

Contingent liabilities and irrevocable commitments

Contingent liabilities and irrevocable commitments are recognised off-balance sheet at nominal value. Provisions are recognised for foreseeable risks.

Foreign currencies

Assets and liabilities denominated in foreign currencies are valued at the average rates applicable on the balance sheet date. The exchange rates applicable on the transaction date are used for income and expenses. The annual average exchange rates are used for the income statement items of SIGMA KREDITBANK AG. The acquisition price is used for equity consolidation. The foreign currency differences resulting from the valuation are recognised on the liabilities side under retained earnings.

The following exchange rates prevailing on the balance sheet date were used for currency conversion:

Financial year	Previous year
EUR 0.937950	EUR 0.930530
USD 0.906100	USD 0.842000
GBP 1.134400	GBP 1.072300

Annual average rate for the income statement of SIGMA KREDITBANK AG:

Financial year	Previous year
EUR 0.952066	EUR 0.970158

Risk management

Historical exchange rate at the time of acquisition of SIGMA KREDITBANK AG:

EUR 1.037330

Subsequent events

There have been no events that have had a significant impact on the asset, financial and profit situation of the SIGMA Group.

Interest rate risks

The interest rate risk in the banking book comprises all interest-bearing transactions, both on and off the balance sheet. The risk arises from different fixed interest rates for receivables and liabilities. The interest rate risk position arises mainly from variable index-linked lending business and deposits without fixed interest rates. Other influencing factors are bond holdings in the securities portfolio and derivative positions, mainly interest rate swaps. Another component arises from the interest rate floors and ceilings in the customer business - both on the assets side and on the liabilities side. A positive maturity transformation also generates a structural contribution. The basis for identifying and measuring interest rate risks is the interest rate gap analysis (net position of assets and liabilities per maturity band). The interest rate risk coefficient measures the interest rate risk against a parallel shift in the interest curve in relation to equity.

Credit risks

In general, a credit risk exists for all products where the default of a counterparty can lead to a loss. The main risk for the Group here is the risk from lending, whereby primarily mortgage loans and consumer loans are granted to private customers. In addition, the Group has given funding for property development and similar purposes. In addition to the credit risk in the traditional lending business, there is also a credit risk in off-balance sheet transactions if the item has to be covered at less favourable conditions if the counterparty were to default. Credit risk is monitored continuously in accordance with the applicable business policy. The risk is taken into account by recognising appropriate value adjustments. Loans to customers are primarily given against collateral (e.g. mortgages). Consumer loans are granted without collateral. There is a risk-oriented authorisation procedure for credit approval, in which creditworthiness and borrowing capacity are assessed according to uniform criteria. To minimise the default risk, the Group has also defined loan-to-value margins that are customary in the industry. The recoverability of collateral is reviewed at appropriate intervals, depending on the type of collateral.

The following values are used as a starting point for the loan-to-value ratio for determining the estimated values of properties:

- Condominiums, detached and semi-detached houses: Income value and asset value
- Apartment buildings and commercial properties: Income value and asset value
- Undeveloped property: Net asset value

SIGMA KREDITBANK AG is primarily active in the consumer credit business. Credit risk is the risk of unexpected losses in value due to the default or deterioration in creditworthiness of customers. SIGMA KREDITBANK AG counters this risk through strict lending guidelines and a risk monitoring system. Before loans are granted, compliance with strict criteria is checked, i.e. only loan applications that completely fulfil all criteria in accordance with the guidelines are approved. Exception-to-policy (ETP) transactions are an exception to this, but are subject to increased monitoring. Stringent receivables management for non-performing loans is also carried out in cooperation with professional, external service providers in the area of debt collection.

Liquidity risks

In order to cover its liquidity requirements, the Group strives for a balanced combination of current and non-current assets. The careful selection of HQLA (High Quality Liquid Assets) enables the Group to hold a robust pool of liquid assets that can withstand various market conditions and fulfil regulatory requirements. As part of its risk management practices, the Group carefully monitors and manages its cash flows, liquidity ratios and sources of financing. It carries out simulations and valuations to analyse the effects of various scenarios on its overall liquidity position.

SIGMA Kreditbank AG, which specialises in the consumer credit business, does not have a deposit business, which means that the refinancing of lending is largely carried out via customer redemptions. This is supplemented by external lenders.

Operational and legal risks

Operational risk is the risk of losses caused by the inadequacy or failure of internal processes, people, systems or external events, including legal risks. The SIGMA Group manages its operational risks through a systemic management approach. Key components of this approach include a group-wide Internal Control System (ICS) and event management. These ensure the implementation of internal regulations and guidelines for organization and control in a structurally secure manner. This particularly includes group-wide adherence to the "four-eye principle" and proper segregation of duties. These are regularly reviewed by various internal and external stakeholders. To establish operational risk management as part of the group's risk culture, training sessions and reviews are conducted.

Sanction risks

Sanction risks are a key component of the Group's risk management framework, as geopolitical tensions and international sanctions can have significant impacts on business operations. Sanctions may be imposed by individual states or international organizations and often target specific countries, industries or individuals. The Group continuously evaluates and monitors the sanctions landscape to ensure compliance with all regulatory requirements and to identify potential risks in this area at an early stage. The increasing globalization and dynamic development of international relations requires a holistic and robust risk assessment. In particular, in light of political tensions and changes in international sanctions policies, the Group regularly adapts its risk management processes and compliance standards to minimize sanctions risk and ensure the business remains secure and sustainable.

Risks in trading and the use of derivatives

Derivatives fulfil versatile functions in banking and serve various purposes, such as minimising risk, diversifying portfolios for effective asset management or complying with regulatory requirements. For derivatives, counterparty default risks are taken into account in the overall group risk potential analogous to the normative perspective pursuant to the SA-CCR or standardised approach (counterparty default risk) and credit valuation adjustment risks (CVA) pursuant to the standardised method. In addition to derivative customer transactions that are settled via our counterparties, the Group mainly utilises currency swaps for its own account as part of its own FX, cash and liquidity management.

Other market risks

The Group bears the risk for other market risk categories, such as the price risk for its own securities holdings, which relates to the potential loss in value. The Group carefully monitors and implements various measures for risk mitigation to minimise the impact of price fluctuations and to protect the total portfolio. Other risks, such as the credit spread risk, relate to potential losses caused by a deterioration in the creditworthiness of a bond issuer. Credit quality, market conditions and other variables contribute to this risk. In order to manage risk effectively, the Group carries out scenario analyses from an economic and normative perspective. The normative scenario analysis involves calculating the value at risk (VaR) based on historical data, while the economic perspective incorporates historical and parametric methods.

INFORMATION ON THE CONSOLIDATED BALANCE SHEET

OVERVIEW OF THE COLLATERAL

(in CHF thousand)	Type of collateral			Total
	Secured by mortgage	Other collateral	Unsecured	
Loans				
Amounts due from customers (without mortgage loans)	26'774	26'254	473'345	526'374
Mortgage loans	181'423	-	-	181'423
- Residential properties	168'275	-	-	168'275
- Commercial and business premises	13'149	-	-	13'149
Total loans for the financial year	208'198	26'254	473'345	707'798
Previous year	248'623	22'184	423'043	693'850
Off-balance sheet				
Contingent liabilities	1'458	3'927	7'406	12'790
Irrevocable commitments	749	-	-	749
Total off-balance sheet for the financial year	2'206	3'927	7'406	13'539
Previous year	4'860	5'126	9'504	19'490

IMPAIRED LOANS

(in CHF thousand)	Gross debt amount	Estimated liquidation value of collateral *	Net debt amount	Individual value adjustments
Financial year	251'671	8'233	243'438	88'352
Previous year	212'247	-	212'247	113'968

* Credit or realisable value per customer
The lower value is decisive

TRADING PORTFOLIOS IN SECURITIES AND PRECIOUS METALS

No trading portfolios in securities and precious metals are held.

SECURITIES AND PRECIOUS METAL HOLDINGS IN FIXED ASSETS

(in CHF thousand)	Book value		Acquisition value		Market value	
	Financial year	Previous year	Financial year	Previous year	Financial year	Previous year
Debt instruments	99'544	89'249	99'085	89'395	99'879	88'888
- of which valued according to the "accrual method"	99'544	89'249	99'085	89'395	99'879	88'888
- of which valued at the lowest value	-	-	-	-	-	-
- of which eligible as securities for central bank borrowings	51'755	24'654	51'546	24'472	52'103	24'775
Class B Loan Notes (hybrid legal instrument)	53'043	46'527	53'043	46'527	n/a	n/a
Total	152'586	135'776	152'128	135'921	99'879	88'888

Premiums and discounts are deferred over the (remaining) term until maturity. These are mainly listed securities with HQLA* quality.

* HQLA = high quality liquid asset

FULLY CONSOLIDATED COMPANIES

On the balance sheet date, SIGMA Bank AG held an interest in the following affiliated company:

SIGMA KREDITBANK AG, Landstrasse 156, 9495 Triesen
Business activity: Operating a bank
Share capital: € 100'000'000.00
Amount of holding: 100%

SUMMARY OF FIXED ASSETS

(in CHF thousand)										
	Acquisition value	Accrual valuation accumulated to date	Depreciation accumulated to date	Carrying amount at end of previous year	Investments	Divestments (FX)	Accrual valuation	Write-ups	Depreciation and amortisation	Carrying amount at the end of the financial year
Total securities of fixed assets	140'065	4'098	191	135'776	51'422	33'978	634	-	-	152'586
Total intangible assets (IT software)	20'386	-	19'978	408	56	-1	-	-	255	209
Real estate										
- Bank building	7'135	-	554	6'581	-	-	-	-	113	6'468
Other tangible assets	5'183	-	3'311	1'872	294	178	-	-	576	1'411
Total tangible assets	12'318	-	3'865	8'453	294	178	-	-	689	7'880

(in CHF thousand)		
	Financial year	Previous year
Fire insurance value of the properties	7'919	7'919
Fire insurance value of other tangible assets	1'450	1'450
Liabilities: future lease instalments from operational leasing	-	-

Liabilities relating to own pension schemes:
There are no obligations.

Outstanding bonds:
There are no outstanding bonds.

VALUE ADJUSTMENTS AND PROVISIONS

(in CHF thousand)						
	Status at the end of the previous year	Uses in conformity with designated purpose	Recoveries, overdue interest, currency differences	New creations charged to income	Releases to the income statement	Status at the end of the financial year
Value adjustments for default risks						
- Individual value adjustments	1'735	45	613	164	76	2'392
- Estimated individual value adjustments	112'232	43'454	1'304	22'484	6'607	85'960
- Flat-rate value adjustments	9'200	-	32	4'277	1'483	12'026
Provisions for taxes and deferred taxes	4'038	1'324	8	1'386	37	4'071
Other provisions	-	-	-	-	-	-
Total value adjustments and Provisions	127'207	44'823	1'957	28'311	8'202	104'449
minus:						
Value adjustments	123'168	43'499	1'949	26'925	8'165	100'378
Total provisions as per balance sheet	4'039	1'324	8	1'386	37	4'072
Reserves for general banking risks	870	-	-	-	-	870

STATEMENT OF EQUITY

(in CHF thousand)	2024
Equity at the beginning of the financial year	
Paid-in share capital	129'000
Capital reserves	-
Legal reserves	7'825
Other reserves	7'456
Foreign currency differences	-18'136
Reserves for general banking risks	870
Retained earnings	21'663
Total equity at the beginning of the financial year	148'678
+ Capital increase	-
+ Capital reserves	8'404
+ Allocation to legal reserves	518
- Dividends and other appropriation of profits	-8'922
+ Foreign currency differences	1'338
+ Annual profit	2'607
Total equity at the end of the financial year	152'623
of which: Paid-in share capital	129'000
Capital reserves	8'404
Legal reserves	8'343
Other reserves	7'456
Foreign currency differences	-16'798
Reserves for general banking risks	870
Retained earnings	15'348

MATURITY STRUCTURE OF THE ASSETS AND OF LIABILITIES AND PROVISIONS

(in CHF thousand)	at sight	upon demand	due within 3 months	due within 3 to 12 months	due within 12 months to 5 years	due after 5 years	no maturity	Total
Assets								
Liquid assets	50'869	-	-	-	-	-	-	50'869
Amounts due from banks	43'530	114'856	2'814	4'984	-	-	-	166'184
Amounts due from customers	31'654	232'667	36'481	90'824	305'289	10'882	-	707'798
of which mortgage loans	-	168'635	100	657	1'149	10'882	-	181'423
Trading portfolios in securities and precious metals	-	-	-	-	-	-	-	-
Securities and precious metal holdings of fixed assets	-	-	9'100	30'939	112'547	-	-	152'586
Other assets	98	-	8'993	1'844	476	568	10'528	22'505
Total assets in the financial year	126'151	347'523	57'388	128'591	418'312	11'450	10'528	1'099'942
Previous year	133'274	271'710	67'834	126'661	349'869	12'981	24'641	986'971
Liabilities and provisions								
Amounts due to banks	3'542	-	-	-	-	-	-	3'542
Amounts due in respect of customer deposits								
a) Savings deposits	-	4'828	-	-	-	-	-	4'828
b) Other liabilities	307'944	181'837	39'564	118'838	2'666	-	-	650'849
Provisions	-	-	-	4'071	-	-	-	4'071
(without reserves for general banking risks)								
Subordinated loans	-	-	-	-	79'108	-	-	79'108
Other liabilities	12'874	-	10'356	1'408	180'283	-	-	204'922
Total liabilities and provisions in the financial year	324'359	186'665	49'920	124'317	262'057	-	-	947'319
Previous year	358'711	155'199	105'561	34'000	184'822	-	-	838'293

RECEIVABLES FROM AND LIABILITIES TO AFFILIATED COMPANIES, QUALIFIED INVESTORS AS WELL AS LOANS TO GOVERNING BODIES AND TRANSACTIONS WITH RELATED PARTIES

(in CHF thousand)	Financial year	Previous year
Amounts due from affiliated companies in the items		
- Amounts due from banks	-	-
- Amounts due from customers	-	-
Total amount of amounts due from affiliated companies	-	-
Amounts due from qualified investors in the items		
- Amounts due from banks	-	-
- Amounts due from customers	203	-
Total amount of amounts due from qualified investors	203	-
Amounts due to affiliated companies in the items		
- Amounts due to banks	-	-
- Amounts due to customers	-	-
Total amount of amounts due to affiliated companies	-	-
Amounts due to qualified investors in the items		
- Amounts due to banks	-	-
- Amounts due to customers	14'168	3'919
Total amount of amounts due to qualified investors	14'168	3'919
Loans to governing bodies	37'445	23'846

Transactions with related parties:

Transactions with related parties (such as securities transactions, payment transactions, granting of loans and compensation on deposits) are granted in conformity with market conditions.

ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN

(in CHF thousand)	Financial year			Previous year		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Assets						
Liquid assets	50'869	-	50'869	29'645	-	29'645
Amounts due from banks	28'464	137'719	166'184	42'016	52'818	94'834
Amounts due from customers (without mortgage loans)	52'051	474'323	526'374	45'141	427'998	473'139
Mortgage loans	137'844	43'579	181'423	176'023	44'688	220'711
Debt securities and other fixed-interest securities	1'801	97'742	99'544	1'733	87'516	89'249
Shares and other variable-yield securities	-	53'043	53'043	-	46'527	46'527
Intangible assets	209	-	209	408	-	408
Tangible assets	7'880	-	7'880	8'453	-	8'453
Other assets	8'698	1'826	10'525	6'549	15'290	21'838
Accrued income and prepaid expenses	3'469	422	3'892	1'824	343	2'166
Total assets	291'287	808'655	1'099'942	311'791	675'180	986'971
Liabilities						
Amounts due to banks	3'542	-	3'542	185	-	185
Amounts due to customers (without savings deposits)	236'199	414'650	650'849	243'486	355'622	599'108
Savings deposits	1'998	2'829	4'828	2'666	3'231	5'897
Other liabilities	9'762	188'804	198'566	30'929	102'135	133'065
Accrued expenses and deferred income	5'164	1'193	6'356	4'594	3'104	7'698
Provisions	4'071	-	4'071	4'038	-	4'038
Subordinated liabilities	-	79'108	79'108	-	88'302	88'302
Reserves for general banking risks	870	-	870	870	-	870
Share capital	129'000	-	129'000	129'000	-	129'000
Capital reserves	8'404	-	8'404	-	-	-
Legal reserves	8'343	-	8'343	7'825	-	7'825
Other reserves	7'456	-	7'456	7'456	-	7'456
Foreign currency differences	-16'798	-	-16'798	-18'136	-	-18'136
Profit carried forward	12'740	-	12'740	10'633	-	10'633
Profit for the year	2'607	-	2'607	11'030	-	11'030
Total liabilities	413'358	686'584	1'099'942	434'576	552'394	986'971

ASSETS BY COUNTRY OR GROUP OF COUNTRIES

(in CHF thousand)	Financial year		Previous year	
	Absolute	Share as %	Absolute	Share as %
Assets				
Liechtenstein and Switzerland	291'287	27%	311'791	32%
Europe	768'338	69%	629'247	64%
North America	25'247	2%	30'240	3%
Other countries	15'070	1%	15'693	1%
Total assets	1'099'942	100%	986'971	100%

ASSETS AND LIABILITIES BY THE MOST SIGNIFICANT CURRENCIES

(in CHF thousand)	CHF	EUR	USD	Other	Total
Assets					
Liquid assets	50'242	475	137	16	50'869
Amounts due from banks	4'132	91'629	42'548	27'874	166'184
Amounts due from customers (without mortgage loans)	21'489	479'126	25'370	389	526'374
Mortgage loans	142'013	39'411	-	-	181'423
Debt securities and other fixed-interest securities	-	56'804	42'739	-	99'544
Shares and other variable-yield securities	-	53'043	-	-	53'043
Intangible assets	209	-	-	-	209
Tangible assets	7'880	-	-	-	7'880
Other assets	8'717	1'803	4	-	10'525
Accrued income and prepaid expenses	3'033	753	106	-	3'892
Total assets shown on-balance	237'715	723'044	110'905	28'279	1'099'942
Delivery entitlements from spot exchange, forward forex and forex options transactions	17'118	71'145	87'717	18'010	193'991
Total assets	254'833	794'189	198'621	46'289	1'293'933
Previous year	251'251	621'103	83'711	30'905	986'971
Liabilities					
Amounts due to banks	3'210	319	-	13	3'542
Amounts due to customers (without savings deposits)	97'796	328'703	180'649	43'701	650'849
Savings deposits	4'662	157	9	-	4'828
Other liabilities	6'866	190'503	1'190	6	198'566
Accrued expenses and deferred income	4'361	1'773	189	33	6'356
Provisions	4'071	-	-	-	4'071
Subordinated liabilities	-	79'108	-	-	79'108
Reserves for general banking risks	870	-	-	-	870
Share capital	129'000	-	-	-	129'000
Capital reserves	8'404	-	-	-	8'404
Legal reserves	8'343	-	-	-	8'343
Other reserves	7'456	-	-	-	7'456
Foreign currency differences	-	-16'798	-	-	-16'798
Profit carried forward	13'853	-1'113	-	-	12'740
Profit for the year	7'260	-4'652	-	-	2'607
Total liabilities shown on-balance	296'152	578'000	182'037	43'752	1'099'942
Delivery obligations from spot exchange, forward forex and forex options transactions	131'995	35'222	16'586	2'532	186'335
Total liabilities	428'148	613'222	198'623	46'284	1'286'277
Previous year	284'099	546'863	200'826	58'165	1'089'953
Net position per currency	-173'315	180'967	-2	5	

OTHER ASSETS AND LIABILITIES

Other assets (in CHF thousand)	Financial year	Previous year
Positive replacement values of derivative financial instruments	5'129	1'869
Derivatives adjustment account	3'522	4'735
Settlement accounts	1'873	15'235
Total other assets	10'525	21'838

Other liabilities (in CHF thousand)	Financial year	Previous year
Negative replacement values of derivative financial instruments	1'106	5'960
Derivatives adjustment account	4'021	5'787
Settlement accounts	27'842	28'265
Creditor special purpose entity securitisation transaction	165'597	93'053
Total other liabilities	198'566	133'065

SUBORDINATED LIABILITIES

Subordinated liabilities abroad (in CHF thousand)	Financial year	Previous year
Amount	79'108	88'302
Interest rate	9.5%	9.5%
Maturity	n/a	n/a

Subordination is not subject to any conditions and there is no provision for conversion into capital or any other form of debt. The subordinated loans cannot be cancelled before the agreed maturity date.

Expenses for subordinated loans (in CHF thousand)	Financial year	Previous year
Interest expense	7'318	7'720
Total expenses for subordinated loans	7'318	7'720

PLEGDED OR ASSIGNED ASSETS AND ASSETS SUBJECT TO RESERVATION OF OWNERSHIP, WITHOUT SECURITIES LENDING OR REPURCHASE TRANSACTIONS

(in CHF thousand)	Financial year	Previous year
Book value of pledged or assigned (assigned as collateral) assets *)	23'694	25'647
Actual liabilities	832	1'608

*) Mainly assets eligible as collateral for the derivative transaction

INFORMATION ON THE OFF-BALANCE SHEET BUSINESS

CONTINGENT LIABILITIES

(in CHF thousand)	Financial year	Previous year
Guarantees to secure credits and similar	12'790	14'740
Performance guarantees and similar	-	-
Irrevocable commitments	-	-
Other contingent liabilities	-	-
Total contingent liabilities	12'790	14'740

IRREVOCABLE COMMITMENTS

(in CHF thousand)	Financial year	Previous year
Irrevocable promises to pay	749	4'730
Other irrevocable commitments	-	-
Total irrevocable commitments	749	4'730

OPEN DERIVATIVE FINANCIAL INSTRUMENTS

(in CHF thousand)	Trading Instruments			Hedging Instruments		
	Positive replacement value	Negative replacement value	Contract volume	Positive replacement value	Negative replacement value	Contract volume
Interest rate instruments						
Swaps	-	-	-	568	-	8'702
Foreign exchange/precious metals						
Futures contracts	5	2	312	-	-	-
Combined interest rate/currency swaps	626	626	35'804	3'931	477	153'496
Options (OTC)	-	-	-	-	-	-
Equity securities/indices						
Futures	-	-	-	-	-	-
Other						
Options (OTC)	-	-	-	-	-	-
Total financial year	631	629	36'116	4'498	477	162'198
Total previous year	801	816	198'269	1'067	5'144	148'972

FIDUCIARY TRANSACTIONS

(in CHF thousand)	Financial year	Previous year
Fiduciary investments with third-party companies	-	13'422
Fiduciary investments with affiliated banks and investment firms	-	-
Fiduciary loans	-	-
Other fiduciary financial transactions	-	-
Total fiduciary transactions	-	13'422

ASSETS UNDER MANAGEMENT

(in CHF thousand)	Financial year	Previous year
Type of managed assets:		
Assets under discretionary asset management agreements	71'120	73'655
Other managed assets	2'991'845	2'949'426
Total managed assets (including double counting)	3'062'965	3'023'081
of which, double counting	115'757	111'109
Net new money inflow/outflow	-94'597	-53'437

INFORMATION ON THE INCOME STATEMENT

REFINANCING INCOME IN THE INTEREST INCOME ITEM

The Bank did not exercise this option in either the financial year or the previous year.

BREAKDOWN OF INCOME FROM TRADING OPERATIONS

(in CHF thousand)	Financial year	Previous year
Foreign exchange business	2'730	2'906
Derivative transactions	17	-20
Total income from trading operations	2'747	2'886

BREAKDOWN OF OTHER ORDINARY INCOME

(in CHF thousand)	Financial year	Previous year
Income from real estate	-	-
Other ordinary income	3'376	676
Total of other ordinary income	3'376	676

BREAKDOWN OF PERSONNEL EXPENSES

(in CHF thousand)	Financial year	Previous year
Wages and salaries	17'854	17'060
Social security contributions and expenses for pensions and other benefits	3'319	2'742
- of which for pension contributions	2'418	1'993
Other personnel expenses	759	856
Total personnel expenses	21'932	20'658

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS/EXECUTIVE MANAGEMENT

(in CHF thousand)	Financial year	Previous year
Remuneration of the Executive Management	3'071	3'995
Remuneration of the Board of Directors	407	301

BREAKDOWN OF GENERAL AND ADMINISTRATIVE EXPENSES

(in CHF thousand)	Financial year	Previous year
Office space expenses	1'253	1'057
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	7'672	5'563
Other general and administrative expenses	14'799	14'786
Total general and administrative expenses	23'725	21'407

BREAKDOWN OF AUDIT FEES

(in CHF thousand)	Financial year	Previous year
Audit of the annual financial statements	274	368
Other audit or assurance fees	416	231
Tax consultancy services	21	9
Other services	-	5
Total audit fees	710	613

OTHER ORDINARY EXPENSES

(in CHF thousand)	Financial year	Previous year
Tax expense *	-	1'115
Miscellaneous other ordinary expenses	507	649
Total of other ordinary expenses	507	1'764

* The tax expense item includes income taxes from previous years.

STATING THE RETURN ON INVESTMENT

(in CHF thousand)	Financial year	Previous year
	0.24%	1.12%

Calculated as the ratio of net profit/loss for the year in accordance with Art. 24c para. 1 no. 22 Banking Ordinance (BankV) and total assets.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS 2024 TO THE GENERAL MEETING

Opinion

We have audited the consolidated financial statements of SIGMA Bank AG and its subsidiary (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement and the consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting principles.

In our opinion, the consolidated financial statements (pages 16 to 47) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 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 the 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

RECOVERABILITY OF AMOUNTS DUE FROM CUSTOMERS

Key audit matters are those matters that, in our professional judgement, 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.

RECOVERABILITY OF AMOUNTS DUE FROM CUSTOMERS

Key Audit Matter

As of 31 December 2024, the Group reports amounts due from customers of CHF 707.8 million, representing 64.3% of total assets, and value adjustments for credit risks of CHF 100.4 million.

Amounts due from customers are valued at amortized cost, taking into account any value adjustments.

In the loan portfolio, value adjustments for credit risks are determined by applying judgement and assumptions. This applies particularly to the creation of individual value adjustments for loans at risk of default.

In the consumer credit business, estimated individual value adjustments were made for identifiable risks in the non-terminated portfolio, while flat-rate value adjustments were made in the terminated portfolio.

Due to the existence of considerable scope for judgement in the method of calculating and measuring any need for value adjustments and the high amount of the balance sheet position, we consider the recoverability of amounts due from customers to be a key audit matter.

Our Response

Our audit procedures included the verification of key controls relating to the approval, recording and monitoring of amounts due from customers. In this regard, we performed effectiveness tests of key controls on a sample basis.

In the loan portfolio, we assessed the appropriateness of the value adjustments recognized by the bank for a sample of loans with specific allowances. We also examined a sample of loans that were not classified by the bank as potentially at risk of default and assessed whether there was a need for value adjustments taking into account the collateral.

In the consumer credit business, we assessed the appropriateness of the assumptions made by the bank for the estimated individual value adjustments and the flatrate value adjustments. For a sample of receivables from customers, we also examined whether the allocation to the non-terminated portfolio was correct. In addition, we assessed whether the corresponding value adjustment per process status was made correctly.

Finally, we verified the complete and correct disclosure of the information in the notes to the consolidated financial statements in connection with the amounts due from customers.

For further information on amounts due from customers, refer to the following pages in the notes to the consolidated financial statements:

- Pages 23 to 27: Accounting and valuation principles
- Page 30: Overview of the collateral and Impaired loans
- Page 33: Value adjustments and provisions

Other Information

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, the stand-alone 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 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 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 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 judgement and maintain professional scepticism 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 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 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Audit and Risk Committee 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 and the Audit and Risk Committee, 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 April 2024. We have been the statutory auditor of the Group without interruption since the financial year ending 31 December 2019.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Audit Committee 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 the audited company or for the companies controlled by it:

- Regulatory audit according to Article 37ff Banking Act
- Tax consulting according to Article 46 Act on Auditors

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

Further Confirmations pursuant to Article 196 PGR

The consolidated annual report (page 13 to 14) 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 the 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 consolidated financial statements submitted to you be approved.

KPMG (Liechtenstein) AG

Ricarda Gassner
Chartered Accountant
Auditor in Charge

Philipp Gämperle
Swiss Certified Accountant

Vaduz, 15 April 2025

Annual report 2024
SIGMA Bank AG

BANKING BODIES OF SIGMA BANK AG

AS OF 31.12.2024

Board of Directors

William Benjamin Schlaff, Chairman
 Michael Hason, Vice Chairman
 Dr Michael Grahammer
 Dr Eva Marchart
 Dr Roland Müller
 Jam Schlaff
 Hans Stamm

Management

Aris Prepoudis, CEO
 Stéphanie Ichter, CFO; CRO (from 01.10.2024)
 Günter Völker, COO
 Martin Arnold, CRO (until 30.09.2024)

Auditors

KPMG (Liechtenstein) AG, Vaduz

ANNUAL REPORT

In 2024, SIGMA Bank AG successfully maintained its market position and once again achieved a solid result, despite the challenging global economic situation. A key focus in the financial year was on targeted investments in digitalisation. By optimising its digital infrastructure, the Bank was able to make its services more efficient and therefore more customer-oriented, resulting in greater customer satisfaction. SIGMA Bank AG continues to attach great importance to high-quality growth by continuously expanding its expertise and technical capacities. This strategic focus on the Bank's core competences makes it possible to create long-term added value for customers, employees and partners. SIGMA Bank AG is excellently positioned to continue to grow successfully in the coming years and to support its clients with customised solutions.

Development of the result

SIGMA Bank AG recorded a robust result for the 2024 financial year, to which all business divisions contributed. Strategically important expenditure with a view to the bank's successful future is the main reason for the difference in the result in comparison with the previous year. Net profit amounts to CHF 7.3 million. Due to the higher interest rates prevailing in the financial year, interest income increased to CHF 32.4 million (previous year: CHF 27.4 million), while refinancing costs rose to CHF 10.2 million (previous year: CHF 7.1 million). This resulted in net interest income of CHF 22.2 million (+9.2%). Value adjustments for the year 2024 totalled CHF 0.2 million.

Commission income totalled CHF 13.9 million and increased slightly compared to the previous year (+7.4%), as did commission expenses, which amounted to CHF 4.1 million (+12.3%).

Spot transactions for our customers and customer-initiated foreign exchange transactions made up the bulk of the trading profit of CHF 2.9 million, which was only slightly lower than in the previous year (-3.6%).

After taking into account depreciation and amortisation and other ordinary expenses, SIGMA Bank AG closed the financial year with a pre-tax profit of CHF 8.7 million.

Development of the balance sheet

Total assets amounted to CHF 849 million as at 31.12.2024, CHF 51 million higher than the figure as at 31.12.2023 (CHF 798 million). Receivables from customers decreased from CHF 296 million to CHF 252 million, of which CHF 181 million is attributable to mortgage receivables (-14.8% and -17.8% respectively). Liabilities to customers increased by CHF 51 million and totalled CHF 656 million as at the balance sheet date.

Risk management

The Bank's business is subject to the usual banking risks. In addition to liquidity and credit risk, operational risk and interest rate risk are categorised as significant risks. The risks are monitored continuously and appropriately by the Management and the Board of Directors. Appropriate risk provisions are made for all recognisable risks.

**Events after
the balance sheet date**

No events have occurred that have a material impact on the net assets, financial position and results of operations of the Bank.

Outlook for 2025

The outlook for the 2025 financial year is characterised by our strategy of achieving sustainable growth and creating lasting added value for existing and new customers. Our comprehensive range of services combined with our customer-centric approach form the framework, within which we want to achieve our goals for 2025.

BALANCE SHEET

as at 31 December 2024

Assets (in CHF thousand)	31/12/2024	31/12/2023
Liquid assets	50'869	22'201
Amounts due from banks	258'183	204'763
Repayable upon demand	33'763	68'641
Other receivables	224'420	136'122
Amounts due from customers	252'114	295'901
- of which mortgage loans	181'423	220'711
Debt securities and other fixed-interest securities	90'040	89'249
Bonds	90'040	89'249
- from public issuers	28'102	22'003
- from other issuers	61'938	67'246
Shares in affiliated companies	178'004	169'600
Intangible assets	192	344
Tangible assets	7'472	8'068
Other assets	8'794	6'686
Accrued income and prepaid expenses	3'184	1'539
Total assets	848'853	798'351

BALANCE SHEET

as at 31 December 2024

Liabilities (in CHF thousand)	31/12/2024	31/12/2023
Amounts due to banks	3'542	194
Payable upon demand	3'542	194
Amounts due to customers	655'676	604'783
Savings deposits	4'828	5'897
Other liabilities	650'848	598'887
- payable upon demand	307'943	335'314
- with an agreed maturity or period of notice	342'905	263'572
Other liabilities	8'013	29'041
Accrued expenses and deferred income	3'770	2'563
Provisions	2'667	2'248
Tax provisions	2'667	2'248
Reserves for general banking risks	870	870
Share capital	129'000	129'000
Capital reserves	8'404	-
Retained earnings	15'799	15'281
Legal reserves	8'343	7'825
Other reserves	7'456	7'456
Profit carried forward	13'853	4'025
Profit for the year	7'260	10'346
Total liabilities	848'853	798'351

OFF-BALANCE SHEET TRANSACTIONS

as at 31 December 2024

Off-balance sheet items (in CHF thousand)	31/12/24	31/12/23
Contingent liabilities		
Liabilities arising out of guarantees and warranty agreements and liability arising out of the provision of collateral	12'810	14'760
Total contingent liabilities	12'810	14'760
Credit risks		
Irrevocable commitments	20'916	9'641
Total credit risks	20'916	9'641
Derivative financial instruments		
Contract volume	198'314	347'241
Positive replacement values	5'129	1'869
Negative replacement values	1'106	5'960
Fiduciary transactions		
Fiduciary investments with third-party banks	-	13'422
Total fiduciary transactions	-	13'422

INCOME STATEMENT

from 1st January to 31st December 2024

Income statement (in CHF thousand)	2024	2023
Result from interest operations		
Interest income	32'359	27'393
- of which from fixed-interest securities	2'980	3'152
Interest expense	-10'161	-7'055
Subtotal net result from interest operations	22'199	20'338
Current income from securities		
Current income from shares in affiliated companies	-	1'468
Subtotal of the current income from securities	-	1'468
Result from commission business and services		
Commission income	13'885	12'923
- Commission income from lending activities	1'282	770
- Commission income from securities trading and investment activities	9'934	9'168
- Commission income from other services	2'670	2'986
Commission expenses	-4'141	-3'689
Subtotal result from commission business and services	9'744	9'234
Result from trading activities and the fair value option		
Trading income	2'851	2'956
Subtotal result from trading activities and the fair value option	2'851	2'956
Other ordinary income		
Other ordinary income	130	648
Subtotal of other ordinary income	130	648
Operating expenses		
Personnel expenses	-13'947	-13'010
- Wages and salaries	-11'159	-10'697
- Social security contributions and expenses for pensions and other benefits	-2'103	-1'773
- of which for pensions	-1'877	-1'552
- Other personnel expenses	-685	-540
General and administrative expenses	-11'289	-8'415
Subtotal of operating expenses	-25'236	-21'425
Gross profit	9'687	13'220
Depreciation on intangible assets and tangible assets	-785	-1'112
Other ordinary expenses	-137	-568
Value adjustment on receivables and allocation to reserves	-164	-1'583
for contingent liabilities and credit risks		
Income from the reversal of value adjustments on receivables and allocation to reserves for contingent liabilities and credit risks	76	79
Depreciation on investments, shares in affiliated companies and securities treated as fixed assets	-	-
Income from write-ups on investments, shares in affiliated companies and securities treated as fixed assets	-	1'813
Income from ordinary business	8'677	11'848
Income taxes	-1'269	-1'465
Other taxes	-148	-37
Profit/loss for the period	7'260	10'346

PROPOSAL OF THE BOARD OF DIRECTORS

to the Annual General Meeting of Shareholders on 17th April 2025

The Board of Directors proposes the following appropriation of profit to the 2024 Annual General Meeting:

Appropriation of profits (in CHF)	2024
Profit for the year	7'259'756.17
Profit carried forward	13'853'485.85
Retained earnings	21'113'242.02
Appropriation of profits	
- Allocation to the legal reserves	-363'000.00
- Allocation to other reserves	-
- Distribution of dividend	-
New profit carried forward	20'750'242.02

CASH FLOW STATEMENT

from 1st January to 31st December 2024

(in CHF thousand)	2024		2023	
	Source of funds	Use of funds	Source of funds	Use of funds
Cash flow from operating result (internal financing)				
Annual result	7'260	-	10'346	-
Depreciation on fixed assets	785	-	1'112	-
Value adjustments and provisions	1'075	-	2'488	-
Accrued income and prepaid expenses	-	1'644	848	-
Accrued expenses and deferred income	1'207	-	964	-
Dividend of the previous year	-	-	-	8'100
Balance	8'682	-	7'659	-
Cash flow from equity transactions				
Premium from capital increase	8'404	-	-	-
Balance	8'404	-	-	-
Cash flow from transactions in fixed assets				
Shares in affiliated companies	-	8'404	-	-
Other tangible assets	18	-	-	668
Intangible assets	-	56	-	18
Securities and precious metals held as fixed assets	-	791	31'161	-
Balance	-	9'233	30'475	-
Cash flow from banking business				
Medium and long-term business (>1 year)				
Amounts due to customers	-	802	3'467	-
Savings deposits	-	1'069	-	545
Amounts due from banks	4'986	-	-	15'476
Mortgage loans	39'287	-	-	27'820
Balance	42'403	-	-	40'374
Short-term business (<1 year)				
Amounts due to banks	3'348	-	-	281
Amounts due to customers	52'763	-	-	109'914
Other liabilities	-	21'027	20'412	-
Amounts due from banks	-	58'406	81'062	-
Amounts due from customers	3'843	-	5'337	-
Other assets	-	2'108	-	605
Balance	-	21'588	-	3'989
Liquidity:				
Liquid assets	-	28'668	6'229	-
Balance	-	28'668	6'229	-
Total	59'489	59'489	44'363	44'363

NOTES TO THE ANNUAL FINANCIAL STATEMENT 2024

Notes on the business activity, Stating the number of employees

General information

At the end of 2024, SIGMA Bank AG employed 68.5 (previous year 61.1) people on a full-time equivalent basis. As a universal bank, SIGMA Bank AG is active in the commission and services business, the lending business, the money market and interbank business as well as the trading business. The majority of customers are from Liechtenstein, Switzerland, Germany and Austria.

Earnings structure

For analysing the income structure, gross income is taken into account without deducting expenses. Only net trading income is included in the analysis.

In the 2024 financial year, the majority of income was attributable to income from lending operations at 66% (previous year: 60%). Commission business and services contributed 28% to operating income (previous year: 29%). Trading activities make up 6% of operating income (previous year: 7%) and the subsidiary's dividend 0% (previous year: 3%). Other ordinary income plays a subordinate role at 1% (previous year: 1%).

Commission and service business

The majority of income from the commission and services business comes from securities management and custody account fees. Brokerage fees for trading securities for customers are another important income component.

Lending business

The lending business mainly consists of mortgages, Lombard loans and fixed advances. The majority of mortgages are granted to finance properties in Liechtenstein and Switzerland.

Custodian bank for investment funds

SIGMA Bank AG acts as a custodian bank for investments funds and provides additional comprehensive services for investment funds.

Trading activities

Trading activities are conducted with first-class counterparties. Income from trading business largely comes from foreign exchange gains.

Derivative financial instruments

These are transactions carried out by customers which are mediated by first-class counterparties. The positive and negative replacement values of derivative financial instruments are recognised in the balance sheet and in the notes. The contract volume is indicated in the notes.

Outsourcing business divisions

Internal auditing has been outsourced to PricewaterhouseCoopers GmbH, 9491 Ruggell. The Bank's IT operation is outsourced to CCL AG, 9494 Schaan.

Remuneration policy

SIGMA Bank AG places strong emphasis on appropriate remuneration for employees that is in line with the market. As part of the consistent implementation of the business strategies defined by the Board of Directors, it is ensured that neither employees nor management are entitled to variable salary components and no special bonuses are promised. This also rules out the possibility of risk takers in the bank being influenced by a monetary conflict of interest in their function. The executive management is responsible for appropriately remunerating employees in line with the market, while the Board of Directors is responsible for the remuneration of the executive management.

Accounting and valuation principles

Bookkeeping, valuation and accounting

These activities are carried out in accordance with the provisions of the Liechtenstein Persons and Companies Act (PGR), the Liechtenstein Banking Act and the related ordinance.

Recognition and accounting

All transactions are recognised in the books on the balance sheet date and assessed from this date in accordance with the principles below.

Liquid assets, Amounts due from banks, Amounts due to customers

These are recognised at nominal value or at cost minus individual value adjustments for receivables at risk.

Amounts due from customers

Claims at risk, i.e. claims for which it is unlikely that the debtor will be able to meet its future obligations, are valued on an individual basis and individual value adjustments are recognised for impairment.

Off-balance sheet transactions are included in this valuation. Loans are deemed to be at risk if the contractually agreed payments for capital and/or interest are outstanding for more than 90 days or the redemption of the claim appears unlikely for other reasons. Interest that is outstanding for more than 90 days is impaired and only recognised in the income statement upon payment. Loans are recognised without interest if recovering the interest is so doubtful that the accrual is no longer considered appropriate.

The value adjustment is based on the difference between the book value of the receivable and the expected recoverable amount, considering the counterparty risk and the net proceeds from the realisation of any collateral. If the realisation process is expected to take more than one year, the estimated realisation proceeds are discounted to the balance sheet date. The individual value adjustments are deducted directly from the corresponding asset items.

If a claim is classified as fully or partially irrecoverable or a debt waiver is granted, the receivable is derecognised from the corresponding value adjustment. Recoveries of amounts previously derecognised are recorded in the income statement.

Debt securities and other fixed-interest securities, Equities and other non-fixed-interest securities

Fixed-interest securities that are to be held until maturity are valued using the accrual method. The premium or discount is deferred over the term until maturity. Interest-related realised gains or losses from premature sale or repayment are deferred over the remaining term, i.e. until the initial final maturity. Interest income is included in the interest income item. Investments and other non-fixed-interest securities held as fixed assets are recognised according to the lowest value principle.

Shares in affiliated companies

Shares in affiliated companies are assessed at acquisition cost minus depreciation and amortisation.

Tangible assets, intangible assets

The company's own bank building and other tangible assets are recognised at cost. Depreciation is recognised to the extent necessary for business purposes.

Other assets and liabilities

Transactions done by customers with derivative financial instruments are only entered in the balance sheet if they are OTC contracts. The replacement values of customer transactions with exchange-traded contracts are only reported if the accumulated daily loss is not fully covered by the margin effectively required.

Hedging transactions are also carried out to minimise interest rate risks. Income from hedging transactions is generally recognised in interest expense. Income from the derivatives used for balance sheet structure management to manage interest rate risks is calculated with the accrual method. The interest component is deferred over the term to maturity using the compound interest method. The accrued interest on the hedged item is recognised in the adjustment account under other assets or other liabilities.

Value adjustments and provisions

Individual or flat-rate value adjustments are recognised for all loss risks identifiable on the balance sheet date in accordance with the prudence concept. In addition, provisions are recognised for identifiable or foreseeable risks.

A provision is recognised for capital and income taxes. Taxes are calculated and recognised on the basis of the result for the reporting year. The tax effects between the values reported in the balance sheet and their tax values are posted as deferred taxes. The calculation is based on the tax rates estimated for the actual taxation. If this is not known, the calculation is done at the tax rates applicable on the balance sheet date. The provision for deferred taxes is recognised in the income statement.

Contingent liabilities and irrevocable commitments

Contingent liabilities and irrevocable commitments are recognised off-balance sheet at nominal value. Provisions are recognised for foreseeable risks.

Foreign currencies

Assets and liabilities denominated in foreign currencies are valued at the average rates applicable on the balance sheet date. The exchange rates applicable on the transaction date are used for income and expenses. The foreign currency differences resulting from the valuation are recognised in the income statement.

The following exchange rates prevailing on the balance sheet date were used for currency conversion:

Financial year	Previous year
EUR 0.937950	EUR 0.930530
USD 0.906100	USD 0.842000
GBP 1.134400	GBP 1.072300

Events after the balance sheet date

There have been no events that have had a significant impact on the asset situation, financial and profit situation of the bank.

Risk management

Risk management is an integral part of the bank. By implementing a comprehensive risk management framework, the bank is able to effectively identify, measure, monitor, and control potential risks. This enables us to navigate the bank successfully and sustainably even in a challenging environment. The measurement and monitoring of credit and market risks, along with adherence to defined thresholds and compliance limits, are central to this process. Limits are regularly monitored and adjusted as necessary to ensure that risks remain within an acceptable range. Additionally, we regularly validate the methods used to measure and manage risks. With regard to disclosure in accordance with European regulations, we refer to the disclosure report available on our website.

Interest rate risks

The interest rate risk in the banking book comprises all interest-bearing transactions, both on and off the balance sheet. The risk arises from different fixed interest rates for receivables and liabilities. The interest rate risk position arises mainly from variable index-linked lending business and deposits without fixed interest rates. Other influencing factors are bond holdings in the securities portfolio and derivative positions, mainly interest rate swaps. Another component arises from the interest rate floors and ceilings in the customer business - both on the assets side and on the liabilities side. A positive maturity transformation also generates a structural contribution. The basis for identifying and measuring interest rate risks is the interest rate gap analysis (net position of assets and liabilities per maturity band). The interest rate risk coefficient measures the interest rate risk against a parallel shift in the interest curve in relation to equity.

Credit risks

In general, a credit risk exists for all products where the default of a counterparty can lead to a loss. The main risk for the bank here is the risk from lending, whereby primarily mortgage loans are granted to private customers. In addition, the bank has given funding for property development and similar purposes. In addition to the credit risk in the traditional lending business, there is also a credit risk in off-balance sheet transactions if the item has to be covered at less favourable conditions if the counterparty were to default. Credit risk is monitored continuously in accordance with the applicable business policy. The risk is taken into account by recognising appropriate value adjustments. Loans to customers are primarily given against collateral (e.g. mortgages). There is a risk-oriented authorisation procedure for credit approval, in which creditworthiness and borrowing capacity are assessed according to uniform criteria. To minimise the default risk, the bank has also defined loan-to-value margins that are customary in the industry. The recoverability of collateral is reviewed at appropriate intervals, depending on the type of collateral.

The following values are used as a starting point for the loan-to-value ratio for determining the estimated values of properties:

- Condominiums, detached and semi-detached houses: Income value and asset value
- Apartment buildings and commercial properties: Income value and asset value
- Undeveloped property: Net asset value

Liquidity risks

In order to cover its liquidity requirements, the bank strives for a balanced combination of current and non-current assets. The careful selection of HQLA (High Quality Liquid Assets) enables the bank to hold a robust pool of liquid assets that can withstand various market conditions and fulfil regulatory requirements. As part of its risk management practices, the bank carefully monitors and manages its cash flows, liquidity ratios and sources of financing. It carries out simulations and valuations to analyse the effects of various scenarios on its overall liquidity position.

Operational and legal risks

Operational risk is the risk of losses caused by the inadequacy or failure of internal processes, people, systems or external events, including legal risks. SIGMA Bank AG manages its operational risks through a systemic management approach. Key components of this approach include a bank-wide Internal Control System (ICS) and event management. These ensure the implementation of internal regulations and guidelines for organization and control in a structurally secure manner. This includes, in particular, bank-wide adherence to the "four-eye principle" and proper segregation of duties. These are regularly reviewed by various internal and external stakeholders. To establish OpRisk management as part of the bank's risk culture, training sessions and reviews are conducted.

Sanction risks

Sanction risks are a key component of the bank's risk management framework, as geopolitical tensions and international sanctions can have significant impacts on business operations. Sanctions may be imposed by individual states or international organizations and often target specific countries, industries, or individuals. The bank continuously evaluates and monitors the sanctions landscape to ensure compliance with all regulatory requirements and to identify potential risks in this area at an early stage. The increasing globalization and dynamic development of international relations have necessitated a more robust risk assessment in recent years. In particular, in light of political tensions and changes in international sanctions policies, the bank regularly adapts its risk management processes and compliance standards to minimize sanctions risk and ensure the business remains secure and sustainable.

Risks in trading and the use of derivatives

The bank bears the risk for other market risk categories, such as the price risk for its own securities holdings, which relates to the potential loss in value. The bank carefully monitors and implements various measures for risk mitigation to minimise the impact of price fluctuations and to protect the total portfolio. Other risks, such as the credit spread risk, relate to potential losses caused by a deterioration in the creditworthiness of a bond issuer. Credit quality, market conditions and other variables contribute to this risk. In order to manage risk effectively, the bank carries out scenario analyses from an economic and normative perspective. The normative scenario analysis involves calculating the value at risk (VaR) based on historical data, while the economic perspective incorporates historical and parametric methods.

Other market risks

The bank bears the risk for other market risk categories, such as the price risk for its own securities holdings, which relates to the potential loss in value. The bank carefully monitors and implements various measures for risk mitigation to minimise the impact of price fluctuations and to protect the total portfolio. Other risks, such as the credit spread risk, relate to potential losses caused by a deterioration in the creditworthiness of a bond issuer. Credit quality, market conditions and other variables contribute to this risk. In order to manage risk effectively, the bank carries out scenario analyses from an economic and normative perspective. The normative scenario analysis involves calculating the value at risk (VaR) based on historical data, while the economic perspective incorporates historical and parametric methods.

INFORMATION ON THE BALANCE SHEET

OVERVIEW OF THE COLLATERAL

(in CHF thousand)	Type of collateral			Total
	Secured by mortgage	Other collateral	Unsecured	
Loans				
Amounts due from customers (without mortgage loans)	26'774	26'254	17'662	70'691
Mortgage loans	181'423	-	-	181'423
- Residential properties	168'275	-	-	168'275
- Commercial and business premises	13'149	-	-	13'149
Total loans for the financial year	208'198	26'254	17'662	252'114
Previous year	248'623	22'184	25'094	295'901
Off-balance sheet				
Contingent liabilities	1'458	3'927	7'426	12'810
Irrevocable commitments	749	-	20'167	20'916
Total off-balance sheet for the financial year	2'206	3'927	27'592	33'726
Previous year	4'860	5'126	14'415	24'401

IMPAIRED LOANS

(in CHF thousand)	Gross debt amount	Estimated liquidation value of collateral *	Net debt amount	Individual value adjustments
Financial year	10'625	8'233	2'392	2'392
Previous year	1'735	-	1'735	1'735

* Credit or realisable value per customer, The lower value is decisive

TRADING PORTFOLIOS IN SECURITIES AND PRECIOUS METALS

No trading portfolios in securities and precious metals are held.

SECURITIES AND PRECIOUS METAL HOLDINGS IN FIXED ASSETS

(in CHF thousand)	Book value		Acquisition value		Market value	
	Financial year	Previous year	Financial year	Previous year	Financial year	Previous year
Debt instruments	90'040	89'249	89'454	89'395	90'134	88'888
- of which valued according to the "accrual method"	90'040	89'249	89'454	89'395	90'134	88'888
- of which valued at the lowest value	-	-	-	-	-	-
- of which eligible securities	42'252	24'654	41'915	24'472	42'358	24'775

Premiums and discounts are deferred over the (remaining) term until maturity.

These are mainly listed securities with HQLA* quality.

* HQLA = high quality liquid asset

SHARES IN AFFILIATED COMPANIES

On the balance sheet date, SIGMA Bank AG held an interest in the following affiliated company:

SIGMA KREDITBANK AG, Landstrasse 156, 9495 Triesen

Business activity: Operating a bank

Share capital: € 100'000'000.00

Amount of holding: 100%

SUMMARY OF FIXED ASSETS

(in CHF thousand)										
	Acquisition value	Accrual valuation accumulated to date	Depreciation accumulated to date	Carrying amount at end of previous year	Investments	Divestments	Accrual valuation	Write-ups	Depreciation and amortisation	Carrying amount at end of the financial year
Total securities of fixed assets	93'538	4.098	191	89'249	35'587	34'210	586	-	-	90'040
Total shares in affiliated companies	169'600	-	-	169'600	8'404	-	-	-	-	178'004
Total intangible assets (IT software)	4'148	-	3'805	344	56	-	-	-	208	192
Real estate										
- Bank building	10'819	-	4'238	6'581	-	-	-	-	113	6'468
Other tangible assets	7'156	-	5'669	1'487	161	179	-	-	465	1'004
Total tangible assets	17'975	-	9'906	8'068	161	179	-	-	577	7'472

(in CHF thousand)		
	Financial year	Previous year
Fire insurance value of the properties	7'919	7'919
Fire insurance value of other tangible assets	1'300	1'300
Liabilities: future lease instalments from operational leasing	-	-

Liabilities relating to own pension schemes:
There are no obligations.

Outstanding bonds:
There are no outstanding bonds.

VALUE ADJUSTMENTS AND PROVISIONS

(in CHF thousand)						
	Status at the end of the previous year	Uses in conformity with designated purpose	Recoveries, overdue interest, currency differences	New creations charged to income	Releases to the income statement	Status at the end of the financial year
Value adjustments for default risks						
- Individual value adjustments	1'735	45	613	164	76	2'392
Provisions for taxes and deferred taxes	2'248	935	-	1'384	31	2'667
Other provisions	-	-	-	-	-	-
Total value adjustments and Provisions	3'984	980	613	1'549	107	5'058
minus:						
Value adjustments	1'735	45	613	164	76	2'392
Total provisions as per balance sheet	2'248	935	-	1'384	31	2'667
Reserves for general banking risks	870	-	-	-	-	870

SHARE CAPITAL

(in CHF thousand)	Financial year			Previous year		
	Total nominal value	Quantity	Dividend-entitled capital	Total nominal value	Quantity	Dividend-entitled capital
Share capital	129'000	1'290'000	129'000	129'000	1'290'000	129'000

Significant shareholders with voting rights (in CHF thousand)	Financial year		Previous year	
	Nominal	Share in %	Nominal	Share in %
MSP Stiftung, 9495 Triesen	63'597	49.30	63'597	49.30
LHUP Stiftung, 9495 Triesen	57'921	44.90	57'921	44.90

No other person holds more than 5% of the voting rights.

STATEMENT OF EQUITY

(in CHF thousand)	2024
Equity at the beginning of the financial year	
Paid-in share capital	129'000
Capital reserves	0
Legal reserves	7'825
Other reserves	7'456
Reserves for general banking risks	870
Retained earnings	14'371
Total equity at the beginning of the financial year	159'522
+ Capital increase	-
+ Capital reserves	8'404
+ Allocation to legal reserves	518
- Dividends and other appropriation of profits	-518
+ Annual profit	7'260
Total equity at the end of the financial year	175'186
of which: Paid-in share capital	129'000
Capital reserves	8'404
Legal reserves	8'343
Other reserves	7'456
Reserves for general banking risks	870
Retained earnings	21'113

MATURITY STRUCTURE OF THE ASSETS AND OF LIABILITIES AND PROVISIONS

(in CHF thousand)

	at sight	upon demand	due within 3 months	due within 3 months to 12 months	due within 12 months to 5 years	due after 5 years	no maturity	Total
Assets								
Liquid assets	50'869	-	-	-	-	-	-	50'869
Amounts due from banks	33'763	216'623	2'814	4'984	-	-	-	258'183
Amounts due from customers	-	232'667	6'760	657	1'149	10'882	-	252'114
<i>of which mortgage loans</i>	-	168'635	100	657	1'149	10'882	-	181'423
Trading portfolios in securities and precious metals	-	-	-	-	-	-	-	-
Securities and precious metal holdings of fixed assets	-	-	9'100	30'939	50'000	-	-	90'040
Shares in affiliated companies	-	-	-	-	-	-	178'004	178'004
Other assets	98	-	8'993	1'844	476	568	7'665	19'642
Total assets in the financial year	84'730	449'290	27'667	38'424	51'625	11'450	185'669	848'853
Previous year	90'886	387'768	36'250	30'842	61'613	12'981	178'012	798'351
Liabilities and provisions								
Amounts due to banks	3'542	-	-	-	-	-	-	3'542
Amounts due to customers								
a) Savings deposits	-	4'828	-	-	-	-	-	4'828
b) Other liabilities	307'943	181'837	39'564	118'838	2'666	-	-	650'848
Provisions	-	-	-	2'667	-	-	-	2'667
(without reserves for general banking risks)								
Other liabilities	4'291	-	7'073	419	-	-	-	11'783
Total liabilities and provisions in the financial year	315'776	186'665	46'637	121'924	2'666	-	-	673'667
Previous year	353'812	155'199	94'223	32'128	3'467	-	-	638'829

RECEIVABLES FROM AND LIABILITIES TO AFFILIATED COMPANIES, QUALIFIED INVESTORS AS WELL AS LOANS TO GOVERNING BODIES AND TRANSACTIONS WITH RELATED PARTIES

(in CHF thousand)

	Financial year	Previous year
Amounts due from affiliated companies in the items		
- Amounts due from banks	101'767	116'058
- Amounts due from customers	-	-
Total amount of amounts due from affiliated companies	101'767	116'058
Amounts due from qualified investors in the items		
- Amounts due from banks	-	-
- Amounts due from customers	203	-
Total amount of amounts due from qualified investors	203	-
Amounts due to affiliated companies in the items		
- Amounts due to banks	-	8
- Amounts due to customers	-	-
Total amount of amounts due to affiliated companies	-	8
Amounts due to qualified investors in the items		
- Amounts due to banks	-	-
- Amounts due to customers	14'168	3'919
Total amount of amounts due to qualified investors	14'168	3'919
Loans to governing bodies	37'445	23'846

Transactions with related parties:

Transactions with related parties (such as securities transactions, payment transactions, granting of loans and compensation on deposits) are granted in conformity with market conditions.

ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN

(in CHF thousand)	Financial year			Previous year		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Assets						
Liquid assets	50'869	-	50'869	22'201	-	22'201
Amounts due from banks	130'231	127'952	258'183	158'073	46'690	204'763
Amounts due from customers (without mortgage loans)	52'051	18'640	70'691	45'141	30'049	75'190
Mortgage loans	137'844	43'579	181'423	176'023	44'688	220'711
Debt securities and other fixed-interest securities	1'801	88'239	90'040	1'733	87'516	89'249
Shares and other variable-yield securities	-	-	-	-	-	-
Shares in affiliated companies	178'004	-	178'004	169'600	-	169'600
Intangible assets	192	-	192	344	-	344
Tangible assets	7'472	-	7'472	8'068	-	8'068
Other assets	8'692	102	8'794	6'542	144	6'686
Accrued income and prepaid expenses	3'184	-	3'184	1'539	-	1'539
Total assets	570'341	278'512	848'853	589'264	209'087	798'351
Liabilities						
Amounts due to banks	3'542	-	3'542	194	-	194
Amounts due to customers (without savings deposits)	236'199	414'649	650'848	243'486	355'401	598'887
Savings deposits	1'998	2'829	4'828	2'666	3'231	5'897
Other liabilities	7'440	574	8'013	29'018	22	29'041
Accrued expenses and deferred income	3'770	-	3'770	2'563	-	2'563
Provisions	2'667	-	2'667	2'248	-	2'248
Subordinated liabilities	-	-	-	-	-	-
Reserves for general banking risks	870	-	870	870	-	870
Share capital	129'000	-	129'000	129'000	-	129'000
Capital reserves	8'404	-	8'404	-	-	-
Legal reserves	8'343	-	8'343	7'825	-	7'825
Other reserves	7'456	-	7'456	7'456	-	7'456
Foreign currency differences	-	-	-	-	-	-
Profit carried forward	13'853	-	13'853	4'025	-	4'025
Profit for the year	7'260	-	7'260	10'346	-	10'346
Total liabilities	430'801	418'052	848'853	439'697	358'654	798'351

ASSETS BY COUNTRY OR GROUP OF COUNTRIES

(in CHF thousand)	Financial year		Previous year	
	Absolute	Share as %	Absolute	Share as %
Assets				
Liechtenstein and Switzerland	570'341	67%	589'264	74%
Europe	238'226	28%	163'175	20%
North America	25'247	3%	30'232	4%
Other countries	15'039	2%	15'680	2%
Total assets	848'853	100%	798'351	100%

ASSETS AND LIABILITIES BY THE MOST SIGNIFICANT CURRENCIES

(in CHF thousand)	CHF	EUR	USD	Other	Total
Assets					
Liquid assets	50'241	475	137	16	50'869
Amounts due from banks	3'733	184'028	42'548	27'874	258'183
Amounts due from customers (without mortgage loans)	21'489	23'443	25'370	389	70'691
Mortgage loans	142'013	39'411	-	-	181'423
Debt securities and other fixed-interest securities	-	47'301	42'739	-	90'040
Shares and other variable-yield securities	-	-	-	-	-
Shares in affiliated companies	178'004	-	-	-	178'004
Intangible assets	192	-	-	-	192
Tangible assets	7'472	-	-	-	7'472
Other assets	8'710	79	4	-	8'794
Accrued income and prepaid expenses	2'748	330	106	-	3'184
Total assets shown on-balance	414'603	295'067	110'905	28'279	848'853
Delivery entitlements from spot exchange, forward forex and forex options transactions	17'118	71'145	87'717	18'010	193'991
Total assets	431'721	366'212	198'621	46'289	1'042'844
Previous year	470'995	313'856	278'857	80'018	1'143'726
Liabilities					
Amounts due to banks	3'210	319	-	13	3'542
Amounts due to customers (without savings deposits)	97'796	328'702	180'649	43'701	650'848
Savings deposits	4'662	157	9	-	4'828
Other liabilities	5'649	1'169	1'190	6	8'013
Accrued expenses and deferred income	2'967	581	189	33	3'770
Provisions	2'667	-	-	-	2'667
Subordinated liabilities	-	-	-	-	-
Reserves for general banking risks	870	-	-	-	870
Share capital	129'000	-	-	-	129'000
Capital reserves	8'404	-	-	-	8'404
Legal reserves	8'343	-	-	-	8'343
Other reserves	7'456	-	-	-	7'456
Foreign currency differences	-	-	-	-	-
Profit carried forward	13'853	-	-	-	13'853
Profit for the year	7'260	-	-	-	7'260
Total liabilities shown on-balance	292'136	330'928	182'037	43'752	848'853
Delivery obligations from spot exchange, forward forex and forex options transactions	131'995	35'222	16'586	2'532	186'335
Total liabilities	424'132	366'150	198'623	46'284	1'035'189
Previous year	470'179	314'129	279'020	80'018	1'143'346

OTHER ASSETS AND LIABILITIES

Other assets (in CHF thousand)	Financial year	Previous year
Positive replacement values of derivative financial instruments	5'129	1'869
Balance of derivatives adjustment account	3'522	4'735
Settlement accounts	142	82
Total other assets	8'794	6'686

Other liabilities (in CHF thousand)	Financial year	Previous year
Negative replacement values of derivative financial instruments	1'106	5'960
Balance of derivatives adjustment account	4'021	5'787
Settlement accounts	2'886	17'294
Total other liabilities	8'013	29'041

PLEGDED OR ASSIGNED ASSETS AND
ASSETS SUBJECT TO RESERVATION OF OWNERSHIP,
WITHOUT SECURITIES LENDING OR
REPURCHASE TRANSACTIONS

(in CHF thousand)	Financial year	Previous year
Book value of pledged or assigned (assigned as collateral) assets *)	23'694	25'647
Actual liabilities	832	1'608

*) Mainly assets eligible as collateral for the derivative transaction

INFORMATION ON THE OFF-BALANCE SHEET BUSINESS

CONTINGENT LIABILITIES

(in CHF thousand)	Financial year	Previous year
Guarantees to secure credits and similar	12'810	14'760
Performance guarantees and similar	-	-
Irrevocable commitments	-	-
Other contingent liabilities	-	-
Total contingent liabilities	12'810	14'760

IRREVOCABLE COMMITMENTS

(in CHF thousand)	Financial year	Previous year
Irrevocable promises to pay	20'916	9'641
Other irrevocable commitments	-	-
Total irrevocable commitments	20'916	9'641

OPEN DERIVATIVE FINANCIAL INSTRUMENTS

(in CHF thousand)	Trading Instruments			Hedging Instruments		
	Positive replacement value	Negative replacement value	Contract volume	Positive replacement value	Negative replacement value	Contract volume
Interest rate instruments						
Swaps	-	-	-	568	-	8'702
Foreign exchange/precious metals						
Futures contracts	5	2	312	-	-	-
Combined interest rate/currency swaps	626	626	35'804	3'931	477	153'496
Options (OTC)	-	-	-	-	-	-
Equity securities/indices						
Futures	-	-	-	-	-	-
Other						
Options (OTC)	-	-	-	-	-	-
Total financial year	631	629	36'116	4'498	477	162'198
Total previous year	801	816	198'269	1'067	5'144	148'972

FIDUCIARY TRANSACTIONS

(in CHF thousand)	Financial year	Previous year
Fiduciary investments with third-party companies	-	13'422
Fiduciary investments with affiliated banks and investment firms	-	-
Fiduciary loans	-	-
Other fiduciary financial transactions	-	-
Total fiduciary transactions	-	13'422

ASSETS UNDER MANAGEMENT

(in CHF thousand)	Financial year	Previous year
Type of managed assets:		
Assets under discretionary asset management agreements	71'120	73'655
Other managed assets	2'991'845	2'949'426
Total managed assets (including double counting)	3'062'965	3'023'081
of which, double counting	115'757	111'109
Net new money inflow/outflow	-94'597	-53'437

INFORMATION ON THE INCOME STATEMENT

REFINANCING INCOME IN THE INTEREST INCOME ITEM

The Bank did not exercise this option in either the financial year or the previous year.

BREAKDOWN OF INCOME FROM TRADING OPERATIONS

(in CHF thousand)	Financial year	Previous year
Foreign exchange business	2'834	2'976
Derivative transactions	17	-20
Total income from trading operations	2'851	2'956

BREAKDOWN OF OTHER ORDINARY INCOME

(in CHF thousand)	Financial year	Previous year
Income from real estate	-	-
Other ordinary income	130	648
Total of other ordinary income	130	648

BREAKDOWN OF PERSONNEL EXPENSES

(in CHF thousand)	Financial year	Previous year
Wages and salaries	11'159	10'697
Social security contributions and expenses for pensions and other benefits	2'103	1'773
- of which for pension contributions	1'877	1'552
Other personnel expenses	685	540
Total personnel expenses	13'947	13'010

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS/ EXECUTIVE MANAGEMENT

(in CHF thousand)	Financial year	Previous year
Remuneration of the Executive Management	2'074	3'995
Remuneration of the Board of Directors	269	301

BREAKDOWN OF GENERAL AND ADMINISTRATIVE EXPENSES

(in CHF thousand)	Financial year	Previous year
Office space expenses	808	641
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	4'539	3'445
Other general and administrative expenses	5'942	4'328
Total general and administrative expenses	11'289	8'415

STATING THE RETURN ON INVESTMENT

(in CHF thousand)	Financial year	Previous year
	0.86 %	1.30 %

Calculated as the ratio of net profit/loss for the year in accordance with Art. 24c para. 1 no. 22 Banking Ordinance (BankV) and total assets.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS 2024 TO THE GENERAL MEETING

Opinion

We have audited the financial statements of SIGMA Bank AG (Company), which comprise the balance sheet as at 31 December 2024, the income statement and the cash flow statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting principles.

In our opinion, the financial statements (pages 60 to 89) give a true and fair view of the financial position of the Company as at 31 December 2024 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

RECOVERABILITY OF AMOUNTS DUE FROM CUSTOMERS

Key audit matters are those matters that, in our professional judgement, 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.

RECOVERABILITY OF AMOUNTS DUE FROM CUSTOMERS

Key Audit Matter

As of 31 December 2024, the Bank reports amounts due from customers of CHF 252.1 million, representing 29.7% of total assets, and value adjustments for credit risks of CHF 2.4 million.

Amounts due from customers are valued at amortized cost, taking into account any value adjustments. Value adjustments for credit risks are determined by applying judgement and assumptions. This applies particularly to the creation of individual value adjustments for loans at risk of default.

Due to the existence of considerable scope for judgement in the method of calculating and measuring any need for value adjustments and the high amount of the balance sheet position, we consider the recoverability of amounts due from customers to be a key audit matter.

Our Response

Our audit procedures included the verification of key controls relating to the approval, recording and monitoring of amounts due from customers. In this regard, we performed effectiveness tests of key controls on a sample basis.

For a sample of loans with specific allowances, we assessed the appropriateness of the value adjustments recognized by the bank.

We also examined a sample of loans that were not classified by the bank as potentially at risk of default and assessed whether there was a need for value adjustments taking into account the collateral.

Finally, we verified the complete and correct disclosure of the information in the notes to the consolidated financial statements in connection with the amounts due from customers.

For further information on amounts due from customers, refer to the following pages in the notes to the financial statements:

- Pages 67 to 68: Accounting and valuation principles
- Page 72: Overview of the collateral and Impaired loans
- Page 75: Value adjustments and provisions

Other Information

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, the stand-alone 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 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 judgement and maintain professional scepticism 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 and the Audit and Risk Committee 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 and the Audit and Risk Committee, we determine those matters that were of most significance in the audit of the 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 April 2024. We have been the statutory auditor of the Company without interruption since the financial year ending 31 December 2019.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Audit Committee 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 Article 37ff Banking Act
- Tax consulting according to Article 46 Act on Auditors

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

Further Confirmations pursuant to Article 196 PGR

The annual report (page 57 to 58) 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 profit comply with Liechtenstein law and the articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG (Liechtenstein) AG

Ricarda Gassner
Chartered Accountant
Auditor in Charge

Philipp Gämperle
Swiss Certified Accountant

Vaduz, 15 April 2025

