



Investor Compensation Fund

Annual Report 2024



CONTENTS

I. OPENING REMARKS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS.....	2
II. BASIC INFORMATION ABOUT THE FUND	3
III. SCOPE OF ACTIVITIES	3
IV. FUND ACTIVITIES.....	4
V. STATUTES OF THE FUND	5
VI. SECURITIES DEALERS IN 2024.....	5
VII. CONTRIBUTIONS FROM SECURITIES DEALERS AND INVESTMENT COMPANIES	9
VIII. FUND INCOME	12
IX. ACTIVITIES OF THE FUND IN 2024.....	12
X. FUND BUDGET FOR 2024	19
XI. FUND BUDGET FOR 2025	19
XII. FINANCIAL STATEMENTS 2024.....	19
XIII. REPORT FROM THE INDEPENDENT AUDITOR ON THE VERIFICATION OF THE FINANCIAL STATEMENTS	
20	



I. OPENING REMARKS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

INTRODUCTORY REMARKS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS FOR 2024

The year 2024 was a period of strong growth in capital markets, supported by technological innovations, particularly in the field of artificial intelligence, and favorable financial policies of central banks.

The main geopolitical factors were the ongoing conflicts in Ukraine and Gaza, as well as the US elections. Stock markets responded to Donald Trump's victory with continued growth at the end of 2024.

The bond market was marked by a gradual reduction in interest rates by central banks. The CNB's monetary policy easing was also reflected in declining yields on the Fund's bank deposits.

The fund continued to invest most of its funds in the capital market through three selected asset managers.

In 2024, several milestones were achieved in the financing of the Fund:

- ✓ In January 2024, the Fund repaid the final installment of repayable financial assistance to the Ministry of Finance.
- ✓ Contributions from securities dealers in March 2024 reached CZK 400.1 million, reflecting growth in the volume of investment services on the Czech capital market.
- ✓ The volume of reserves exceeded the total amount of compensation in the eleven cases of bankrupt traders to date.

The Fund's successful action in the dispute over the costs of legal proceedings in the KTP Quantum, a.s. case was confirmed by a final court ruling that the Fund is not obliged to pay any costs of legal proceedings.

The Fund continued to digitize its processes, particularly the most important part, i.e., the compensation payment process. The Ministry of Finance approved the Fund's new Statutes and an amendment to the Rules of Procedure of the Administrative Board was prepared.

The fund was and remains fully equipped and prepared to fulfill its mission in terms of personnel, expertise, and finances.



Ing. Jan Poulík
Chairman of the Board of Directors
Investor Compensation Fund



II. BASIC INFORMATION ABOUT THE FUND

Name:	Garanční fond obchodníků s cennými papíry (Investor Compensation Fund)
Legal Status:	Fund established by Act No. 591/1992 Coll., on securities, pursuant to Section 81, currently amended by Act No. 256/2004 Coll., on business activities in the capital market
IČ:	26715287
Establishment of the Fund:	1 January 2001

III. SCOPE OF ACTIVITIES

The Investor Compensation Fund (the "Fund") is a legal entity that provides a guarantee system from which compensation is paid to customers of securities dealers who are unable to meet their obligations to their customers.

Statutory Body: The Board of Directors appointed by the Minister of Finance

Composition of the Board of Directors of the Fund in 2024:

Chairman:

Ing. Jan Poulík

Vice-Chairman:

Mgr. Petr Krutiš

Members:

Ing. Petr Špaček, CSc.

Ing. Dušan Hradil

Ing. Richard Siuda

Managing Director:

JUDr. Jiří Korb, MBA

Other Information:

Bank Information:	Česká spořitelna, a.s., Praha
Auditor:	BDO Audit, s.r.o.
Headquarters:	Praha 1, Politických Vězňů č. p. 912/10
Telephone:	222 192 700
E-mail:	fond@gfocp.cz
Website:	www.gfo.cz
Data Box:	wcp7pxi



IV. FUND ACTIVITIES

The Fund was established pursuant to Act No. 591/1992 Coll., on Securities. Currently, the principles of the Fund's activities and scope of authority are governed by Act No. 256/2004 Coll., on Capital Market Undertakings, as amended (hereinafter referred to as the "CMU"). The Fund's task is to pay compensation to customers of securities dealers who are unable to meet their obligations to their customers. The Fund is neither a state fund nor an administrative body.

The Fund's activities are determined by the ZPKT and, in more detail, by the Fund's statutes as follows:

- Based on a notification from the CNB made in accordance with the ZPKT or a decision by the relevant court, the Fund provides compensation under the conditions set out in the ZPKT to customers of a securities dealer who, for reasons directly related to their financial situation, is unable to meet their obligations to their customers under the statutory and contractual conditions;
- collects the Fund's defined assets, repays any repayable financial assistance and loans, and invests the Fund's funds in a secure manner;
- fulfills the information obligations set out in the ZPKT;
- enters into the customers' rights to performance against the trader in an amount equal to the compensation paid and exercises these rights.

The Fund is managed by a five-member Board of Directors. The Chairman, Vice-Chairman, and other members of the Board of Directors are appointed and dismissed by the Minister of Finance. Members of the Fund's Board of Directors are appointed for a term of five years, which may be renewed. At least one member is appointed from among the employees of the CNB, upon the proposal of the CNB Bank Board. At least two members are appointed from among the members of the board of directors

or employees of securities dealers. In 2024, the Fund operated in accordance with the budget approved by the Ministry of Finance of the Czech Republic. The Fund prepares its budget in a transparent manner and publishes it in accordance with Section 5(2) of Act No. 23/2017 Coll. on budgetary responsibility, as amended. The Fund keeps its accounts in accordance with Act No. 563/1991 Coll., on Accounting, and Decree No. 504/2002 Coll., implementing certain provisions of the Accounting Act.

Other financial and non-financial information:

- Events that occurred after the balance sheet date and are significant for the purpose of the annual report are included in the text appendix to the financial statements, which forms part of the Fund's Annual Report.
- The expected development of the Fund's activities is determined by the ZPKT and remains stable.
- The fund does not engage in any research and development activities.
- The fund is not a joint-stock company and does not own any shares or stakes.
- The fund does not engage in any activities related to environmental protection.
- The fund complies with all labor regulations.
- The fund has no branch or part of its business abroad.



V. STATUTES OF THE FUND

The Statutes of the Fund were adopted on 29 October 2001, amended on 31 May 2011, 18 December 2015, and are deposited in the Collection of Deeds kept by the Municipal Court in Prague, file number A 47249.

VI. SECURITIES DEALERS IN 2024

At the end of 2024, there were a total of 43 domestic entities operating in the Czech Republic with a securities dealer license, of which 13 were banks and 30 were non-banks. The number of banking entities remained unchanged, but Max banka, a.s. merged with Banka CREDITAS a.s., with Banka CREDITAS a.s. becoming the successor company.

During the year, the CNB granted securities dealer licenses to two non-banking companies, IN Equity Czech Republic, o.c.p., a.s. and Partners Securities, a.s. None of the securities dealers ceased operations.

Fifteen investment companies also held securities dealer licenses and performed customer asset management activities pursuant to Section 11(1) of Act No. 240/2013 Coll., on Investment Companies and Investment Funds (ZISIF).

Nineteen tied agents of foreign securities dealers and 13 foreign banks with securities dealer licenses were authorized to provide cross-border investment services.

Effective January 1, 2024, the CNB began publishing a publicly accessible list of providers of long-term investment products (DIPs). At the end of 2024, there were 30 domestic institutions providing DIPs on the market, 10 of which were licensed securities dealers.

The total value of guaranteed assets of securities traders' customers within the legal limit of EUR 20,000 and 90% of the value of the customer's assets reached CZK 411.7 billion as of December 31, 2024 (in 2023, the amount reached CZK 355.1 billion).

Chart 1 Structure of Securities Dealers

(Source: CNB, Basic lists of entities as of December 31, 2024)

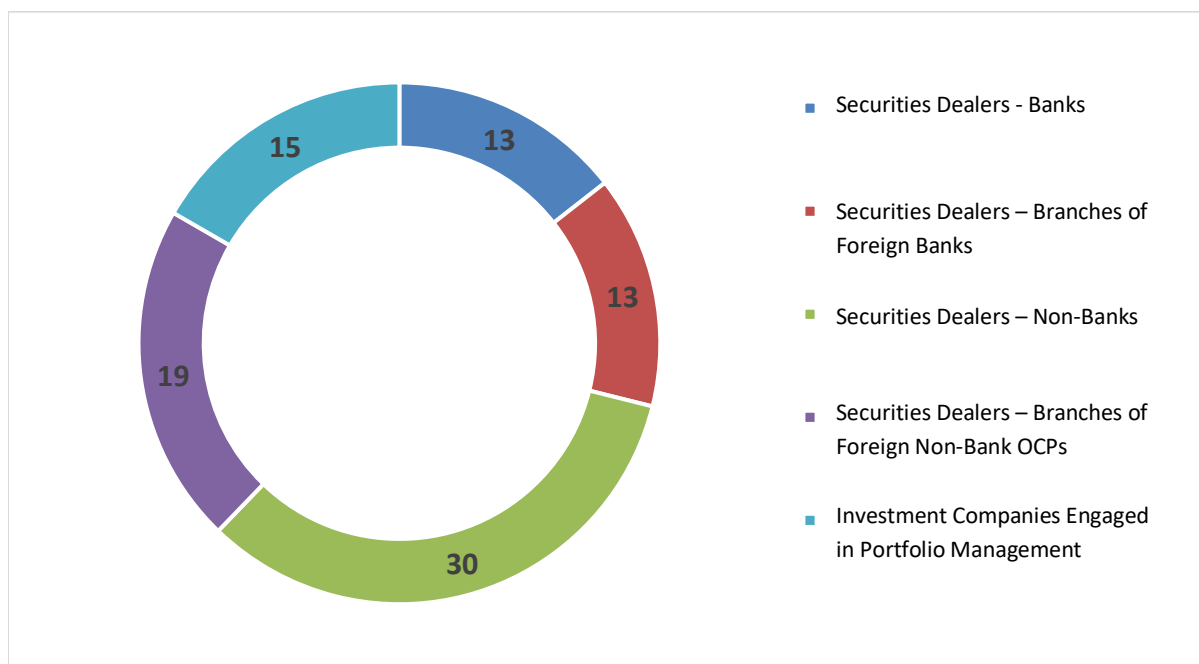




Table 1 Entities licensed as securities dealers

(Source: CNB, Total overview of the number of entities as of December 31, 2024)

Securities Dealers - Banks

1. Air Bank, a.s.
2. Banka CREDITAS - nová
3. Česká exportní banka, a.s.
4. Česká spořitelna, a.s.
5. Československá obchodní banka, a.s.
6. FIO banka, a.s.
7. J&T BANKA, a.s.
8. Komerční banka, a.s.
9. MONETA Money Bank, a.s.
10. Národní rozvojová banka, a.s.
11. PPF banka, a.s.
12. Raiffeisenbank, a.s.
13. UniCredit Bank Czech Republic and Slovakia, a.s.

Securities Dealers – Non-Banks

1. Accredio, a.s.
2. Aisa International, s. r. o.
3. AKCENTA CZ, a.s.
4. Amundi Czech Republic Asset Management, a.s.
5. ATLANTA SAFE, a.s.
6. ATLANTIK finanční trhy, a.s.
7. BH Securities, a.s.
8. Citfin – Finanční trhy, a.s.
9. Cleverest, a.s.
10. Colosseum, a.s.
11. Conseq Investment Management, a.s.
12. CYRRUS, a.s.
13. CYRRUS CORPORATE FINANCE, a.s.
14. CYRRUS CORPORATE SOLUTIONS, s.r.o.
15. EFEKTA obchodník s cennými papíry, a.s.
16. Fichtner, a.s.
17. Fondée, s.r.o.
18. IN Equity Czech Republic, o.c.p., a.s.
19. KK INVESTMENT PARTNERS, a.s.
20. Moventum, a.s.
21. Next Wealth, s.r.o.
22. Partners Securities, a.s.
23. Patria Finance, a.s.
24. ROKLEN360, a.s.
25. RSJ Custody, s.r.o.
26. RSJ Securities, a.s.
27. RUBIKONFIN, a.s.
28. Wood & Company Financial Services, a.s.
29. Wood Retail Investments, a.s.
30. 42 Financial Services, a.s.



Securities Dealers - Branches of Foreign Banks

1. Bank Gutmann Aktiengesellschaft, pobočka Česká republika
2. BNP Paribas S.A., pobočka Česká republika
3. Citibank Europe plc, organizační složka
4. COMMERZBANK Aktiengesellschaft, pobočka Praha
5. Deutsche Bank Aktiengesellschaft Filiale Prag, organizační složka
6. HSBC Continental Europe, Czech Republic
7. ING Bank N.V.
8. mBank S.A., organizační složka
9. Oberbank AG, pobočka Česká republika
10. PARTNER BANK AKTIENGESELLSCHAFT, odštěpný závod
11. Privatbanka, a.s., pobočka Česká republika
12. Saxo Bank A/S, organizační složka
13. Všeobecná úverová banka, a.s., pobočka Praha

Securities Dealers – Branches of Foreign Non-Bank OCPs

1. ALB Limited – Czechia Branch
2. CAPITAL MARKETS, o.c.p., a. s., odštěpný závod
3. Convera Europe Financial S.A., odštěpný závod
4. Finax, o.c.p., a.s., pobočka
5. GMG Europe B.V., odštěpný závod
6. HABERL Wealth Management o.c.p., a.s., odštěpný závod
7. IN Equity Slovakia, o.c.p., a.s., odštěpný závod
8. Instant Trading EU Ltd., odštěpný závod
9. JRC Capital Management Research & Consultancy GmbH, pobočka
10. Key Way Investments Ltd – Czech Republic
11. L.F. INVESTMENT LIMITED, pobočka
12. Lynx B.V., organizační složka
13. Mercurius Pro o.c.p., a.s., odštěpný závod
14. Plus500CY Limited, odštěpný závod
15. ROBOMARKETS LTD, pobočka
16. SAB o.c.p., odštěpný závod
17. WONDERINTEREST TRADING LTD, pobočka
18. XTB Czech Republic
19. XTB S.A. organizační složka

Securities Dealers – Domestic Providers of Long-Term Investment Products (DIP)

1. Amundi Czech Republic Asset Management, a.s.
2. Colosseum, a.s.
3. Conseq Investment Management, a.s.
4. CYRRUS, a.s.
5. EFEKTA obchodník s cennými papíry a.s.
6. Fondée a.s.
7. IN Equity Czech Republic, o.c.p., a.s.
8. KK INVESTMENT PARTNERS, a.s.



- 9. Patria Finance, a.s.
- 10. WOOD Retail Investments a.s.

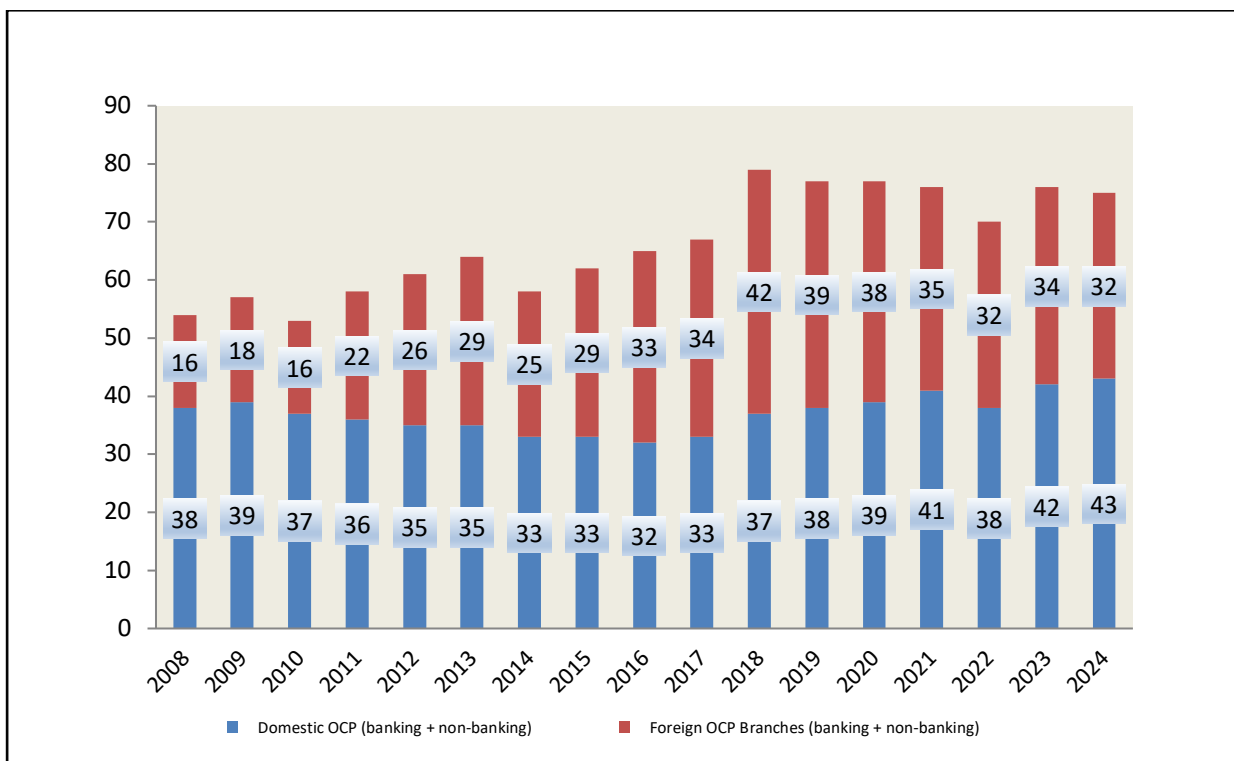
Investment Companies Engaged in Portfolio Management

- 1. AMISTA investiční společnost, a.s.
- 2. CARDUSS Asset Management, investiční společnost, a.s.
- 3. ČSOB Asset Management, a.s., investiční společnost
- 4. EMUN PARTNERS investiční společnost, a.s.
- 5. EnCor Asset Management, GmbH, pobočka Česká republika
- 6. Erste Asset Management GmbH, pobočka Česká republika
- 7. Generali Investments CEE, investiční společnost, a.s.
- 8. Goldman Sachs Asset Management B.V., Czech Branch
- 9. INVESTIKA, investiční společnost, a.s.
- 10. MONECO investiční společnost, a.s.
- 11. NWD investiční společnost, a.s.
- 12. Partners investiční společnost, a.s.
- 13. UNIQA investiční společnost, a.s.
- 14. Wood & Company investiční společnost, a.s.
- 15. ZFP Investment, investiční společnost, a.s.



Chart 2 Development of the number of securities dealers

(Source: Investor Compensation Fund)



VII. CONTRIBUTIONS FROM SECURITIES DEALERS AND INVESTMENT COMPANIES

All securities dealers based in the Czech Republic who are authorized to provide investment services are required to participate in the guarantee scheme secured by the Fund. An exception is made for foreign entities providing investment services in the Czech Republic on the basis of a single license, provided they are participants in a guarantee scheme in another EU member state. Contributions to the Fund are also mandatory for investment companies pursuant to Section 132a of the Capital Markets Act that manage customer assets and hold and administer customer investment instruments, with the exception of accounts maintained by a central depository or a foreign central depository.

Payment of contributions to the Fund is governed by the provisions of Section 129 of the ZPKT. Securities dealers were required to pay a contribution for the previous year amounting to 2% of the volume of fees and commissions received for investment services provided by March 31, 2025. The annual contribution amounts to at least CZK 10,000. In accordance with the law, the Fund publishes on its website the amount of contributions paid by individual dealers for the relevant calendar year. An overview of contributions received for 2024 is provided in the following table.



Table 2 Contributions to the Fund received in 2024 (CZK)

(Source: Investor Compensation Fund)

OCP	IČ	Contributions for 2024 Amount Paid
1. Air Bank, a.s.	29045371	339 628,56
2. Akcenta cz, a.s.	25163680	10 000,00
3. Amista, investiční společnost, a.s.	27437558	10 000,00
4. Amundi Czech Republic Asset Management, a.s.	25684558	26 893 545,03
5. ATLANTA SAFE, a.s.	45794952	473 354,50
6. ATLANTIK finanční trhy, a.s.	26218062	10 000,00
7. Banka CREDITAS, a.s.	63492555	2 880 130,00
8. BH Securities, a.s.	60192941	1 872 438,52
9. Carduus AM, IS, a.s.	41113721	10 000,00
10. Citfin - Finanční trhy, a.s.	25079069	10 000,00
11. Cleverest, a.s.	21055009	10 000,00
12. Colosseum, a.s.	25133454	3 362 332,76
13. Conseq Investment Management, a.s.	26442671	35 477 673,36
14. CYRRUS, a.s.	63907020	4 873 552,36
15. CYRRUS CORPORATE FINANCE, a.s.	27758419	61 994,39
16. CYRRUS CORPORATE SOLUTIONS, s.r.o.	7911084	10 000,00
17. Česká exportní banka, a.s.	63078333	10 000,00
18. Česká spořitelna, a.s.	45244782	56 197 568,72
19. Československá obchodní banka, a.s.	1350	52 539 853,35
20. ČSOB Asset Management, a.s., investiční společnost	25677888	4 516 753,53
21. EFEKTA obchodník s cennými papíry, a.s.	60717068	6 207 110,00
22. Emun Partners INV	28495349	567 386,00
23. Encor Asset Management	10891498	223 305,00
24. Fio banka, a.s.	61858374	3 710 099,48
25. Fondée, s.r.o.	6691862	202 445,00
26. Generali Investments CEE, investiční společnost, a.s.	43873766	7 003 127,99
27. IN Equity Czech Republic, o.c.p., a.s.	21862516	10 000,00
28. INVESTIKA, investiční společnost, a.s.	4158911	10 000,00
29. J&T BANKA, a.s.	47115378	39 487 468,37
30. KK Investment Partners, a.s.	25102869	1 004 983,00
31. Komerční banka, a.s.	45317054	38 006 825,63
32. MONECO, investiční společnost, a.s.	9052984	494 513,07
33. MONETA Money Bank, a.s.	25672720	14 766 910,00
34. Národní rozvojová banka, a.s. (dříve ČMZRB, a.s.)	44848943	10 000,00
35. NWD, investiční společnost	7366809	10 000,00
36. Partners investiční společnost, a.s.	24716006	62 668,84
37. Partners securities, a.s.	19926685	10 000,00
38. Patria Finance, a.s.	26455064	14 272 985,00
39. PPF banka, a.s.	47116129	1 890 840,00
40. Raiffeisenbank, a.s.	49240901	12 520 182,00
41. Roklen360, a.s.	60732075	29 591,45
42. RSJ Custody, s.r.o.	2603900	10 000,00
43. RSJ Securities, a.s.	884855	17 600 464,00

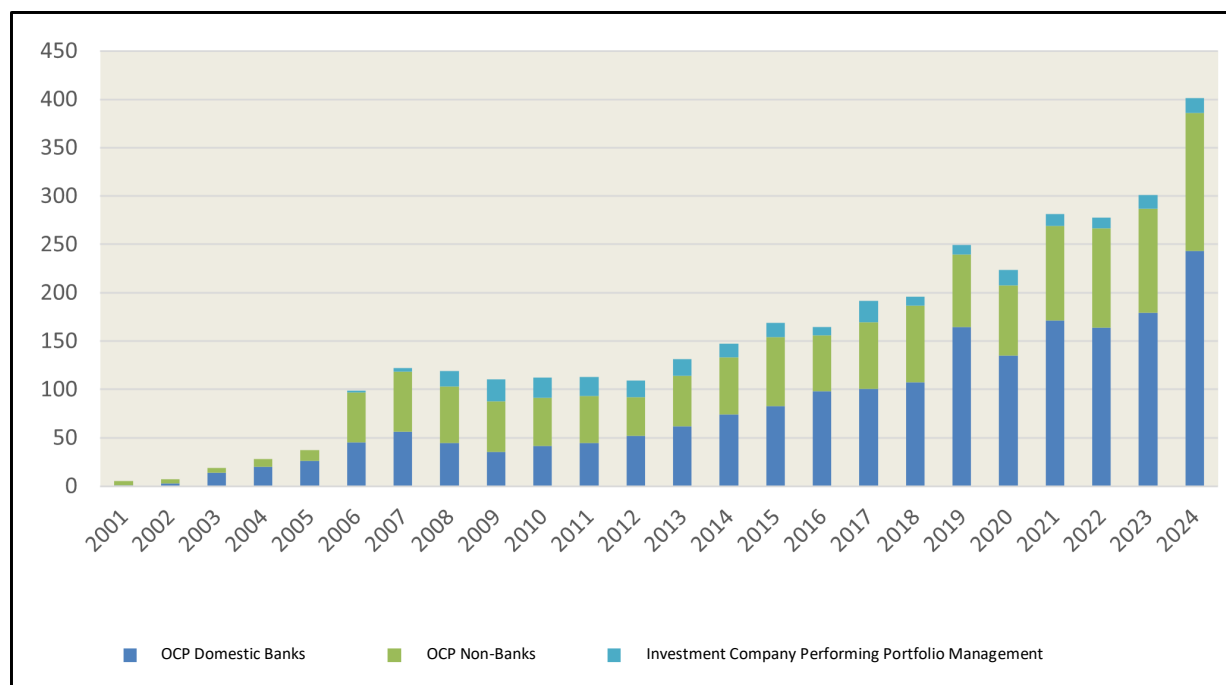


Investor Compensation Fund

OCP	IČ	Contributions for 2024 Amount Paid
44. Rubikonfin, a.s.	3411770	509 116,00
45. UniCredit Bank Czech Republic and Slovakia, a.s.	64948242	20 500 314,71
46. UNIQA investiční společnost, a.s.	64579018	1 188 946,00
47. WOOD & Company Financial Services, a.s.	26503808	21 424 596,10
48. WOOD & Company investiční společnost, a.s.	60192445	388 527,13
49. WOOD Retail Investments, a.s.	17818834	8 412 528,36
TOTAL		400 103 758,21

Chart 3 Structure of contributions from securities dealers (CZK million)

(Source: Investor Compensation Fund)





VIII. FUND INCOME

The Fund's income depends primarily on revenues from fees and commissions collected by entities licensed as securities dealers. In 2024, the Fund received a record amount of CZK 400.1 million in contributions, collected in 2025, which represents an increase of almost CZK 100 million, or 33%, compared to 2023 (CZK 301.0 million).

Another source of income is the return on the Fund's investments. Total interest income amounted to CZK 67.3 million. Of this, income in the form of credit interest recorded on asset management portfolios amounted to CZK 47 million (compared to CZK 42.9 million in 2023). Interest income from bank accounts amounted to CZK 20.3 million (compared to CZK 28.9 million in 2023).

The Fund did not collect any income from bankruptcy proceedings in 2024.

According to the ZPKT, the Fund's secondary income consists of fines imposed on securities traders and investment companies for violating provisions relating to the management of client assets. The amount of fines imposed by the CNB that the Fund received in 2024 reached CZK 1.9 million (compared to CZK 2.9 million in 2023). The Fund also collected receivables from legal disputes in the amount of CZK 8,000.

Revenues from portfolio revaluation in 2024 amounted to CZK 76 million. This represents the recorded appreciation of assets held by asset managers, which has not yet been realized.

The Fund's total revenues amounted to CZK 469.3 million, and we also recorded unrealized gains on assets held by asset managers.

IX. ACTIVITIES OF THE FUND IN 2024

a) Administrative Activities

The Fund's organizational structure and staffing are stable, with administrative activities handled by four employees. Accounting, legal,

programming, and some support work is provided by external contractors.

b) Legal Disputes

The Fund is currently involved in only one legal dispute. In another dispute, it is an intervening party on the plaintiff's side.

The dispute over the determination of claims in the bankruptcy proceedings concerning the assets of KTP Quantum, a.s. has been pending before the Regional Court in Hradec Králové since 2005. The court has already ruled on this matter three times, but all judgments have been overturned by the appellate court. In November 2023, attorney J. Kalvoda, who represented the vast majority of the defendants, withdrew the denial of the Fund's claims on their behalf. The Fund then withdrew its lawsuit against these defendants in 2024, and the court discontinued the proceedings against them. The court awarded the defendants against whom the proceedings were discontinued total compensation for costs of over CZK 24 million, but the High Court in Prague changed this decision on the basis of an appeal by the Fund, ruling that none of the parties was entitled to compensation for costs. This eliminated the risk mentioned in previous years' financial statements that the costs could reach high amounts.

Over 3,000 defendants remain in the dispute. These are the heirs of the original defendants represented by attorneys J. Kalvoda and JUDr. Mikš. The heirs are not represented. At the subsequent hearing, the court announced that it must wait for all ongoing inheritance proceedings to be completed before it can decide on the matter. The dispute is therefore not expected to be resolved even in 2025. Given the previous decision of the High Court in Prague on the costs of the proceedings, there is no concern that the Fund could incur further costs in connection with the dispute.

The Fund is an intervening party in appeal proceedings filed by the bankruptcy trustee of Private Investors, a.s. The dispute concerns the



release of customer assets from the bankruptcy estate, which was filed by one of the customers of Private Investors, a.s. for the amount of CZK 2 million. This dispute has been ongoing since 2010. The appeal was filed in August 2022, and in April 2025, the Supreme Court upheld the appeal, overturned the original judgment, and returned the case to the appellate court. The outcome of this dispute will affect the proceeds from the bankruptcy, which will accrue to the Fund upon its completion (see below). It is unlikely that the Fund will have to pay any costs in connection with this dispute.

c) Bankruptcy Proceedings

Bankruptcy proceedings concerning the assets of KTP Quantum a.s.

This bankruptcy proceeding has been ongoing since 2002. The liquidation of the bankruptcy estate is practically complete. The conclusion of the bankruptcy proceedings is being prevented by a dispute over the Fund's claims that has not yet been resolved (see above). The Fund has filed a claim in the bankruptcy proceedings in the amount of CZK 1,423 million. In 2022, based on an agreement with the bankruptcy trustee approved by the bankruptcy court, the Fund was issued its share of the retained customer assets in the amount of CZK 101.5 million. The bankruptcy estate currently amounts to approximately CZK 120 million. After the payment of first-class claims and the administrator's remuneration, the Fund can expect to receive approximately CZK 30 million from the distribution of the estate.

Another opportunity to obtain funds has recently arisen in connection with the bankruptcy proceedings concerning the assets of Médeia Bohemia a.s. The sole owner of the shares in this company was KTP Quantum, a.s., which entered into bankruptcy shortly after KTP Quantum, a.s. was declared bankrupt. The bankruptcy of Médeia Bohemia is practically complete, and given its outcome, it is likely that all registered bankruptcy claims will be satisfied and that some of the funds could also go to shareholders. Of the total number of approximately 1.1 million shares, 726,293 shares were issued to the Fund during the

settlement of customer assets in 2022, with the remaining shares remaining in the bankruptcy estate. The Fund could obtain funds both as a shareholder and as a share in the funds issued to the bankruptcy estate of KTP Quantum, a.s. According to the bankruptcy trustee, the liquidation balance of Médeia Bohemia is approximately CZK 5 million. The Fund's share could amount to approximately CZK 1 to 3 million, depending on the costs of liquidation.

Bankruptcy proceedings against the assets of Private Investors, a.s.

The bankruptcy proceedings have been ongoing since 2001. At present, their conclusion is being delayed by the fact that CZK 5 million of the bankruptcy estate's funds were deposited with Sberbank a.s., which is also in bankruptcy. Compensation from the Deposit Insurance Fund (approximately CZK 2 million) was paid directly to certain bankruptcy creditors instead of to the bankruptcy estate, and the remaining portion is still under discussion. Only a small portion of the proceeds from the sale of the estate was deposited with Sberbank, most of it having already been distributed among creditors on the basis of a partial distribution schedule. Before the bankruptcy proceedings can be terminated, several procedural issues will have to be resolved, in particular the overpayment of the administrator's remuneration and the reduction of creditors' claims paid by the Deposit Insurance Fund. It is also necessary to wait for the Supreme Court's decision on the appeal concerning the release of customer assets. If the Supreme Court rejects the appeal, there will be virtually no funds left in the bankruptcy proceedings to distribute among creditors. If the dispute over the release of assets ends in favor of the bankruptcy administrator, the Fund's yield, which holds about one-third of Class II claims, could be around CZK 1 million.

Bankruptcy proceedings concerning the assets of Key Investments, a.s.

The Fund is only formally involved in this bankruptcy proceeding. None of Key Investments, a.s.'s customers have filed for compensation from the Fund, so the Fund only has the status of a creditor with a conditional



claim in the bankruptcy proceeding, which is not taken into account in the distribution of assets. Therefore, no proceeds from the bankruptcy proceeding can be expected.

Potential future disputes

The Fund does not anticipate any further litigation or bankruptcies in the future. The last bankruptcy of a securities dealer was in 2016, and all outstanding claims for compensation from the Fund are now time-barred. Disputes over compensation are therefore no longer relevant. The Fund has no information that another dealer is at risk of bankruptcy.

Receivables arising from compensation paid by the Fund and unpaid contributions are recorded in accordance with accounting methods pursuant to the Accounting Act and Decree No. 504/2002 Coll.

d) Legislation

Since May 1, 2004, the Fund's activities have been governed by the provisions of the ZPKT.

In 2024, several significant reforms were introduced in the area of financial market legislation. Among the most important is the adoption of Act No. 462/2023 Coll., effective from January 1, 2024, which amends certain laws in connection with the development of the financial market and support for old age. The main change is the introduction of a tax-supported long-term investment product (DIP).

Furthermore, a draft law on digital finance was approved in 2024, aimed at implementing European regulations in the area of digital financial regulation—specifically, the Digital Operational Resilience Act (DORA) and the Markets in Crypto-Assets (MiCA) regulation. This bill was subsequently adopted as Act No. 31/2025 Coll., the Act on the Implementation of EU Regulations in the Area of Financial Market Digitalization, and entered into force on February 15, 2025.

In March 2024, Regulation (EU) 2024/791 was published, amending the Markets in Financial

Instruments Regulation (MiFIR), which was proposed by the EC in November 2021 as part of the EU action plan package to strengthen the capital markets union. The main objective is to increase the transparency of trading-related data, remove barriers to the creation of a consolidated trade information service, optimize trading obligations, and prohibit the acceptance of payments for order flow.

Last but not least, in November 2024, the rules arising from the EMIR Regulation were revised with the aim of increasing the attractiveness and resilience of the EU clearing system by limiting excessive dependence on counterparties based outside the European Union.

In July 2024, EU Regulation 2024/1689 establishing harmonized rules for artificial intelligence (Artificial Intelligence Act) was also published.

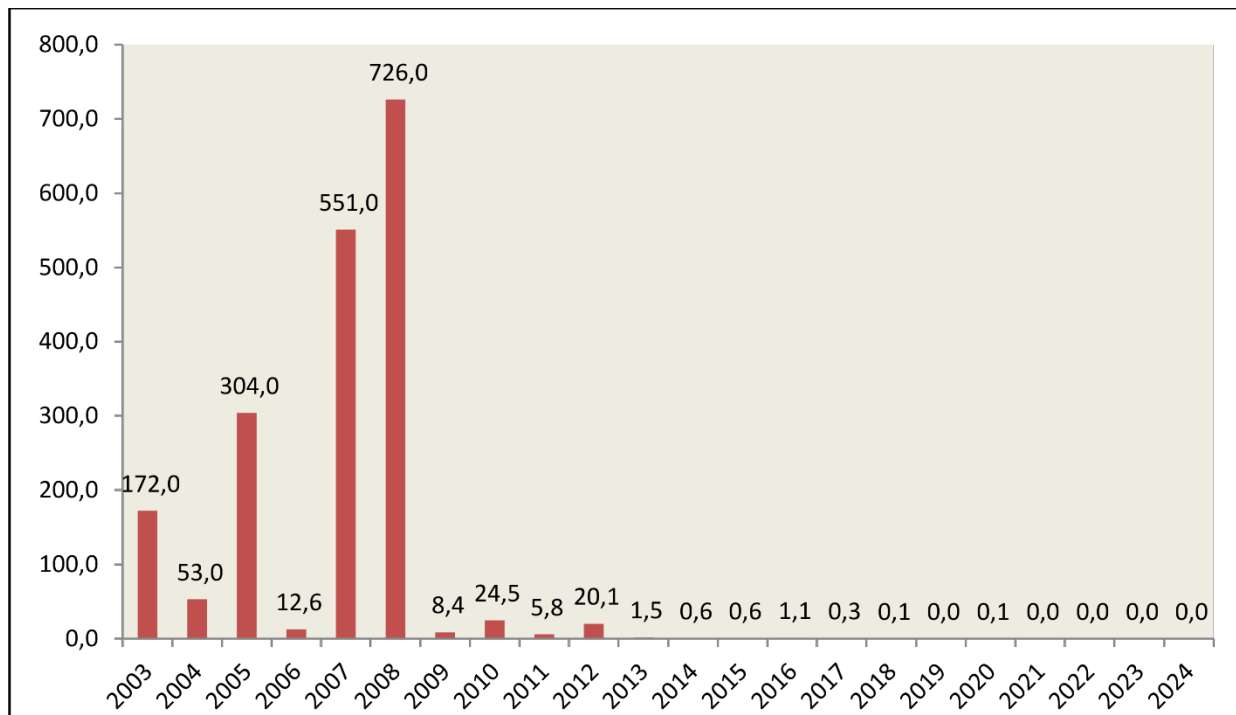
e) Payments of compensation to customers

In 2024, the Fund did not pay out any compensation.



Chart 4 Compensation Payments in Individual Years (CZK million)

(Source: Investor Compensation Fund)





f) Provision of Information and Communication

The Fund's Articles of Association, financial statements, and other documents required by law are filed in the Collection of Documents in the Commercial Register.

The Fund publishes essential information in the Commercial Gazette and on its website www.gfo.cz. The Fund cooperates with state institutions, in particular with the Czech National Bank and the Ministry of Finance of the Czech Republic. The Fund communicates with clients and representatives of the public media in the usual manner and also handles inquiries relating to the capital market in general.

g) Activities in industry associations

Since 2014, the Fund has been an associate member of the Czech Capital Market Association (AKAT), which enables it to obtain information on the situation on the financial and capital markets and related legislative initiatives. The Fund is also an associate member of the European Forum of Deposit Insurers (EFDI) and actively participates in the activities of the Investor Compensation Schemes (ICS) working group.

h) Fund Resources

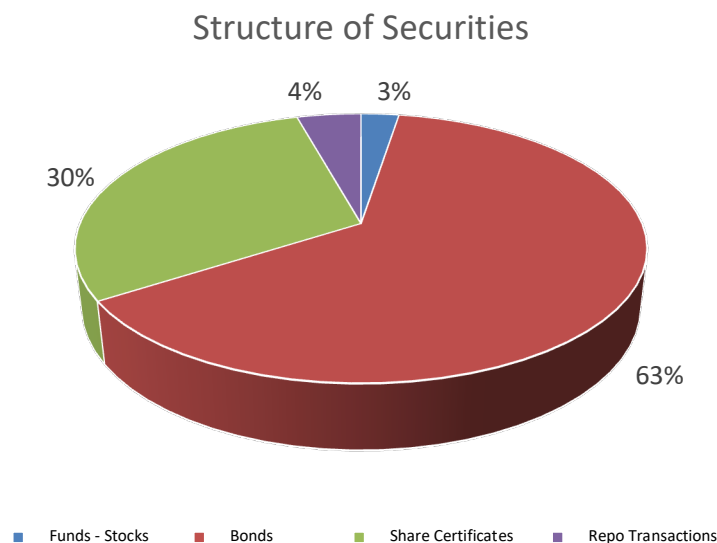
As of December 31, 2024, the total balance of the Fund's assets amounted to CZK 2,166.1 million, of which CZK 166 million was in deposit accounts and CZK 1,991.6 million was in securities held by asset management administrators.

The Fund's Board of Directors decides on how to invest available funds within the framework of the investment guidelines. According to the ZPKT, funds may only be invested in a secure manner. The Fund's funds must therefore be invested in a secure manner so as to guarantee the quality, liquidity, and profitability of the financial investments as a whole. Liquidity must be such as to ensure the payment of compensation within the time limit specified by law. The Fund's investment guidelines allow funds to be placed, under specifically defined conditions, in deposits with authorized banks, in bonds and money market instruments, in units of open-ended mutual funds denominated in Czech korunas, and a maximum of 10% of the portfolio may contain domestic or foreign shares and non-investment grade bonds.

Chart 5 Structure of Securities

(Zdroj: Fond)

Data as of 31 December 2024





i) Cases Handled by the Fund

During 2024, the Fund did not issue any announcements stating that a securities dealer

was unable to meet its obligations to return assets to customers due to its financial situation.

Table 3 Overview of selected information on cases handled by the Fund

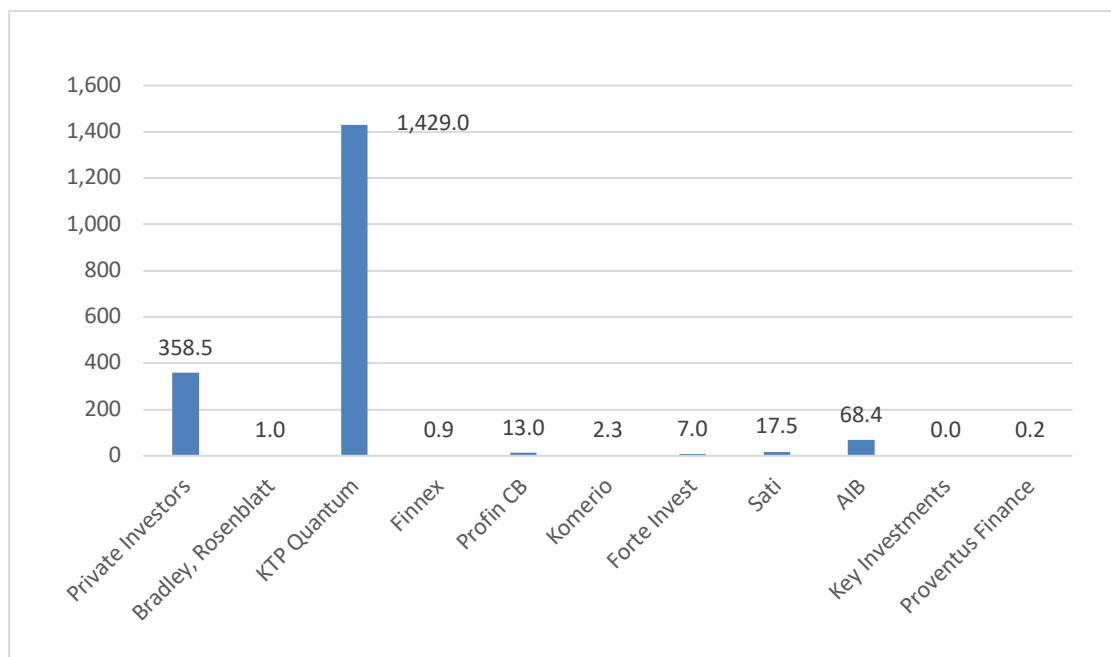
(Source: Investor Compensation Fund)

	Announcement of bankruptcy proceedings against a dealer	Announcement by the CNB (formerly the Securities Commission)	Fund Notification	Deadline for submitting applications to the Fund	Commencement of compensation payments	Number of applicants to the Fund	Recorded claim for compensation (CZK million)	Paid out (CZK million)
Private Investors, a.s.	1.6.2001	4.7.2001	4.7.2001	4.12.2001	4.8.2002	2 056	358,5	354,6
Bradley, Rosenblatt, a.s.	13.8.2001	5.9.2001	5.9.2001	5.2.2002	5.10.2002	11	1,0	1,0
KTP Quantum, a.s.	22.3.2002	21.5.2002	21.5.2002	21.10.2002	21.6.2003	19 770	1 429,0	1 418,10
Finnex Praha, s.r.o.	7.11.2001	26.8.2002	27.8.2002	27.1.2003	27.6.2003	1 629	0,9	0,9
Profin CB, s.r.o.	15.7.2002	26.8.2002	27.8.2002	27.1.2003	27.6.2003	42	13,0	12,3
Komerio, brokerský dům Konečný, a.s.	7.5.2003	-	8.10.2003	8.3.2004	8.8.2004	7	2,3	2,3
Forte Invest, a.s.	2.1.2001	-	23.12.2004	23.5.2005	23.3.2006	462	7,0	6,9
Sati, a.s.	16.2.2005	-	14.2.2005	14.7.2005	15.5.2006	213	17,5	17,2
Americas International Brokers, a.s.	1.12.2005	1.11.2005	8.11.2005	8.4.2006	23.8.2007	341	68,4	68,2
Key Investments, a.s.	23.10.2012	21.8.2012	23.8.2012	21.1.2013	-	1	0	0
Proventus Finance, a.s.	24.5.2016	27.5.2016	31.5.2016	-	14.8.2017	2	0,2	0,2



Chart 6 Total recorded claims for compensation (CZK million)

(Source: Investor Compensation Fund)





X. FUND BUDGET FOR 2024

The Fund's budget for 2024 was approved by the Czech Ministry of Finance on December 6, 2023. Based on the Fund's request, the Czech Ministry of Finance agreed to an extraordinary repayment of repayable financial assistance in the amount of CZK 115 million. The Fund thus made its final repayment in January 2024. The Ministry of Finance of the Czech Republic also approved the new wording of the Fund's statutes on December 11, 2024, according to which the Fund's budget is now approved by the Fund's Board of Directors. In 2024, the Fund did not request or receive any financial assistance or subsidies from the state.

The Fund complied with the approved budget for 2024, with the Fund's total "Operating expenses" being CZK 887,000 lower than the approved budget, mainly due to unspent funds in the items "Wage expenses" (CZK 482,000), "Social and health insurance" (CZK 139,000) and "Legal services" (CZK 226,000).

The Fund's largest revenue in 2024 came from contributions from securities traders for 2023, amounting to CZK 301.6 million. Another significant source of revenue was fines imposed by the CNB on securities traders and investment companies, which the Fund received through the Customs Administration in the amount of CZK 1.9 million.

Revenues from portfolio revaluation in 2024 amounted to CZK 76 million. This represents the recorded appreciation of assets held by asset managers, which has not yet been realized.

The Fund's total revenues amounted to CZK 469.3 million, and we also recorded unrealized gains on assets held by asset managers.

XI. FUND BUDGET FOR 2025

The Fund's budget for 2025 anticipated revenues from contributions from securities traders of CZK 327.6 million and other revenues of CZK 5.0 million. Total revenues, including the transfer of reserves of CZK 1,785.1 million, should reach CZK 2,184 million. Operating expenses amount to CZK 14.3 million, and the reserve for future cases should reach CZK 2,162.5 million. The budget is balanced, with the surplus income being used to create a reserve fund.

XII. FINANCIAL STATEMENTS 2024

The accounting methods, general accounting principles, and valuation methods used are in accordance with Act No. 563/1991 Coll., on Accounting, and Decree of the Ministry of Finance of the Czech Republic No. 504/2002 Coll., which stipulates the content of financial statements for accounting entities whose main activity is not business.



**XIII. REPORT FROM THE
INDEPENDENT AUDITOR
ON THE VERIFICATION OF
THE FINANCIAL
STATEMENTS**



Independent Auditor's Report

Board of Directors of the Investor Compensation Fund

Auditor's Statement

We have audited the attached financial statements of the accounting unit Garancní fond obchodníků s cennými papíry (Investor Compensation Fund), with its registered office at Politických vězňů čp.912 ev.č. 10, Praha, 110 00, identification number 267 15 287, (hereinafter also referred to as the accounting unit) prepared in accordance with Czech accounting regulations, consisting of the balance sheet as at 31 December 2024 and the profit and loss statement for the period from 1 January 2024 to 31 December 2024 and the notes to these financial statements, which include a summary of the significant accounting policies used and other explanatory information.

In our opinion, the financial statements give a true and fair view of the assets and liabilities of the Investor Compensation Fund as of December 31, 2024, and of its expenses, revenues, and results of operations for the period from January 1, 2024, to December 31, 2024, in accordance with Czech accounting regulations.

Basis for the statement

We conducted the audit in accordance with the Act on Auditors and the standards of the Chamber of Auditors of the Czech Republic for auditing, which are the International Standards on Auditing (ISA), supplemented and modified by related application clauses where applicable. Our responsibility under these regulations is described in more detail in the section Auditor's Responsibility for the Audit of the Financial Statements.

In accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, we are independent of the audited entities and have fulfilled other ethical obligations arising from the aforementioned regulations. In accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, we are independent of the accounting entities and have fulfilled other ethical obligations arising from these regulations. We believe that the evidence we have gathered provides a sufficient and appropriate basis for our opinion.

Other information included in the annual report

Other information is, in accordance with Section 2(b) of the Auditors Act, information presented in the annual report outside the financial statements and our auditor's report. The administrative board of the Investor Compensation Fund is responsible for other information.

Our opinion on the financial statements does not cover other information. However, as part of our audit responsibilities, we are required to read the other information and consider whether it is materially



inconsistent with the financial statements or our knowledge of the entity obtained during the audit, or otherwise appears to be materially misstated. We also evaluate whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements. We also assess whether the other information has been prepared in all material respects in accordance with applicable legal requirements. This assessment includes evaluating whether the other information complies with legal requirements for formal requirements and the process of preparing the other information in the context of materiality, i.e., whether any non-compliance with these requirements would be capable of influencing the judgment made on the basis of the other information.

Based on the procedures performed, to the extent that we are able to assess, we state that:

- other information that describes matters that are also subject to presentation in the financial statements is consistent in all material respects with the financial statements; and
- other information has been prepared in accordance with legal regulations.

We are also required to state whether, based on our knowledge and awareness of the accounting entity gained during the audit, the other information contains any material misstatements. As part of these procedures, we did not identify any material misstatements in the other information received.

Responsibility of the Board of Directors of the Investor Compensation Fund for the financial statements

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

When preparing financial statements, the board of directors of the Investor Compensation Fund is required to assess whether the accounting entity is capable of continuing as a going concern and, if relevant, to describe in the notes to the financial statements matters related to its going concern and the use of the going concern assumption in preparing the financial statements, except in cases where the board of directors plans to dissolve the accounting entity or terminate its activities, or when it has no other realistic option but to do so.

Auditor's responsibility for the audit of financial statements

Our objective is to obtain reasonable assurance that 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 it does not guarantee that an audit conducted in accordance with the above regulations will detect all material misstatements that may exist in the financial statements. 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 the financial statements.

When conducting an audit in accordance with the above regulations, it is our responsibility to exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore, it is our responsibility to:



- 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 that of not detecting a material misstatement resulting from error, because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the circumvention of internal controls.

- Become familiar with the accounting entity's internal control system relevant to the audit to the extent necessary to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control system.
- Assess the appropriateness of the accounting policies used, the reasonableness of the accounting estimates made, and the information provided in this regard by the Board of Directors of the Investor Compensation Fund in the notes to the financial statements.
- Assess the appropriateness of the use of the going concern assumption in the preparation of the financial statements by the board of directors and whether, based on the evidence gathered, there is significant uncertainty arising from events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that such significant uncertainty exists, we are required to draw attention in our report to the related disclosures in the notes to the financial statements and, if those disclosures are inadequate, to modify our opinion. Our conclusions regarding the entity's ability to continue as a going concern are based on the evidence we have obtained up to the date of our report. However, future events or conditions may cause the entity to lose its ability to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that results in a fair presentation. The auditor's responsibility is to express an opinion on the financial statements based on the audit.

Our responsibility is to report to the Board of Directors of the Investor Compensation Fund, among other things, on the planned scope and timing of the audit and on significant findings during the audit, including significant deficiencies in internal control that we identified.

In Prague on September 26, 2025

Auditing company:

Certified auditor:

BDO Audit s.r.o.

Ing. Lukáš Hendrych

Registration Number 018

Registration Number 2169